newfoundland labrador
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June 25, 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 May 2026.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

SWalsh

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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Teck Resources Limited
Darren Hennessey

Linde Canada Inc.
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Newfoundland Power Inc.
Dominic J. Foley
Douglas W. Wright
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Supply Cost Variance Deferral Account Report (Unaudited)

June 25, 2026

A report to the Board of Commissioners of Public Utilities

Supply Cost Variance Deferral Account
Summary
May 31, 2026

	Supply Cost Variance Deferral Account Balance ($) (from page 2)	Utility Balance ($) (from page 3)	Industrial Balance ($) (from page 4)	Total to Date ($)
Opening Balance	390,740,090	(40,366,584)	-	**350,373,506**
Adjustment[1]	-	-	(51,816)	**(51,816)**
Adjusted Opening Balance	**390,740,090**	**(40,366,584)**	**(51,816)**	350,321,690
January[2]	422,656,688	(42,965,784)	(51,958)	**379,638,946**
February	457,801,440	(45,034,736)	(52,101)	**412,714,603**
March[3]	143,623,434	(47,364,302)	(25,322)	**96,233,810**
April[4]	193,677,414	(49,681,369)	(25,392)	**143,970,653**
May[5]	245,688,965	(6,486,694)	(25,462)	**239,176,809**
June				
July				
August				
September				
October				
November				
December				

[1] The transfer of the December 2025 RSP Island Industrial Customers ("IIC") balance to the Supply Cost Variance Deferral Account ("SCVDA") was approved in the Board of Commissioners of Public Utilities ("Board") Order No. P.U. 3(2026).

[2] January 2026 was updated to reflect the new terms under the Corner Brook Pulp and Paper Limited ("CBPP") Power Purchase Agreement for purchases through June 2026.

[3] March activity includes transfers from the 2025 Return on Equity Rate Change Deferral Account balance for Newfoundland Power Inc. ("Newfoundland Power") and IIC as per Board Order No. P.U. 10(2025). Please refer to pages 3 and 4 for additional details.

[4] The April balance was updated to reflect the final invoice amounts for April 2026. Please refer to page 2 for additional details.

[5] May Utility Balance activity includes a $45 million transfer as per Board Order No. P.U. 15(2026). Please refer to page 3 for additional details.

Supply Cost Variance Deferral Account
Section A: Summary
May 31, 2026

	Muskrat Falls Project Cost Variance ($)	Rate Mitigation Fund[2] ($)	Project Cost Recovery Rider: Utility[3] ($)	Project Cost Recovery Rider: Industrial[4] ($)	Holyrood TGS[5] Fuel Cost Variance ($)	Other IIS Supply Cost Variance[6] ($)	Net Revenue From Exports Variance ($)	Transmission Tariff Revenue Variance ($)	Load Variation: Utility ($)	Load Variation: Industrial ($)	Greenhouse Gas Credit Revenue Variance ($)	Subtotal Monthly Variances ($)	Financing Charges[1]: Utility ($)	Financing Charges[1]: Industrial ($)	Financing Charges[1]: Other ($)	Transfers ($)	Cumulative Net Balance ($) (to page 1)
Opening Balance	2,338,335,896	(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
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Opening Balance	**2,338,335,896**	**(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**
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	64,804,598	-	(8,670,368)	(976,952)	(1,362,040)	(996,134)	(327,784)	(1,498,023)	(1,483,274)	244,169	(75,133)	49,659,059	(616,333)	(39,709)	1,050,963	-	193,677,414
May	65,157,980	-	(6,643,735)	(984,266)	(4,269,326)	404,636	(332,047)	(1,498,023)	(554,788)	292,029	(93,463)	51,478,997	(640,174)	(42,395)	1,215,123	-	245,688,965
June																	
July																	
August																	
September																	
October																	
November																	
December																	
Year-to-Date	**319,129,662**	**(350,300,000)**	**(45,897,086)**	**(4,823,553)**	**(53,922,265)**	**(2,923,518)**	**(1,735,883)**	**(7,490,115)**	**(2,760,283)**	**1,438,150**	**(189,120)**	**(149,474,011)**	**(2,939,173)**	**(184,894)**	**7,546,953**	**-**	**(145,051,125)**
Total	**2,657,465,558**	**(1,630,133,434)**	**(239,459,785)**	**(16,402,458)**	**(278,123,789)**	**(103,269,955)**	**(185,910,804)**	**(70,225,979)**	**68,170,651**	**61,972,150**	**(71,914,386)**	**192,167,769**	**(14,826,035)**	**(500,055)**	**68,847,286**	**-**	**245,688,965**

[1] Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% for the period January to May 2026. In December, the interest expense will be trued up to reflect the short-term interest rate for 2026.
[2] As per Order in Council OC2024-062 dated May 7, 2024, Newfoundland and Labrador Hydro has been directed by the Government of Newfoundland and Labrador 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 $90.6 million of rate mitigation funding related to the retirement of the 2023 SCVDA of $271 million over the 2024 to 2026 period.
[3] As per Board Order No. P.U. 22(2025), the Board approved a Project Cost Recovery Rider of 1.516 cents per kWh effective July 1, 2025.
[4] As per Board Order No. P.U. 3(2026), the Board approved a Project Cost Recovery Rider of 1.745 cents per kWh effective January 1, 2026.
[5] Holyrood Thermal Generating Station ("Holyrood TGS").
[6] The Other IIS Supply Cost Variance balance has been updated to reflect final invoices for April, 2026.

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

	Allocation Rural Rate Alteration[1] ($)	Financing Charges[2] ($)	Adjustment[3] ($)	Transfers[4] ($)	Cumulative Net Balance ($) (to page 1)
Opening Balance	(37,866,434)	(2,500,150)	-	-	(40,366,584)
Adjustments	-	-	-	-	-
Adjusted Opening Balance	**(37,866,434)**	**(2,500,150)**	**-**	**-**	**(40,366,584)**
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	(2,186,829)	(130,238)	-	-	(49,681,369)
May	(1,703,452)	(136,609)	45,034,736	-	(6,486,694)
June					
July					
August					
September					
October					
November					
December					
Year-to-Date	**(10,943,448)**	**(619,818)**	**45,034,736**	**408,420**	**33,879,890**
Total	**(48,809,882)**	**(3,119,968)**	**45,034,736**	**408,420**	**(6,486,694)**

[1] The Rural Rate Alteration ("RRA") 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). Ongoing transactions posted to the Utility's Customer Balance include Newfoundland Power's allocation of RRA and associated interest. Disposition is subject to approval from the Board.

[2] Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% until December at which time, the interest expense will be trued up to reflect the short-term interest rate for 2026.

[3] Transfer of $45 million to Newfoundland Power was approved in Board Order No. P.U. 15(2026).

[4] 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 SCVDA for disposition, was approved in Board Order No. P.U. 10(2025).

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

	Financing Charges ($)	Transfers[1,2] ($)	Cumulative Net Balance ($) (to page 1)
Opening Balance	-	-	-
Adjustments	-	(51,816)	(51,816)
Adjusted Opening Balance	-	**(51,816)**	**(51,816)**
January	(142)	-	(51,958)
February	(143)	-	(52,101)
March	(143)	26,922	(25,322)
April	(70)	-	(25,392)
May	(70)	-	(25,462)
June			
July			
August			
September			
October			
November			
December			
Year-to-Date	**(568)**	**26,922**	**26,354**
Total	**(568)**	**(24,894)**	**(25,462)**

[1] The transfer of the December 2025 RSP IIC balance to the SCVDA was approved in Board Order No. P.U. 3(2026).

[2] The transfer of the December 2025 Return on Equity Rate Change Deferral Account balance attributable to IIC to the Industrial Customers Balance in the SCVDA for disposition, was approved in Board Order No. P.U. 10(2025).