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July 25, 2025

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Re: Supply Cost Variance Deferral Account Monthly Report

Further to correspondence from the Board of Commissioners of Public Utilities accompanying Board Order No. P.U. 4(2022), please find enclosed Newfoundland and Labrador Hydro's report on the activity and balance of the Supply Cost Variance Deferral Account to the end of June 2025.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/rr/mc

Encl.

ecc:

Board of Commissioners of Public Utilities
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Board General

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Teck Resources Limited
Shawn Kinsella

Supply Cost Variance Deferral Account Report (Unaudited)

June 2025

July 25, 2025

A report to the Board of Commissioners of Public Utilities



Supply Cost Variance Deferral Account
Summary
June 30, 2025

	Supply Cost Variance Deferral Account Balance (\$) (from page 2)	Utility Balance (\$) (from page 3)	Industrial Balance (\$) (from page 4)	Total to Date (\$)
Opening Balance	554,338,269	(22,623,806)	-	531,714,463
Adjustment	-	-	-	-
Adjusted Opening Balance	554,338,269	(22,623,806)	-	531,714,463
January	589,159,074	(24,271,770)	-	564,887,304
February	181,833,391	(26,204,311)	-	155,629,080
March	266,221,473	(27,877,456)	-	238,344,017
April	325,075,069	(29,519,140)	-	295,555,929
May	368,217,548	(30,927,793)	-	337,289,755
June	421,779,613	(31,818,850)	-	389,960,763
July				
August				
September				
October				
November				
December				

Supply Cost Variance Deferral Account Report for June 2025 (Unaudited)
Page 2 of 4

Supply Cost Variance Deferral Account
Section A - Summary
June 30, 2025

	Muskat Falls Project Cost Variance		Rate Mitigation Fund ¹		Project Cost Recovery Rider		Holyrood TGS ⁵ Fuel Cost Variance		Other IIS ⁶ Supply Cost Variance		Net Revenue From Exports Variance ⁷		Transmission Tariff Revenue Variance		Load Variation			Greenhouse Gas Credit Revenue Variance			Subtotal Monthly Variances			Financing Charges ¹			Cumulative Net Balance (\$)	
	(\$)	(\$)	(\$)	(\$)	Utility ² (\$)	Industrial ⁴ (\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	Utility ⁸ (\$)	Industrial (\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)		(\$)
Opening Balance	1,565,667,129	-	(575,433,434)	(118,120,018)	(3,949,867)	(3,949,867)	(169,459,883)	(74,168,156)	(125,975,029)	(44,759,484)	71,094,076	49,633,069	(55,600,303)	518,928,100	(6,870,157)	(83,286)	42,363,612	(6,870,157)	(83,286)	42,363,612	(6,870,157)	(83,286)	42,363,612	(6,870,157)	(83,286)	42,363,612	554,338,269	
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adjusted Opening Balance	1,565,667,129	-	(575,433,434)	(118,120,018)	(3,949,867)	(3,949,867)	(169,459,883)	(74,168,156)	(125,975,029)	(44,759,484)	71,094,076	49,633,069	(55,600,303)	518,928,100	(6,870,157)	(83,286)	42,363,612	(6,870,157)	(83,286)	42,363,612	(6,870,157)	(83,286)	42,363,612	(6,870,157)	(83,286)	42,363,612	554,338,269	
January	63,252,043	-	-	(7,630,010)	(541,038)	(541,038)	(2,981,814)	(2,129,352)	(450,605)	(1,498,023)	3,546,897	1,058,632	(77,618)	32,549,112	(484,059)	(16,187)	2,771,939	(484,059)	(16,187)	2,771,939	(484,059)	(16,187)	2,771,939	(484,059)	(16,187)	2,771,939	589,159,074	
February	63,572,270	(441,000,000)	(7,843,481)	(7,843,481)	(410,521)	(410,521)	(15,854,148)	(2,835,601)	(346,785)	(1,498,127)	(4,782,917)	1,259,237	-	(409,740,073)	(515,327)	(18,404)	2,948,121	(515,327)	(18,404)	2,948,121	(515,327)	(18,404)	2,948,121	(515,327)	(18,404)	2,948,121	181,833,391	
March	88,848,280	-	-	(6,828,712)	(544,039)	(544,039)	4,902,645	(5,435,736)	(409,673)	(1,498,023)	3,730,178	1,062,312	(184,308)	83,642,924	(547,470)	(20,086)	1,312,714	(547,470)	(20,086)	1,312,714	(547,470)	(20,086)	1,312,714	(547,470)	(20,086)	1,312,714	266,221,473	
April	63,377,303	-	-	(6,060,778)	(424,524)	(424,524)	2,244,723	(558,482)	(295,801)	(1,498,023)	(386,216)	1,364,987	(576)	57,762,613	(575,454)	(22,316)	1,688,753	(575,454)	(22,316)	1,688,753	(575,454)	(22,316)	1,688,753	(575,454)	(22,316)	1,688,753	325,075,069	
May	56,707,440	-	-	(5,176,142)	(560,378)	(560,378)	(5,970,598)	(1,017,946)	(343,726)	(1,498,023)	(1,301,717)	996,754	(25,351)	41,810,313	(600,291)	(24,055)	1,956,512	(600,291)	(24,055)	1,956,512	(600,291)	(24,055)	1,956,512	(600,291)	(24,055)	1,956,512	368,217,548	
June	65,911,307	-	-	(3,538,042)	(532,034)	(532,034)	(3,120,731)	(1,165,181)	(6,019,721)	(1,498,023)	1,020,541	994,450	533	52,053,099	(621,503)	(26,352)	2,156,821	(621,503)	(26,352)	2,156,821	(621,503)	(26,352)	2,156,821	(621,503)	(26,352)	2,156,821	421,779,613	
July	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Year-to-Date	401,668,643	(441,000,000)	(441,000,000)	(37,077,165)	(3,012,534)	(3,012,534)	(40,779,923)	(13,142,298)	(7,866,311)	(8,988,242)	1,826,766	6,736,372	(287,320)	(141,922,012)	(3,344,104)	(127,400)	12,834,860	(3,344,104)	(127,400)	12,834,860	(3,344,104)	(127,400)	12,834,860	(3,344,104)	(127,400)	12,834,860	(132,556,656)	
Total	1,967,335,772	(1,016,433,434)	(1,016,433,434)	(155,197,183)	(6,962,401)	(6,962,401)	(210,239,806)	(87,310,454)	(133,841,340)	(53,747,726)	72,920,842	56,369,441	(55,887,623)	377,006,088	(10,214,261)	(210,686)	55,198,472	(10,214,261)	(210,686)	55,198,472	(10,214,261)	(210,686)	55,198,472	(10,214,261)	(210,686)	55,198,472	421,779,613	

¹ Financing charges accrued at the 2024 short-term cost of borrowing of 5.03%. In December, finance costs will be traced up to reflect the actual short-term cost of borrowing for 2025.

² As per Order in Council OC2024-062 dated May 7, 2024, Newfoundland and Labrador Hydro ("Hydro") has been directed by the Government of Newfoundland and Labrador ("Government") to use its own sources of funding to its regulated operations. The \$441.0 million includes \$90.6 million of rate mitigation funding related to the retirement of the 2023 Supply Cost Variance Deferral Account of \$271 million over the 2024 to 2026 period.

³ As per Order No. P.U. 15(2024), the Board of Commissioners of Public Utilities ("Board") approved a Project Cost Recovery Rider of 1.124 cents per kWh effective August 1, 2024.

⁴ As per Order No. P.U. 7(2025), the Board approved a Project Cost Recovery Rider of 1.384 cents per kWh that became effective as of January 1, 2025.

⁵ Holyrood Thermal Generating Station ("Holyrood TGS").

⁶ Island Interconnected System ("IIS").

⁷ As per Order No. P.U. 21(2025), the Board approved the transfer of the \$5,711,673 credit balance, as of December 31, 2023, in the Hydraulic Resources Optimization Deferral Account to the Net Revenue from Exports component within the Supply Cost Variance Deferral Account.

⁸ As per Order No. P.U. 1(2025), the Board approved a wholesale rate, effective as of January 1, 2025, to be charged to Utility of 9.698 cents per kWh for winter months of December to March and 3.354 cents per kWh for the non-winter months of April to November.

Supply Cost Variance Deferral Account
Section B: Utility Customer Balance
June 30, 2025

	Allocation Rural Rate Alteration ¹ (\$)	Financing Charges (\$)	Transfers (\$)	Cumulative Net Balance (\$) (to page 1)
Opening Balance	(21,135,737)	(1,488,069)	-	(22,623,806)
Adjustments	-	-	-	-
Adjusted Opening Balance	(21,135,737)	(1,488,069)	-	(22,623,806)
January	(1,555,251)	(92,713)	-	(24,271,770)
February	(1,833,075)	(99,466)	-	(26,204,311)
March	(1,565,759)	(107,386)	-	(27,877,456)
April	(1,527,441)	(114,243)	-	(29,519,140)
May	(1,287,683)	(120,970)	-	(30,927,793)
June	(764,314)	(126,743)	-	(31,818,850)
July			-	
August			-	
September			-	
October			-	
November			-	
December			-	
Year-to-Date	(8,533,523)	(661,521)	-	(9,195,044)
Total	(29,669,260)	(2,149,590)	-	(31,818,850)

¹ The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion that the rural deficit was allocated in the approved 2019 Cost of Service Study, which is 96.1% and 3.9%, respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

The only transactions posted to the Utility's Customer Balance are Newfoundland Power's allocation of Rural Rate Alteration and associated interest until further approval is obtained from the Board.

Supply Cost Variance Deferral Account
Section B: Industrial Customers Balance¹
June 30, 2025

	Financing Charges (\$)	Transfers (\$)	Cumulative Net Balance (\$) (to page 1)
Opening Balance	-	-	-
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July			
August			
September			
October			
November			
December			
Year-to-Date	-	-	-
Total	-	-	-

¹No transactions will be applied to this balance until further approval is obtained from the Board.