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April 27, 2026

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

Attention: Mike McNiven  
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 March 2026.

Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**

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

Encl.

ecc:

**Board of Commissioners of Public Utilities**  
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Board General

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**Newfoundland Power Inc.**  
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**Iron Ore Company of Canada**  
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**Teck Resources Limited**  
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# Supply Cost Variance Deferral Account Report (Unaudited)

April 27, 2026

A report to the Board of Commissioners of Public Utilities



**Supply Cost Variance Deferral Account  
Summary  
March 31, 2026**

	Supply Cost Variance Deferral Account Balance (\$)	Utility Balance (\$)	Industrial Balance (\$)	Total to Date (\$)
	(from page 2)	(from page 3)	(from page 4)	
Opening Balance	390,740,090	(40,366,584)	-	350,373,506
Adjustment <sup>1</sup>	-	-	(51,816)	(51,816)
<b>Adjusted Opening Balance</b>	<b>390,740,090</b>	<b>(40,366,584)</b>	<b>(51,816)</b>	<b>350,321,690</b>
January <sup>2</sup>	422,656,688	(42,965,784)	(51,958)	379,638,946
February	457,801,440	(45,034,736)	(52,101)	412,714,603
March <sup>3</sup>	143,623,434	(47,364,302)	(25,322)	96,233,810
April				
May				
June				
July				
August				
September				
October				
November				
December				

<sup>1</sup> The transfer of the December 2025 RSP Island Industrial Customers balance to the Supply Cost Variance Deferral Account was approved in Board Order No. P. U. 3(2026).

<sup>2</sup> January 2026 was updated to reflect the new terms under the Corner Brook Pulp and Paper Limited Power Purchase Agreement for purchases through June 2026.

<sup>3</sup> March activity includes transfers from the 2025 Return on Equity Rate Change Deferral Account balance for Newfoundland Power and Industrial customers as per Board Order No. P. U. 10 (2025). Please see pages three and four for additional details.

Supply Cost Variance Deferral Account Report for March 2026 (Unaudited)

Supply Cost Variance Deferral Account  
Section A - Summary  
March 31, 2026

	Project Cost Recovery Rider			Load Variation				Financing Charges <sup>1</sup>				Cumulative Net Balance (\$)					
	Muskat Falls Project Cost Variance (\$)	Rate Mitigation Fund <sup>2</sup> (\$)	Utility <sup>3</sup> (\$)	Industrial <sup>4</sup> (\$)	Holyrood TGS <sup>5</sup> Fuel Cost Variance (\$)	Other IIS <sup>7</sup> Supply Cost Variance (\$)	Net Revenue From Exports Variance (\$)	Transmission Tariff Revenue Variance (\$)	Utility (\$)	Industrial (\$)	Greenhouse Gas Credit Revenue Variance (\$)		Subtotal Monthly Variances (\$)	Utility (\$)	Industrial (\$)	Other (\$)	Transfers (\$)
Opening Balance Adjustment	2,338,935,896	(1,279,833,434)	(193,562,699)	(11,578,905)	(224,201,524)	(100,346,437)	(184,174,921)	(62,735,864)	70,930,934	60,534,000	(71,725,266)	341,641,780	(11,886,862)	(315,161)	61,300,333	-	390,740,090
<b>Adjusted Opening Balance</b>	<b>2,338,935,896</b>	<b>(1,279,833,434)</b>	<b>(193,562,699)</b>	<b>(11,578,905)</b>	<b>(224,201,524)</b>	<b>(100,346,437)</b>	<b>(184,174,921)</b>	<b>(62,735,864)</b>	<b>70,930,934</b>	<b>60,534,000</b>	<b>(71,725,266)</b>	<b>341,641,780</b>	<b>(11,886,862)</b>	<b>(315,161)</b>	<b>61,300,333</b>	<b>-</b>	<b>390,740,090</b>
January	64,905,706	-	(10,895,187)	(873,993)	(27,432,786)	6,763,877	(391,142)	(1,498,023)	(318,080)	571,850	9,959	30,842,181	(532,239)	(31,838)	1,638,494	-	422,656,688
February	64,450,247	-	(9,467,169)	(897,630)	(17,022,931)	(3,758,973)	(447,275)	(1,498,023)	2,329,128	294,899	301	33,982,574	(562,198)	(34,242)	1,758,618	-	457,801,440
March	59,811,131	(350,300,000)	(10,220,627)	(1,090,712)	(3,835,182)	(5,336,924)	(237,635)	(1,498,023)	(2,733,269)	35,203	(30,784)	(315,436,822)	(588,229)	(36,710)	1,883,755	-	143,623,434
April																	
May																	
June																	
July																	
August																	
September																	
October																	
November																	
December																	
<b>Year-to-Date</b>	<b>189,167,084</b>	<b>(350,300,000)</b>	<b>(30,582,983)</b>	<b>(2,862,335)</b>	<b>(48,290,899)</b>	<b>(2,332,020)</b>	<b>(1,076,052)</b>	<b>(4,494,069)</b>	<b>(722,221)</b>	<b>901,952</b>	<b>(20,524)</b>	<b>(250,612,067)</b>	<b>(1,682,666)</b>	<b>(102,790)</b>	<b>5,280,867</b>	<b>-</b>	<b>(247,116,656)</b>
<b>Total</b>	<b>2,527,502,980</b>	<b>(1,650,133,434)</b>	<b>(224,145,682)</b>	<b>(14,441,240)</b>	<b>(272,492,423)</b>	<b>(102,678,457)</b>	<b>(185,250,973)</b>	<b>(67,229,933)</b>	<b>70,208,713</b>	<b>61,435,952</b>	<b>(71,745,790)</b>	<b>91,029,713</b>	<b>(13,569,528)</b>	<b>(417,951)</b>	<b>66,581,200</b>	<b>-</b>	<b>143,623,434</b>

<sup>1</sup> Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% for the period January to February 2026. In December, the interest expense will be true-up to reflect the short-term interest rate for 2026.

<sup>2</sup> As per Order in Council OC2024-662 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 rate mitigation and accordingly, in March 2026, transferred \$350.3 million of funding to its regulated operations. The \$350.3 million includes \$50.6 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.

<sup>3</sup> As per Order No. P.U. 22(025), the Board of Commissioners of Public Utilities ("Board") approved a Project Cost Recovery Rider of 1.516 cents per kWh effective July 1, 2023.

<sup>4</sup> As per Order No. P.U. 3(2025), the Board approved a Project Cost Recovery Rider of 1.745 cents per kWh effective January 1, 2026.

<sup>5</sup> Holyrood Thermal Generating Station ("Holyrood TGS").

<sup>7</sup> Other IIS<sup>7</sup> Supply Cost Variance (\$).

**Supply Cost Variance Deferral Account**  
**Section B: Utility Customer Balance**  
**March 31, 2026**

	Allocation Rural Rate Alteration <sup>1</sup> (\$)	Financing Charges <sup>2</sup> (\$)	Transfers <sup>3</sup> (\$)	Cumulative Net Balance (\$)
Opening Balance	(37,866,434)	(2,500,150)	-	(40,366,584)
Adjustments	-	-	-	-
<b>Adjusted Opening Balance</b>	<b>(37,866,434)</b>	<b>(2,500,150)</b>	<b>-</b>	<b>(40,366,584)</b>
January	(2,488,204)	(110,996)	-	(42,965,784)
February	(1,950,809)	(118,143)	-	(45,034,736)
March	(2,614,154)	(123,832)	408,420	(47,364,302)
April				
May				
June				
July				
August				
September				
October				
November				
December				
<b>Year-to-Date</b>	<b>(7,053,167)</b>	<b>(352,971)</b>	<b>408,420</b>	<b>(6,997,718)</b>
<b>Total</b>	<b>(44,919,601)</b>	<b>(2,853,121)</b>	<b>408,420</b>	<b>(47,364,302)</b>

<sup>1</sup> 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.

<sup>2</sup> Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% for the period January to March 2026. In December, the interest expense will be trued up to reflect the short-term interest rate for 2026.

<sup>3</sup> The transfer of the December 2025 Return on Equity Rate Change Deferral Account balance attributable to Newfoundland Power to the Utility Customer Balance in the Supply Cost Variance Deferral Account for disposition, was approved in Board Order No. P.U. 10(2025).

**Supply Cost Variance Deferral Account**  
**Section B: Industrial Customers Balance**  
**March 31, 2026**

	Financing Charges (\$)	Transfers <sup>1,2</sup> (\$)	Cumulative Net Balance (\$) (to page 1)
Opening Balance	-	-	-
Adjustments	-	(51,816)	(51,816)
<b>Adjusted Opening Balance</b>	<b>-</b>	<b>(51,816)</b>	<b>(51,816)</b>
January	(142)	-	(51,958)
February	(143)	-	(52,101)
March	(143)	26,922	(25,322)
April			
May			
June			
July			
August			
September			
October			
November			
December			
<b>Year-to-Date</b>	<b>(428)</b>	<b>26,922</b>	<b>26,494</b>
<b>Total</b>	<b>(428)</b>	<b>26,922</b>	<b>(25,322)</b>

<sup>1</sup> The transfer of the December 2025 RSP Island Industrial Customers balance to the Supply Cost Variance Deferral Account was approved in Board Order No. P.U. 3(2026).

<sup>2</sup> The transfer of the December 2025 Return on Equity Rate Change Deferral Account balance attributable to Island Industrial Customers to the Industrial Customers Balance in the Supply Cost Variance Deferral Account for disposition, was approved in Board Order No. P.U. 10(2025).