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March 24, 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 February 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

Encl.

ecc:

Board of Commissioners of Public Utilities
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Board General

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Supply Cost Variance Deferral Account Report (Unaudited)

February 2025

March 24, 2025

A report to the Board of Commissioners of Public Utilities



Supply Cost Variance Deferral Account

Summary

February 28, 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				
April				
May				
June				
July				
August				
September				
October				
November				
December				

Supply Cost Variance Deferral Account Report for February 2025 (Unaudited)

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Supply Cost Variance Deferral Account
Section A: Summary
February 28, 2025

	Project Cost Recovery Rider				Load Variation				Financing Charges ¹				Cumulative Net Balance (to page 1)				
	Muskat Falls Project Cost Variance (\$)	Rate Mitigation Fund ² (\$)	Utility ³ (\$)	Industrial ⁴ (\$)	Hollyrood TGS ⁵ Fuel Cost Variance (\$)	Other IIS ⁶ Supply Cost Variance (\$)	Net Revenue From Exports Variance (\$)	Transmission Tariff Revenue Variance (\$)	Utility ⁷ (\$)	Industrial (\$)	Greenhouse Gas Credit Revenue Variance (\$)	Subtotal Monthly Variances (\$)		Utility (\$)	Industrial (\$)	Other (\$)	Transfers (\$)
Opening Balance	1,565,667,129	(575,433,434)	(118,120,018)	(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	-	554,338,269
Adjusted Opening Balance	1,565,667,129	(575,433,434)	(118,120,018)	(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	-	554,338,269
January	63,252,043	-	(7,630,010)	(541,038)	(22,981,814)	(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	-	589,159,074
February	63,572,270	(441,000,000)	(7,843,481)	(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	-	181,833,391
March																-	
April																-	
May																-	
June																-	
July																-	
August																-	
September																-	
October																-	
November																-	
December																-	
Year-to-Date	126,824,313	(441,000,000)	(15,473,491)	(951,559)	(38,835,962)	(4,964,953)	(797,390)	(2,996,150)	(1,236,020)	2,317,869	(77,618)	(377,190,961)	(999,386)	(34,591)	5,720,060	-	(372,504,878)
Total	1,692,491,442	(1,016,433,434)	(133,593,509)	(4,901,426)	(208,295,845)	(79,133,109)	(126,772,419)	(47,755,634)	69,858,056	51,950,938	(55,677,921)	141,737,139	(7,869,543)	(117,877)	48,083,672	-	181,833,391

¹ Financing charges accrued at the 2024 short-term cost of borrowing of 5.03%. In December, finance costs will be trued 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 for rate mitigation and accordingly, transferred \$441.0 million 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 Hollyrood Thermal Generating Station ("Hollyrood TGS").⁶ Island Interconnected System ("IIS").⁷ 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
February 28, 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			-	
April			-	
May			-	
June			-	
July			-	
August			-	
September			-	
October			-	
November			-	
December			-	
Year-to-Date	(3,388,326)	(192,179)	-	(3,580,505)
Total	(24,524,063)	(1,680,248)	-	(26,204,311)

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

February 28, 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	-	-	-

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