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September 11, 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
Senior Regulatory Advisor & Board Secretary

Re: Quarterly Regulatory Report for the Quarter Ended June 30, 2026

Enclosed is Newfoundland and Labrador Hydro's ("Hydro") Quarterly Regulatory Report for the Quarter Ended June 30, 2026.

The Quarterly Regulatory Report is divided into three tabs, as follows:

- 1) Quarterly Summary;
- 2) Contribution in Aid of Construction; and
- 3) Customer Damage Claims.

If you have any questions on the enclosed, 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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Quarterly Regulatory Report

Quarter Ended June 30, 2026

September 11, 2026

A report to the Board of Commissioners of Public Utilities



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Quarterly Summary

Quarter Ended June 30, 2026



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Attachment 2: Supply Cost Variance Deferral Account Report

Abbreviations

Term	Definition
AIF	All-Injury Frequency Rate
bbl.	Barrel
Board	Board of Commissioners of Public Utilities
CIAC	Contribution in Aid of Construction
EC	Electricity Canada (Formerly known as the Canadian Electricity Association)
EMS	Environmental Management System
FTE	Full-time equivalent
Holyrood TGS	Holyrood Thermal Generating Station
Hydro	Newfoundland and Labrador Hydro
IDEA	Inclusion, Diversity, Equity and Accessibility
LTIF	Lost-Time Injury Frequency
Newfoundland Power (NP)	Newfoundland Power Inc.
Q2	Second Quarter
RSP	Rate Stabilization Plan
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
TRIF	Total Recordable Injury Frequency
T-SAIDI	Transmission System Average Interruption Duration Index
T-SAIFI	Transmission System Average Interruption Frequency Index
T-SARI	Transmission System Average Restoration Index

Term	Definition
UFLS	Under Frequency Load Shedding
YTD	Year-to-Date

Definitions

Current Quarter: The period beginning April 1, 2026 and ending June 30, 2026.

EMS Target: An EMS target is an initiative undertaken to improve environmental performance.

End Consumer: End Consumer is a reliability measure of all end consumers of electricity in the province supplied by Hydro, excluding Industrial customers. The measure is a combination of Hydro's service continuity data and Newfoundland Power's service continuity data for loss-of-supply outages resulting from events on Hydro's system.

End-Consumer SAIDI: End-Consumer SAIDI measures reliability to all end customers of electricity in the province who are supplied by Hydro. It is a measure of the duration of service interruptions experienced as a result of Hydro system events, but does not reflect service interruptions that are a result of issues on Newfoundland Power's distribution system.

End-Consumer SAIFI: End-Consumer SAIFI measures reliability to all end customers of electricity in the province who are supplied by Hydro. It is a measure of the frequency of service interruptions experienced as a result of Hydro system events, but does not reflect service interruptions that are a result of issues on Newfoundland Power's distribution system.

FTE: One FTE is the equivalent of actual paid regular hours—2,080 hours per year in the operating environment and 1,950 hours per year in Hydro's head office environment.

Net FTE: Net FTEs are regulated, Hydro-based employees plus time charged to regulated Hydro less the time charged from regulated Hydro to the non-regulated lines of business.

Major Event: EC defines Major Events as "events that exceed reasonable design and/or operational limits of the electrical power system."

Service Continuity SAIDI and SAIFI: Service Continuity SAIDI and SAIFI measure the duration and frequency of service interruptions to Hydro's Isolated and Interconnected systems.

SAIDI: SAIDI is the average interruption duration per customer. It is calculated by dividing the number of customer-outage hours by the total number of customers in an area.

SAIFI: SAIFI is a reliability key performance indicator for distribution service, measuring the average cumulative number of sustained interruptions per customer per year. SAIFI is calculated by dividing the number of customers that have experienced an outage by the total number of customers in an area.

TRIF: TRIF is a calculation of the rate at which injuries occur.

T-SAIDI: T-SAIDI is a reliability key performance indicator for bulk transmission assets, measuring the average duration of outages in minutes per delivery point.

T-SAIFI: T-SAIFI is a reliability key performance indicator for bulk transmission assets, measuring the average frequency of outages per delivery point.

T-SARI: T-SARI is a reliability key performance indicator for bulk transmission assets, measuring the average duration per transmission interruption. T-SARI is calculated by dividing T-SAIDI by T-SAIFI.

UFLS: Under-frequency load shedding is the reliability performance indicator that measures the number of events in which shedding of customer load is required to counteract the loss of generation capacity. During a UFLS event, customers are automatically removed from the electrical system. The quantity of customers removed is linearly proportional to the amount of generation lost.

YTD: The period ending June 30 of the applicable year.

1 1.0 Highlights

Table 1: Highlights YTD

	2026 Actual	Q2 2026 Target	2025 Actual	2026 Annual Target
Safety and Environment				
TRIF Rate ¹	1.19	N/A	0.96	1.25
LTIF Rate	0.71	N/A	0.48	<0.15
Achievement of EMS Targets (%)	13	N/A	18	95
Reliability				
SAIDI	1.52	1.26	1.00	2.66
SAIFI	1.22	0.54	0.33	1.36
Production				
Holyrood No. 6 Fuel Oil Average Cost (\$/bbl)	101	77	115	76
Holyrood Efficiency (kWh/bbl)	551	583	576	583
Electricity Delivery (GWh)				
Energy Sales	4,676	4,374	4,374	7,699
Financial (\$ Millions)²				
Revenue	377.7	377.2	375.9	652.4
Operating Expenses	81.1	78.1	78.2	153.2
Net Income	18.6	20.1	27.3	6.1
RSP (\$ Millions)³				
RSP Balance	6.2	2.3	22.8	0.1
Supply Cost Variance Deferral Account (\$ Millions)⁴				
Cumulative Net Balance	287.0	126.9	390.0	206.8
FTE Employees⁵				
Regulated	849.0 ⁶	N/A	837.6 ⁷	869.77

2 2.0 Safety and Health

3 2.1 Safety at Hydro

4 Safety remains Hydro's priority. Hydro's framework for safety performance includes a balanced focus on
 5 culture, people, and process as it continues to ensure its safety management system reflects standards
 6 similar to that contained in ISO 45001. Reviewing workplace incidents to prevent future occurrences is a

¹ TRIF = $\frac{\text{number of recordable injuries} \times 200,000}{\text{number of hours worked}}$

² Financial figures exclude non-regulated activities.

³ The RSP report for the current quarter is provided as Attachment 1.

⁴ Computed based on methodology presented in "Supply Cost Accounting Compliance Application," Newfoundland and Labrador Hydro, January 21, 2022.

⁵ Figures shown are net FTEs.

⁶ Figure shown is 2026 Q2 actual annualized to year end.

⁷ Figure shown is 2025 Q2 actual annualized to year end.

critical part of overall safety management systems. Leading indicators—such as safety meetings, Occupational Health and Safety Committee meetings, leadership safety interactions, and the safety and health monitoring plan, among other performance indicators—continue to be tracked and discussed to ensure safety and health are a continuous part of Hydro’s work focus.

Hydro’s focus on ensuring the safety of its employees, contractors, and the public continued during the current quarter. The advancement of Hydro’s safety and health priorities include:

- Commence review of Safety Management System to ensure practical and meaningful business application;
- Execute first phase of a multi-year, corporate-wide safety communications campaign;
- Complete Occupational Health and Safety training for lead hands;
- Complete 2026 deliverables identified in safety culture action plan;
- Commence development of a mental health and psychological safety strategy; and
- Pilot new data analytics tool(s) to support broadly accessible real-time data.

2.2 Safety Performance

An overview of Hydro’s safety performance is provided in Table 2.

Table 2: Safety Performance Detail⁸

	YTD 2026	YTD 2025	2025 Annual
Fatalities	0	0	0
Lost-Time Injuries	3	2	2
Medical Treatment Injuries	2	2	2
First Aid with Restrictions	0	0	2
TRIF Rate	1.19	0.96	0.71
LTIF Rate	0.71	0.48	0.24
Severity Rate (Days Lost)	5.47(23)	21.94(91)	7.81(66)
High-Potential Incidents	0	1	3

⁸ Injury statistics reflect regulated Hydro employees only.

- 1 Hydro experienced one lost-time injury and one medical treatment injury this quarter. As a result of the
- 2 total number of recordable injuries for the year, Hydro's YTD TRIF rate is 1.19 and LTIF rate is 0.71.
- 3 Hydro's lost-time severity rate was 5.47, based on twenty-three days of lost time from the three lost-
- 4 time injuries.

A comparison of Hydro's TRIF and LTIF rates over the past five years to the EC average along with the 2026 rates is provided in Chart 1. Hydro's annual lost-time severity rate for the past five years compared to the EC average and the 2026 rates is provided in Chart 2.

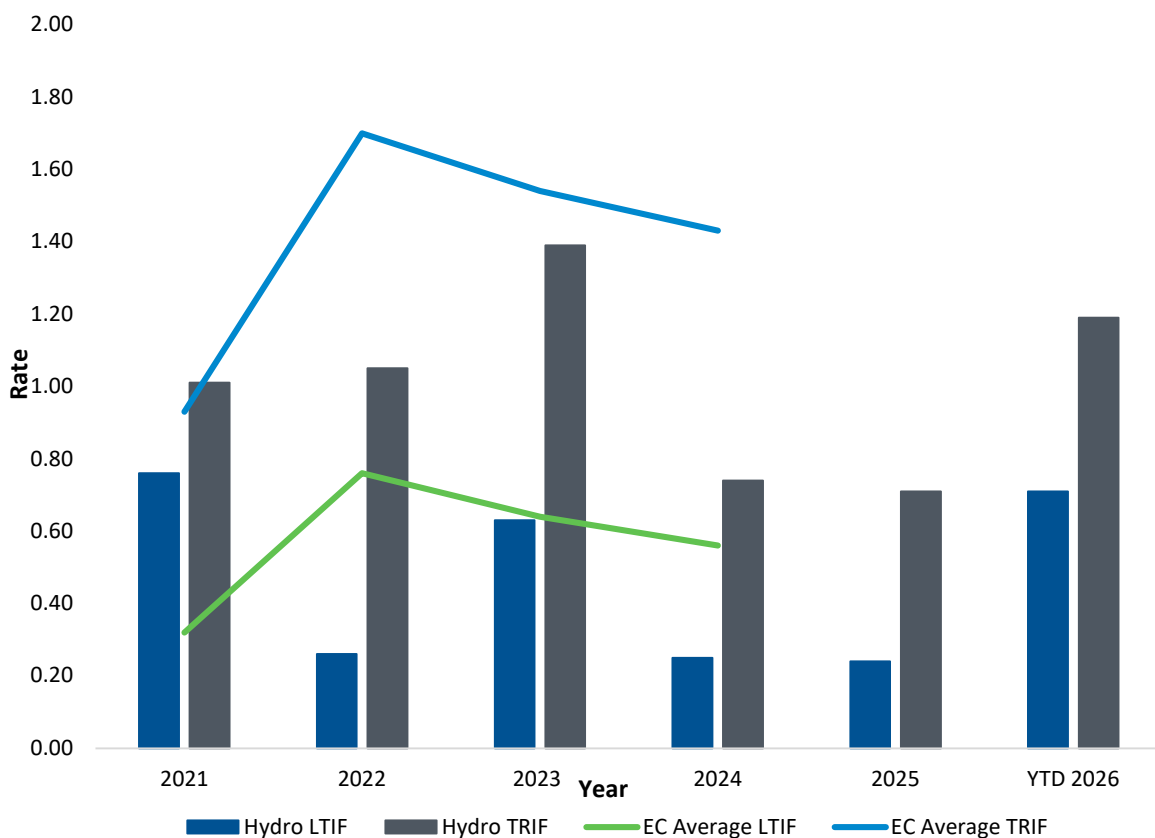


Chart 1: Hydro's TRIF and LTIF Compared to EC Averages^{9,10}

⁹ Safety and Health performance metrics are compared to EC utility members in Group 2 (300–1,500 employees) until 2022, after which Hydro fell into Group 1 (1,500+ employees). The EC comparator group here is the same baseline that Hydro would use for the total Hydro experience, not just regulated operations.

¹⁰ EC reliability data for 2025 is currently not available.

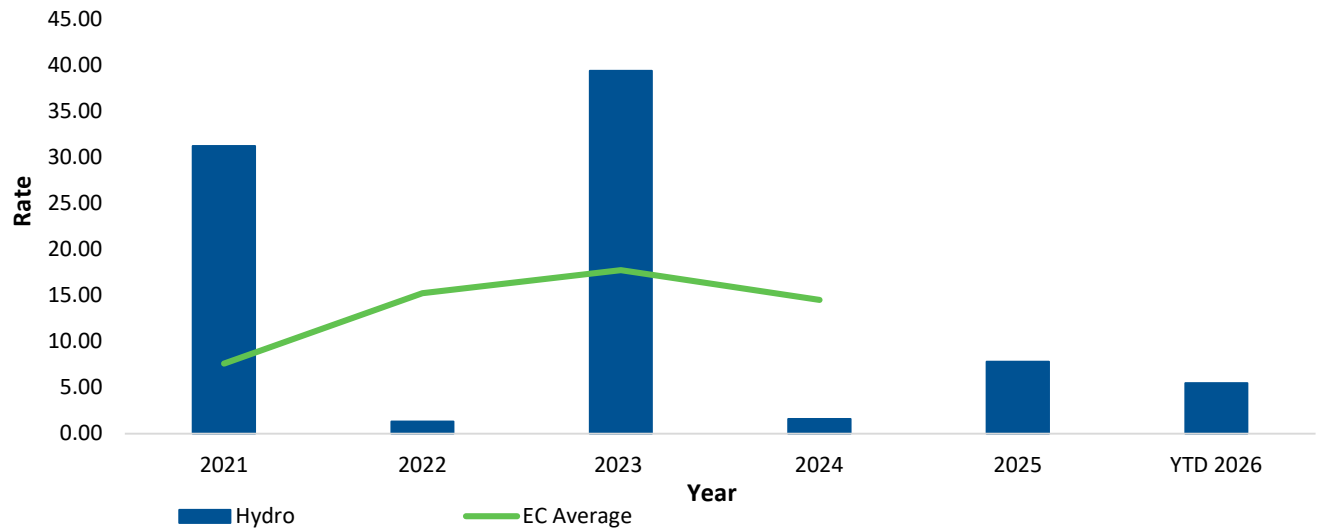


Chart 2: Hydro's Lost-Time Severity Rate Compared to EC Average^{11,12}

2.3 Line Contacts

There were three reportable line contact incidents by a third party during the current quarter. There were no injuries as a result of these incidents. Hydro continues to work toward reducing line contact incidents by increasing public and contractor awareness of the hazards associated with contacting power lines through education.

3.0 Reliability

3.1 Outage Information

There were three power outages reported to the Board during the current quarter. Information on each of these outages is provided in Appendix A.

A summary of major events from 2021 to 2026, including the impact the major events would have had on performance indicators, is provided in Appendix B. As electrical systems are neither constructed nor expected to fully withstand extreme weather conditions, such as hurricanes and ice storms, the impacts of major events have been removed from the data used in the calculation of each of the electrical system reliability performance indicators in this report.

¹¹ *Supra*, f.n. 9.

¹² *Supra*, f.n. 11.

3.2 Generation Outage Summary

A summary of the status of Hydro's generating units for the current quarter is provided in Appendix C. It classifies which units were available or unavailable and any associated deratings. Further information is provided in Hydro's daily Supply and Demand Status reports filed with the Board.¹³

3.3 Reliability Indicators

For all reliability performance indicators in this report, a year-over-year decrease in reliability indicators indicates an improvement in system performance and a year-over-year increase in reliability indicators indicates a decline in system performance. Data on reliability indicators including Service Continuity by Type, Area and Origin, T-SARI, and UFLS, are provided in Appendix D.

3.3.1 End-Consumer Performance

The End-Consumer Performance Index data provided in Table 3 are measures of the duration and frequency of service interruptions experienced as a result of Hydro's system events. Hydro uses the averages of its End-Consumer Indices performances for the period 2021–2025 to establish its 2026 annual targets.

Table 3: End-Consumer Performance

	Q2		Target	YTD		2026 Annual Target (2021–2025 Average)
	2026	2025		2026	2025	
SAIDI	0.86	0.67	1.26	1.52	1.00	2.66
SAIFI	0.39	0.33	0.54	1.22	0.33	1.36

Hydro's End-Consumer SAIDI and SAIFI YTD data (2022–2026) is provided in Chart 3 and Chart 4, respectively.

¹³ Hydro's daily Supply and Demand Status reports can be accessed at <http://www.pub.nl.ca/applications/IslandInterconnectedSystem/DemandStatusReports.php>.

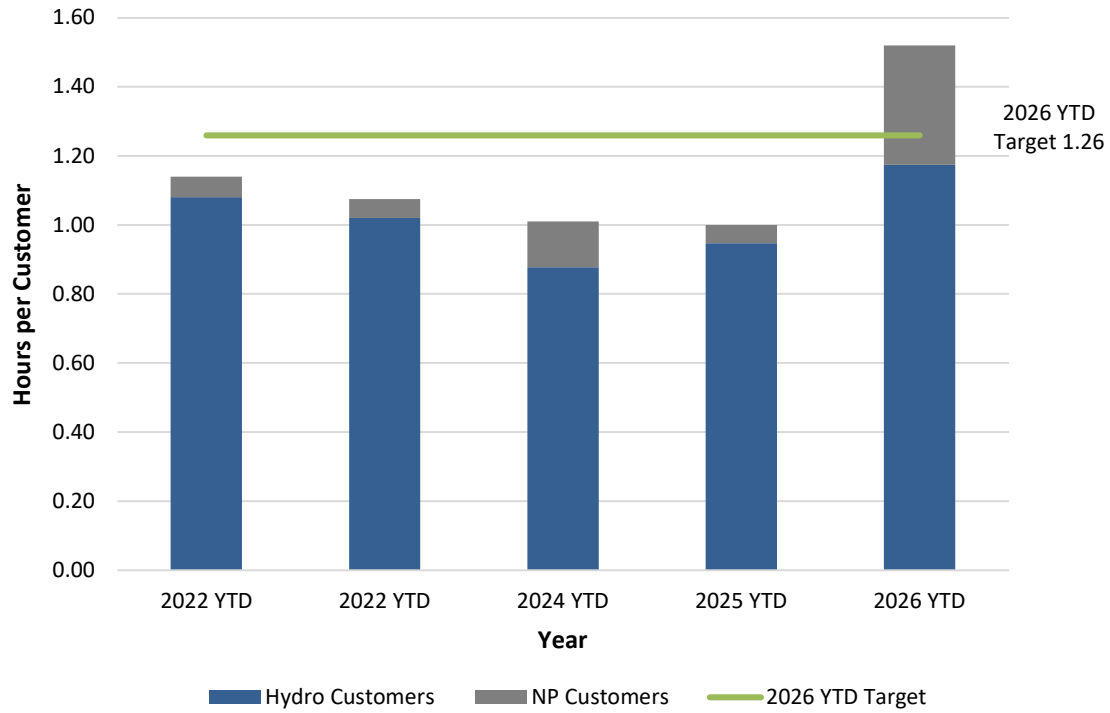


Chart 3: End-Consumer SAIDI

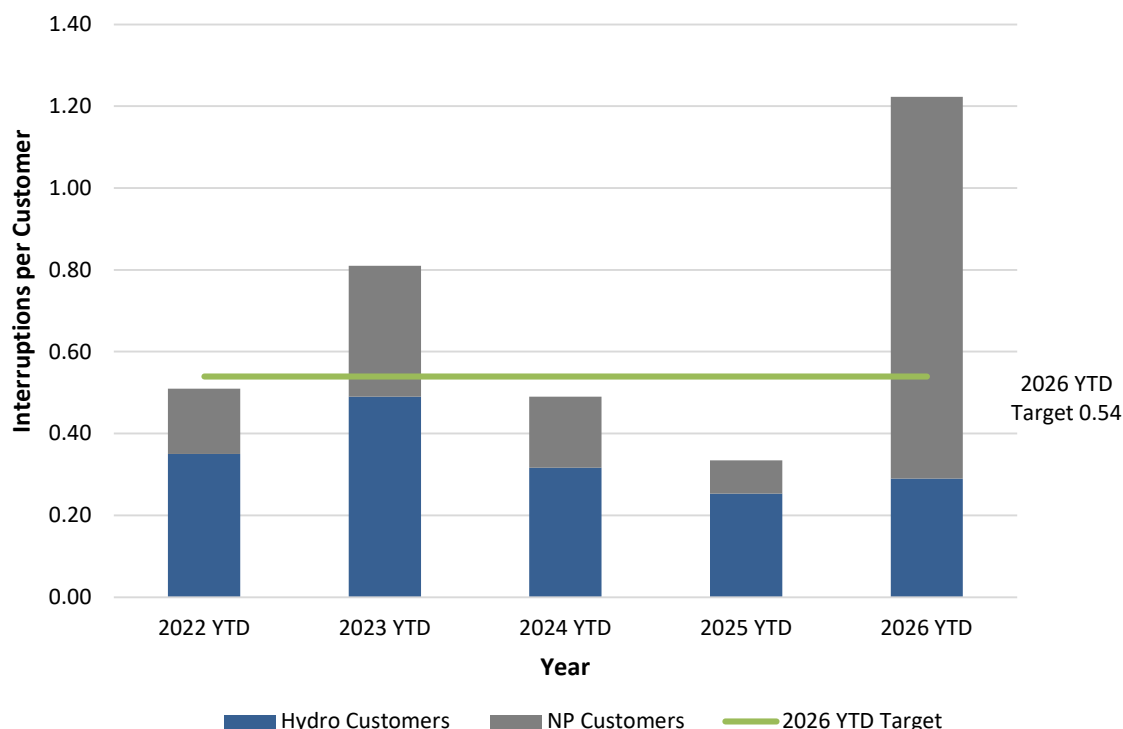


Chart 4: End-Consumer SAIFI

3.3.2 Bulk Power System Delivery Point Interruption Performance

T-SAIDI and T-SAIFI data are provided in Table 4. Hydro uses the averages of each Index for the period 2021–2025 to establish its annual target for 2026. The T-SAIDI and T-SAIFI performance for Hydro, including planned and unplanned outages (2022–2026 YTD), and EC, are provided in for Hydro, including planned and unplanned outages (2022–2026 YTD), and EC, are provided in Chart 5 and Chart 6, respectively.

Table 4: Transmission Delivery Point Performance

	Q2		Target	YTD		2026 Annual Target (2021–2025 Average)
	2026	2025		2026	2025	
T-SAIDI	171.75	38.63	178.99	228.91	63.14	370.38
T-SAIFI	0.46	0.48	1.00	0.88	0.60	2.48

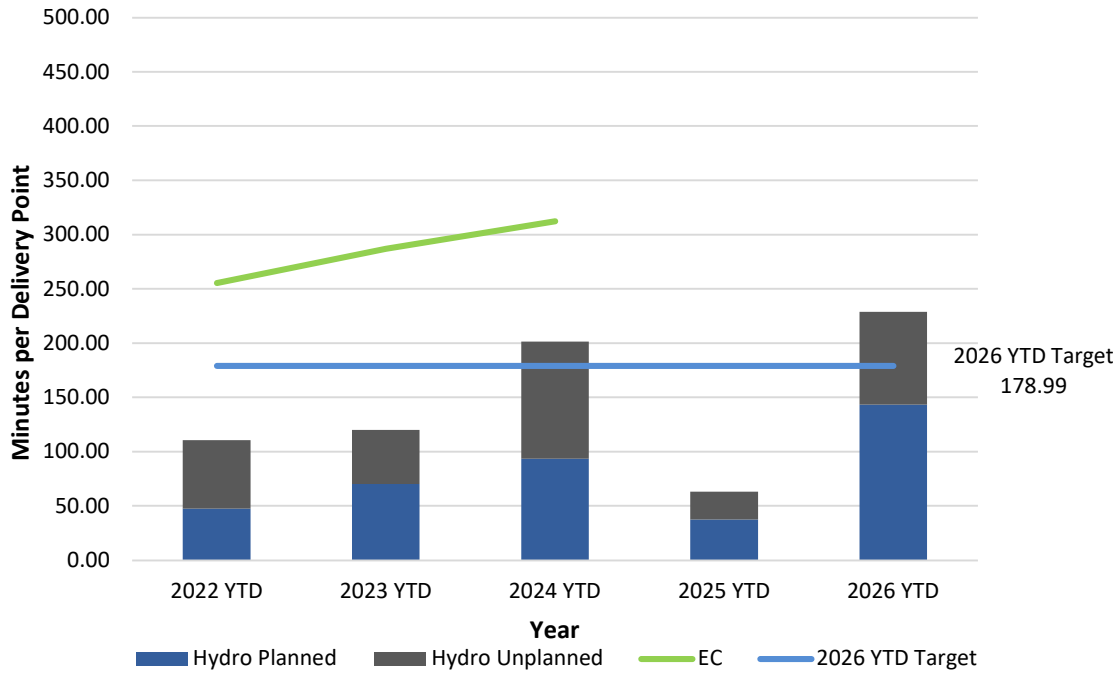


Chart 5: T-SAIDI¹⁴

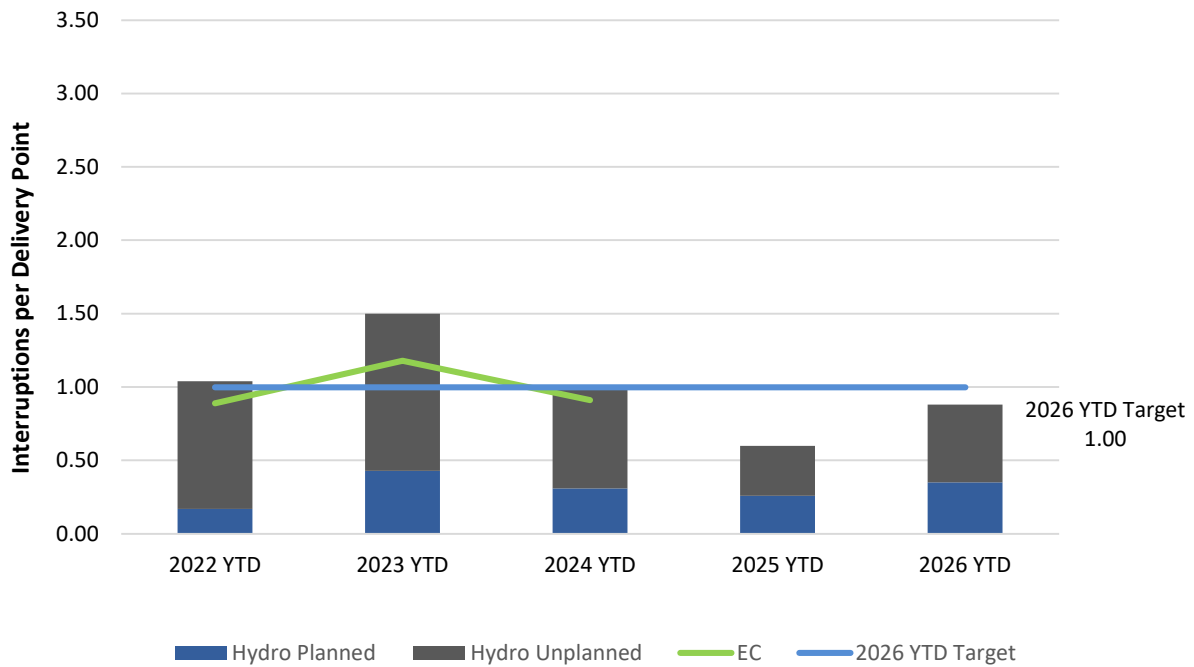


Chart 6: T-SAFI¹⁵

¹⁴ *Supra*, f.n. 11.

¹⁵ *Supra*, f.n. 11.

3.3.3 Service Continuity Performance

Service Continuity SAIDI and SAIFI performance data are provided in Table 5. Hydro uses the average of each index for the period 2021–2025 to establish its annual targets for 2026 for these indices. Service Continuity SAIDI and SAIFI performance data for Hydro (2022–2026 YTD) and EC are provided in Chart 7 and Chart 8, respectively.

Table 5: Service Continuity SAIDI and SAIFI

	Q2		Target	YTD		2026 Annual Target (2021–2025 Average)
	2026	2025		2026	2025	
SAIDI	6.09	4.86	8.50	9.06	7.31	17.94
SAIFI	1.11	1.27	2.22	2.24	1.96	5.61

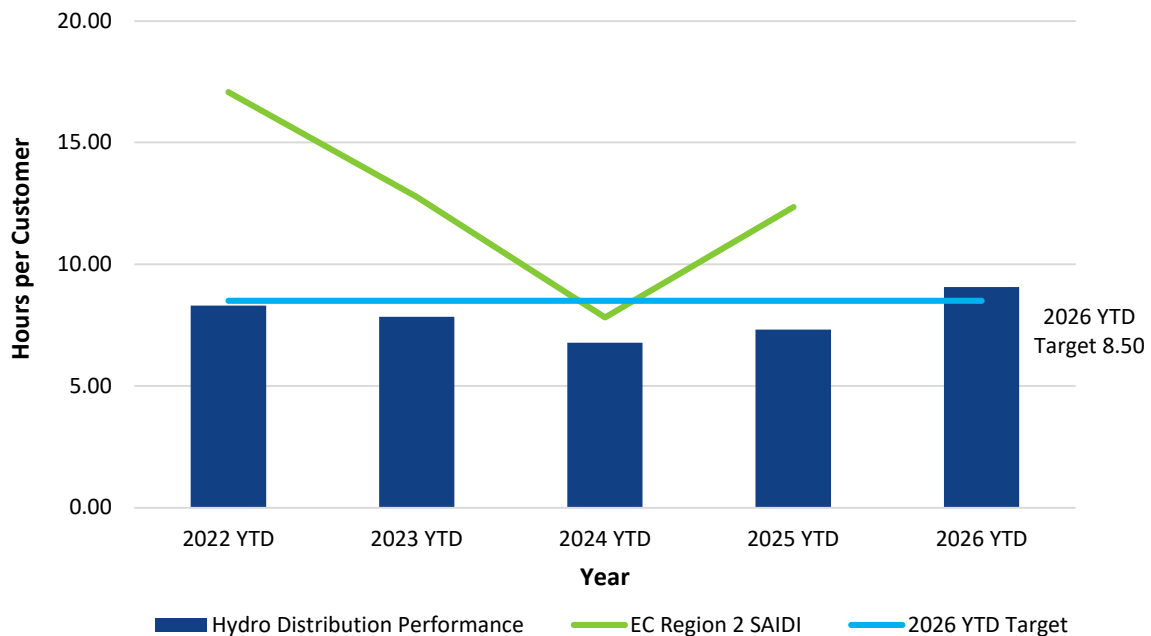


Chart 7: Service Continuity SAIDI

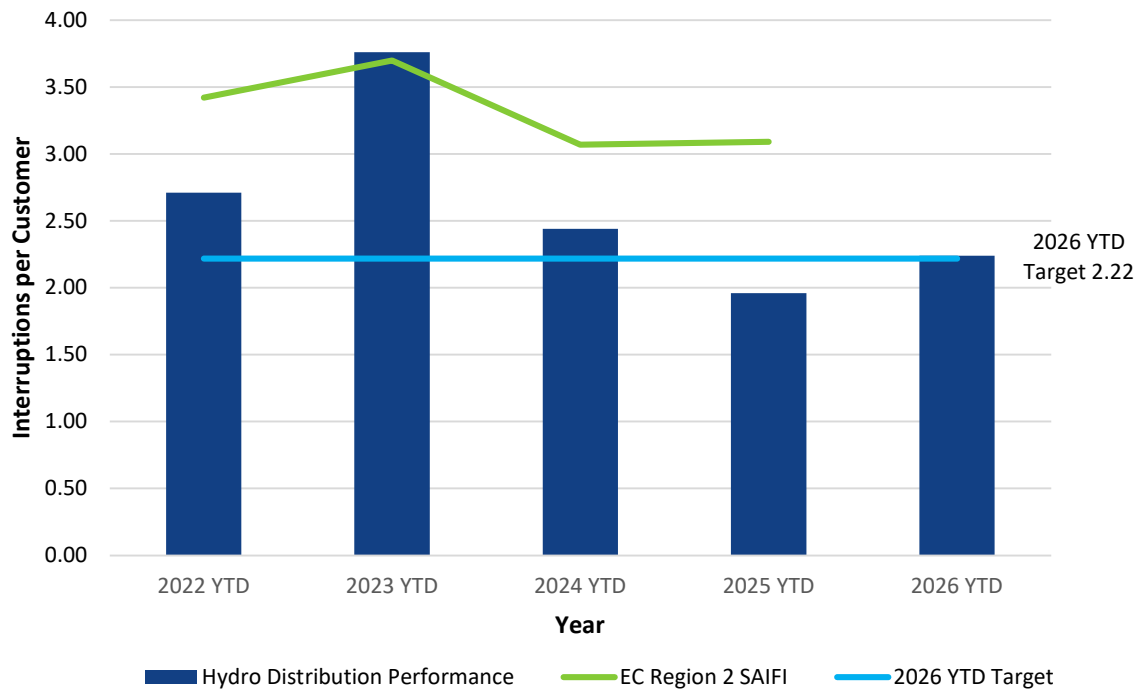


Chart 8: Service Continuity SAIFI

4.0 Customer Service

4.1 Customer Transactional Surveys

Survey results for the current quarter indicate that approximately 89% of customers were satisfied with the service they received when they reached out to Hydro’s Customer Service department for assistance. Additionally, 88% of customers felt their concerns were resolved on the first call. A summary of these results is provided in Table 6.

Table 6: Customer Service Transactional Survey Data

Measure	Q2 2026	Q2 2025
Overall Satisfaction	89%	87%
First Call Resolution	88%	85%
Number of Surveys Completed	980	902

4.2 Customer Statistics

A summary of the number of Hydro customers in each customer class, including net metering, is provided in **Error! Reference source not found..** Hydro did not receive any new net metering applications during the current quarter. Hydro's total number of net metering customers remains at three, with a total net metering capacity of 71.6 kW.

Table 7: Customer Statistics

	Q2		Annual	
	2026 Actual	2025 Actual	2026 Budget	2025 Actual
Rural Customers ¹⁶	39,644	39,473	39,625	39,586
Industrial Customers	6	6	6	6
Labrador Industrial Transmission Customers ¹⁷	2	2	2	2
Utility Customers	1	1	1	1
Average Monthly Reading Days	30.4	30.3	N/A	29.9
Net Metering Customers	3	3	N/A	3

5.0 Supply Costs and Energy Sales

5.1 Fuel Prices¹⁸

Market prices for No. 6 fuel oil reached a high of \$165/bbl at the end of June and a low of \$118/bbl in mid-May. The ending inventory cost for the current quarter was \$135/bbl; this compares to the fuel price of \$106/bbl that was reflected in Newfoundland Power's wholesale rates during the current quarter.¹⁹

There were two shipments of No. 6 fuel oil during the second quarter, as detailed in Table 8. Inventory at the end of the quarter was 498,771 bbls.

Table 8: No. 6 Fuel Oil Shipments

Delivery Date	Quantity (bbl)	Price/bbl Delivered (\$)
2-Apr-2026	204,676	145
5-May-2026	207,382	153

¹⁶ Includes net metering customers.

¹⁷ Iron Ore Company of Canada and Tacora Resources Inc.

¹⁸ Prices for No. 6 fuel oil are provided in Canadian ("CDN") dollars.

¹⁹ The price of \$105.90/bbl is reflected in Newfoundland Power's base rates effective October 1, 2019, as per Board Order No. P.U. 30(2019).

- 1 A comparison of No. 6 fuel oil prices in 2026 as compared to 2024 and 2025 as well as the fuel oil price
- 2 reflected in the wholesale rate to Newfoundland Power are provided in Chart 9.

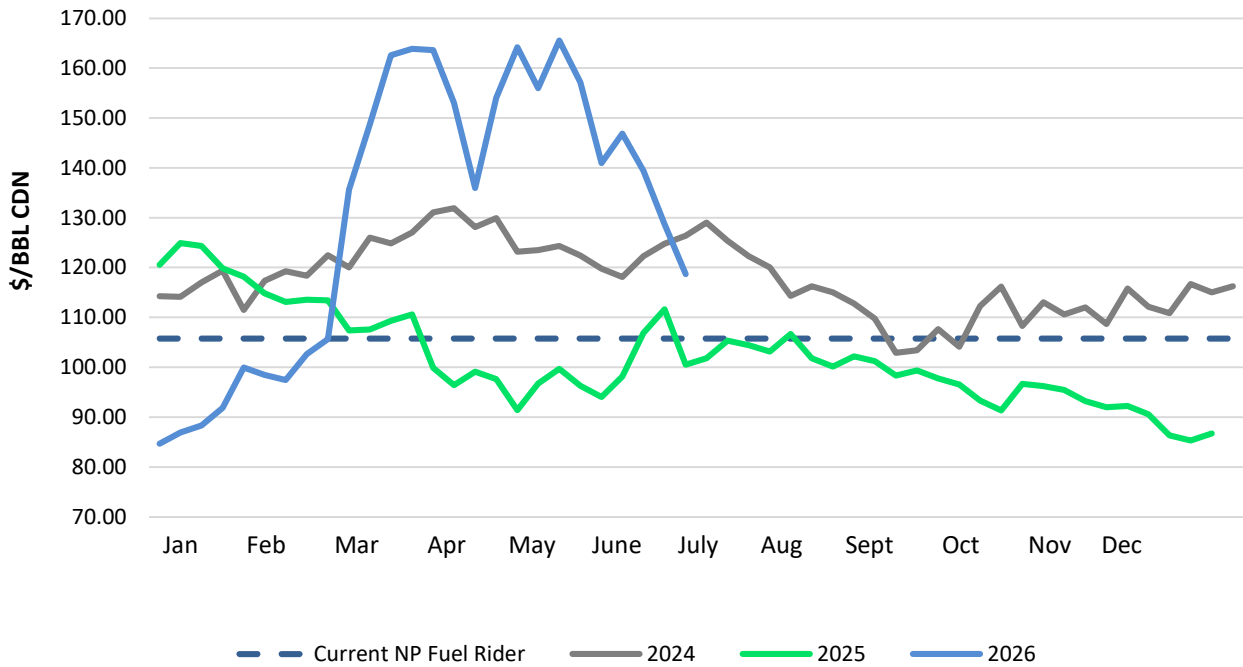


Chart 9: No. 6 Fuel Oil Average Weekly New York Spot Price

- 1 The monthly forecast price of No. 6 fuel oil for the next twelve months is provided in Table 9.²⁰

Table 9: No. 6 Fuel Oil Forecast Prices (\$CDN/bbl)

Month	Price
Jul-26	111.70
Aug-26	112.90
Sep-26	117.80
Oct-26	114.90
Nov-26	115.20
Dec-26	112.40
Jan-27	98.10
Feb-27	96.10
Mar-27	94.90
Apr-27	98.00
May-27	100.70
Jun-27	103.60

- 2 A comparison of the Ultra Low Sulphur Diesel No. 1 (used in diesel generation) fuel oil prices in 2026 as
3 compared to 2024, and 2025 is provided in Chart 10.

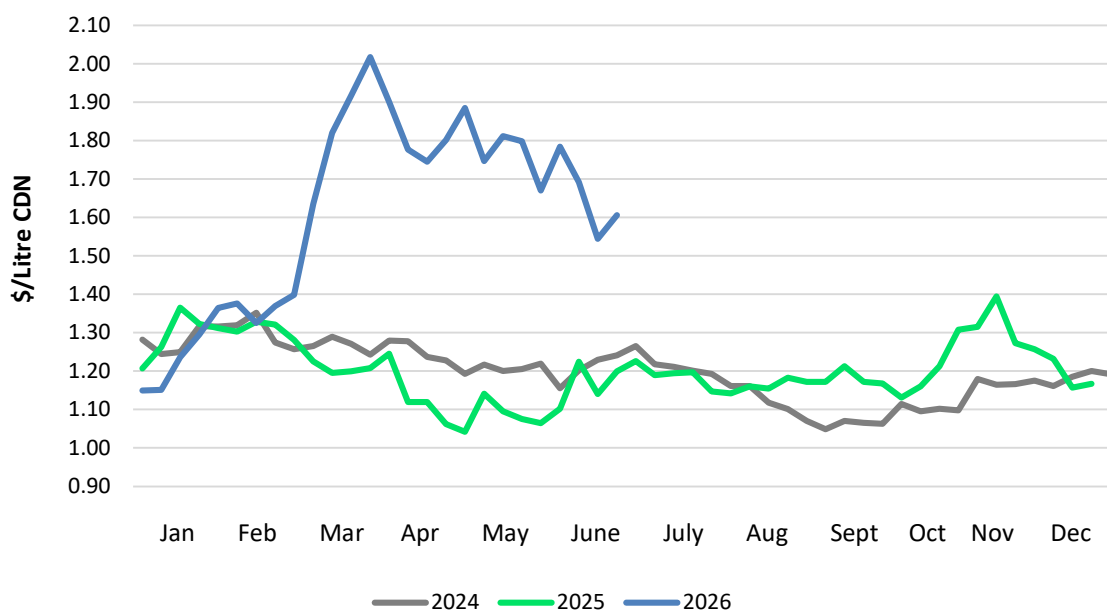


Chart 10: Ultra Low Sulphur No. 1 Diesel Weekly Montreal Rack Price

²⁰ The price forecast is based on Platts Analytics fuel price outlook, July 2026 World Oil Market Forecast and includes the premium for the No. 6 fuel oil.

5.2 Transfers to Supply Cost Deferral Accounts

5.2.1 Supply Cost Variance Deferral Account Overview

The balances accumulated in the Supply Cost Variance Deferral Account as at June 30, 2026, are reported in Attachment 2.

The 2026 YTD activity in the account decreased the balance by \$63.4 million primarily due to rate mitigation funding in March 2026 of \$350.3 million. Payments made under the Muskrat Falls Power Purchase Agreement and Transmission Funding Agreement (\$380.0 million) were partially offset by fuel savings at the Holyrood TGS (\$56.8 million), and payments received from Newfoundland Power and Industrial customers related to the Project Cost Recovery Rider of \$51.4 million and \$5.7 million, respectively.

Also, as per Order in Council OC2024-062, Hydro has been directed by the Government to retire the 2023 Supply Cost Variance Deferral Account balance of \$271.3 million over the 2024–2026 period using its own sources of funding. In March 2026, Hydro transferred \$350.3 million of funding to its regulated operations, which includes \$90.6 million of rate mitigation funding related to the retirement of the 2023 Supply Cost Variance Deferral Account.

The total balance in the account as of June 30, 2026, is \$287.0 million.²¹

5.2.2 Isolated Systems Cost Variance Deferral Account

Hydro accumulated \$7.1 million²² in the Isolated Systems Cost Variance Deferral Account as of June 30, 2026. The current year's actual unit cost of diesel fuel was approximately 21¢/kWh more than the 2019 Test Year unit cost of fuel, which is the primary driver of the YTD transfer of fuel costs to the account this year.

The current year transfers to the Isolated Systems Cost Variance Deferral Account are provided in Table 10. Pursuant to Board Order No. P.U. 30(2019), Hydro has calculated the transfers relative to the 2019 Test Year.

²¹ The June 30, 2026 Supply Cost Variance Deferral Account balance of \$287.0 million is unaudited.

²² The June 30, 2026 Isolated System Cost Variance Deferral balance of \$7.1 million is unaudited.

**Table 10: Isolated Systems Cost Variance
Deferral Account Transfers (\$ Millions)²³**

Q2		
2026 Actual	2025 Actual	Variance
7.1	3.7	3.4

In accordance with the currently approved account definitions, Hydro filed its application for recovery of the Isolated Systems Cost Variance Deferral Account on March 19, 2026, before the March 31, 2026 deadline. This application included the final transfer amounts as well as detailed information as to the drivers of the transfers. In Board Order No. P.U. 9(2026), the Board approved Hydro's proposed disposition of the \$6,338,566 balance in the 2025 Isolated Systems Supply Cost Variance Deferral Account through the transfer, effective March 31, 2026 of a debit of \$6,091,362 to the Newfoundland Power RSP Current Plan balance with recovery starting July 1, 2026, and a debit of \$247,204 allocated to Hydro Rural Labrador Interconnected System customers to be applied

5.3 Statement of Energy Sold

A summary of Hydro's energy sales YTD compared to that of other reporting periods is provided in Table 11.

²³ Net of deadbands.

Table 11: Statement of Energy Sold (GWh)

	2026 Actual	2025 Actual	2026 Budget	2026 Annual Budget
Island Interconnected				
Newfoundland Power	3,394	3,299	3,461	6,032
Island Industrials	330	221	231	472
Export and Other	267	181	-	-
Rural				
Domestic	163	155	148	256
General Service	94	91	87	169
Street Lighting	1	1	1	2
Subtotal Rural	258	247	236	427
Subtotal Island Interconnected	4,249	3,948	3,928	6,931
Island Isolated				
Domestic	3	3	2	4
General Service	1	1	1	2
Street Lighting	-	-	-	-
Subtotal Island Isolated	4	4	3	6
Labrador Interconnected				
Domestic	212	201	194	320
General Service	224	219	209	373
Non-Firm Energy	9	18	-	-
Street Lighting	1	-	-	1
Subtotal Labrador Interconnected	446	438	403	694
Labrador Isolated				
Domestic	15	15	15	25
General Service	9	9	9	18
Street Lighting	-	-	-	-
Subtotal Labrador Isolated	24	24	24	43
L'Anse-au-Loup				
Domestic	10	10	9	16
General Service	5	5	5	9
Street Lighting	-	-	-	-
Subtotal L'Anse-au-Loup	15	15	14	25
Total Energy Sold (Before Rural Accrual)	4,738	4,429	4,372	7,699
Rural Accrual	(62)	(55)	N/A	N/A
Total Energy Sold	4,676	4,374	4,372	7,699
Non-Regulated Customers²⁴				
Labrador Industrials	939	986	995	1,902

²⁴ Does not include non-regulated sales for export.

6.0 Asset Management and Investment

6.1. 2026 Capital Budget

Hydro's 2026 Capital Budget was approved by the Board in Board Order No. P.U. 2(2026).²⁵ In addition to approval for an investment of \$130 million in capital projects, Hydro carried forward approximately \$37 million from its 2025 capital program, of which approximately \$15 million is project carryover and \$22 million is multi-year cash flow reallocation. As a result, Hydro's opening capital budget for 2026 was \$167 million. In addition, supplemental capital of \$8 million has been approved by the Board for 2026 and a total of \$2 million has been approved by Hydro for 2026 projects under \$750,000. Hydro also carried forward approximately \$28 million related to its 2025 Major Projects, of which approximately \$12 million is related to the Avalon Combustion Turbine and \$16 million is related to the Bay d'Espoir Unit 8 project. Additionally, an Early Execution Application related to the Avalon Combustion Turbine was approved for \$29 million, an Early Execution Application related to Bay d'Espoir Penstock 3 was approved for \$2 million and a Life Extension Application related to Bay d'Espoir Unit 7 was approved for \$4 million. Hydro's revised Board-approved 2026 Capital Budget as of June 30, 2026, was \$239 million. Table 12 shows the breakdown of Hydro's capital budget approvals of \$239 million by Board Order.

²⁵ Originally approved on January 30, 2026.

Table 12: Capital Budget by Board Order as of June 30, 2026 (\$000)

2026 Capital Budget	130,343
Multi Year Cost Flow Reallocation 2025 to 2026 ²⁶	21,966
Project Carryover 2025 to 2026 ²⁷	14,562
Major Projects Multi Year Cost Flow Reallocation 2025 to 2026 ²⁸	27,968
Projects Approved by Board:	
Order No. P.U. 25(2024) ²⁹	3,083
Order No. P.U. 9(2025) ³⁰	902
Order No. P.U. 11(2025) ³¹	196
Order No. P.U. 4(2026) ³²	2,559 ³³
Order No. P.U. 6(2026) ³⁴	334
Order No. P.U. 7(2026) ³⁵	29,294
Order No. P.U. 8(2026) ³⁶	582
Order No. P.U. 11(2026) ³⁷	1,943
Order No. P.U. 12(2026) ³⁸	3,681
Order No. P.U. 19(2026) ³⁹	256
Total Projects Approved by Board Order	42,830
2026 New Projects Under \$750,000 approved by Hydro ⁴⁰	1,824
Total Approved Capital Budget	239,493

²⁶ The carryover budget of \$36.5 million, of which approximately \$14.6 million is project carryover and \$22.0 million is multi-year cash flow reallocation, excludes CIACs. Hydro also carried forward CIACs of (\$0.4) million, which would result in an estimated net carryover of \$36.1 million to be recovered through customer rates.

²⁷ *Supra*, f.n. 26.

²⁸ The major projects carryover budget of \$28.0 million, of which approximately \$12 million is related to the Avalon Combustion Turbine and \$16 million is related to the Bay d'Espoir Unit 8 project.

²⁹ The replacement of Rigolet Unit 2065 and fuel storage upgrades approved was approved for \$3.4 million, of which \$3.1 million is budgeted for 2026.

³⁰ The interconnection and integration of the Puffin Wind Inc. renewable energy project was approved for \$1.3 million, of which \$0.9 million is budgeted for 2026.

³¹ The replacement of Hydro's Learning Management System and Reporting Tools was approved for \$1.7 million, of which \$0.2 million is budgeted for 2026.

³² The additions for load growth and customer interconnection – English Harbour West was approved for \$3.3 million, of which \$2.6 million is budgeted for 2026. \$1.8 million of this \$3.6 million has an associated contribution from Pennecon.

³³ Quarter 1 figures erroneously include this project at a cost of \$2,599 which is actually \$2,559.

³⁴ A contribution from Battle Harbour Data Solutions Inc. of an amount equal to the capital costs of interconnection was approved for approximately \$0.6 million, of which \$0.3 million is budgeted for 2026.

³⁵ The Early Works application for the Avalon Combustion Turbines was approved for \$29.3 million, of which \$29.3 million is budgeted for 2026.

³⁶ The purchase and installation of a new Pelton runner on Unit 2 at Cat Arm Hydroelectric Generation Station was approved for \$4.8 million, of which \$0.6 million is budgeted for 2026.

³⁷ The Early Works application for the Bay d'Espoir Penstock 3 was approved for \$2.0 million, of which \$2.0 million is budgeted for 2026.

³⁸ The Life Extension application for Bay d'Espoir Unit 7 was approved for \$66.3 million, of which \$3.7 million is budgeted for 2026.

³⁹ A contribution from Maritime Resources Corporation of an amount equal to the capital costs of interconnection was approved for approximately \$0.6 million, of which \$0.3 million is budgeted for 2026.

⁴⁰ This includes previously reported 2025 under \$750,000 projects that had expenditures in 2026 of \$1.7 million.

- 1 Table 13 outlines the capital projects under \$750,000 approved by Hydro within the current quarter.

**Table 13: Capital Expenditures Under \$750,000
Approved by Hydro for the Quarter Ended June 30, 2026
(\$000)**

Investment Class	Title	Total Budget	Project/ Program	Description
General Plant	Fabricate and Install Stop Log Racks (2026-2027) – Bay d’Espoir	744.1	Project	The project scope includes the engineering, fabrication, supply, and installation of two storage racks capable of safely storing one complete set each of intake stoplogs and draft tube stoplogs. The proposed storage racks will ensure proper storage and protection of the stoplogs to extend their lifespan by preventing deterioration and enabling the performance of regular preventative maintenance.
Service Enhancement	Install Dam Monitoring Equipment (2026) – Roddickton	51.6	Project	The project scope includes the installation of dam monitoring equipment at the Roddickton Mini Hydro Plant dam. Monitoring equipment will consist of a camera to permit remote surveillance monitoring and a staff gauge to enable visual measurement of changing water levels. The proposed installations are necessary to ensure early identification of potential dam-related issues and to improve response time in the event of an incident.

- 2 In addition, there were CIACs carried forward from the 2025 capital program and supplemental CIACs
3 approved by the Board totalling \$5 million. The 2026 Capital Budget as of June 30, 2026, net of CIACs,
4 was \$234 million.

5 **6.2 Capital Expenditures**

- 6 Table 14 provides an overview of Hydro’s capital expenditures for the current quarter.

Table 14: Capital Expenditures Overview for the Quarter Ended June 30, 2026 (\$000)⁴¹

	Board- Approved Budget 2026 ⁴²	Q2 Actual 2026	YTD Actual 2026	Expected Remaining Expenditures 2026
Access	7,175	1,330	2,637	4,135
General Plant	41,265	7,813	11,525	27,663
Mandatory Renewal	2,035	215	380	1,770
Service Enhancement	102,613	26,152	35,832	73,999
System Growth	12,937	1,691	2,124	7,964
Allowance for Unforeseen Expenditures	9,581 ⁴³	915	1,211	5,738
	1,000	-	-	-
Total 2026^{44,45,46}	176,607	38,115	53,708	121,269

6.3 2026 Capital Projects and Programs Progress

Hydro's approved regulated capital projects and programs continue to advance through stages of planning, design, procurement, and construction during the year. Notable activities in the second quarter were:

- Material delivery and disassembly of the generator for the rewind of the stator at the Hinds Lake Hydroelectric Generating Station ("Hinds Lake"), as shown in Figure 1.

⁴¹ Numbers may not add due to rounding.

⁴² Board-approved budget excludes \$29 million approved in Board Order No. P.U. 7(2026), \$2 million approved in Board Order No. P.U. 11(2026) and \$4 million approved in Board Order No. P.U. 12(2026) related to Major Projects, as well as, \$28 million related to Major Projects carryovers as noted in Section 6.1.

⁴³ The first Quarter figures erroneously include the English Harbor West project at a cost of \$2,599 which is actually \$2,559. The year-to-date figures have been corrected.

⁴⁴ Expenditures are before CIACs.

⁴⁵ Table 14 does not include modifications to Hydro's infrastructure due to the implementation of the Muskrat Falls Project, given that all aspects of incorporation of the Muskrat Falls Project are fully funded by the project (Labrador Hydro Project Exemption Order in Council OC2000-206 and OC2013-342, NLR 120/13). Expenditures related to these modifications were approximately \$38,702 in the current quarter.

⁴⁶ Front-End Engineering and Design costs for the current quarter of \$0.4 million and YTD of \$0.4 million have been excluded.



Figure 1: Hinds Lake Generating Unit⁴⁷

- Work completed to address several in-service failures, including:
 - Replacement of the genset for Unit 2108 at the Charlottetown Diesel Generating Station;
 - Refurbishment or replacement of various distribution system components;
 - Replacement of the Unit 2 boiler flame scanner system at the Holyrood Thermal Generating Station (“Holyrood TGS”);
 - Replacement of four suction heaters on fuel oil storage Tanks 3 and 4 at the Holyrood TGS;
 - Refurbishment of the heating system at the Cartwright Diesel Generating Station;
 - Procurement of spare components for the L'Anse au Loup Diesel Generating Station; and
 - Replacement of the auxiliary service field controller system at the Granite Canal Hydroelectric Generating Station.

⁴⁷ Figure 1 shows the generator rotor removed in preparation for cleaning and inspection of the generator stator core and installation of the new windings.

- Commencement of disassembly, inspection and refurbishment activities for the overhaul of the Unit 3 boiler and the Unit 2 generator and turbine valves at the Holyrood TGS, as shown in Figure 2.

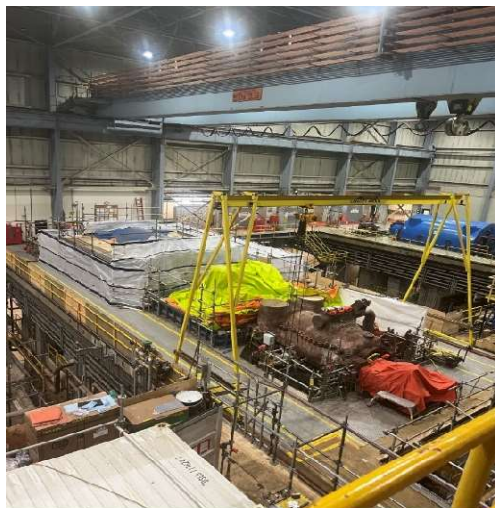


Figure 2: Holyrood TGS Unit 2 Generator and Turbine Valves for Inspection and Overhaul

- Inspections and upgrades of several wood pole transmission line structures, as shown in Figure 3.

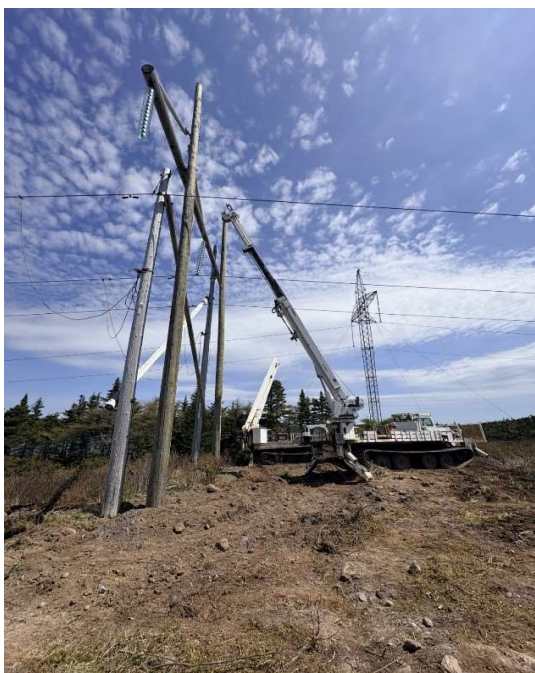


Figure 3: Wood Pole and Cross Arm Replacement on Transmission Line TL203

- Receipt of several new light- and heavy-duty vehicles and mobile equipment.
- Advancement of engineering design and materials procurement for the refurbishment of a distribution feeder located in the English Harbour West Distribution System.
- Receipt of the new gate and commencement of construction for the refurbishment of the Intake 2 structure at the Bay d'Espoir Hydroelectric Generating Station.
- Installation of several new customer service extensions.
- Power transformer refurbishment activities at several terminal stations and generating stations.
- Advancement of engineering design, procurement and construction for protective relay replacements at several terminal stations.
- Replacement of several personal computers.
- Delivery and installation of new diesel fuel storage tanks at the Happy Valley Gas Turbine.
- Completion of water supply and fire suppression system upgrades at the Bishop's Falls Complex.

Hydro's 2026 actual and forecast capital expenditures relative to the approved budget are provided in Chart 11.

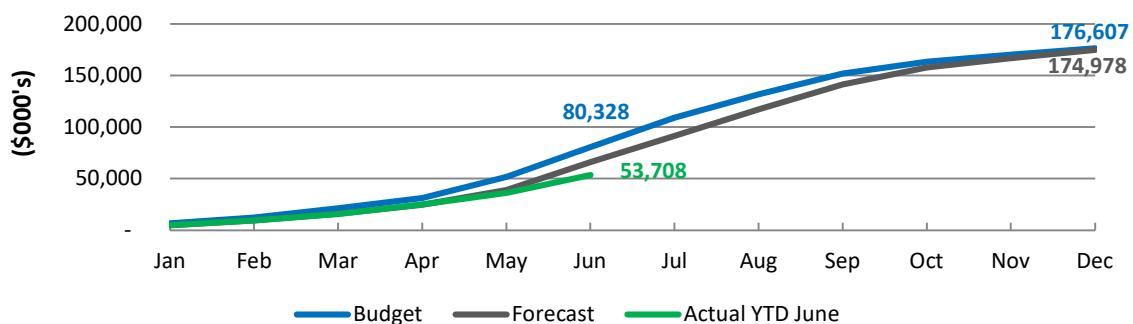


Chart 11: 2026 Capital Projects and Programs Actual and Forecast vs Budget⁴⁸

⁴⁸ This chart includes the 2026 cost of the Section Replacement and Weld Refurbishment for Bay d'Espoir Hydroelectric Generating Facility Penstock 1 Project. No other major projects are included.

To the end of the second quarter, Hydro's expenditures were approximately 33% below budget, primarily due to:

- Changes in timing of materials delivery and/or construction within 2026 for several projects and programs, with minimal risk to scope completion within the original planned completion year for those scopes of work; and
- Less-than-forecasted year-to-date expenditures for activities to address in-service failures.

As required by the provisional Capital Budget Application Guidelines,⁴⁹ explanations will be provided for projects and programs with variances exceeding 10% and \$100,000 at year end, as part of Hydro's Capital Expenditures and Carryover Report.

6.4 Integrated Annual Work Plan

Hydro has an Integrated Annual Work Plan consisting of capital and maintenance work for its generation, transmission, distribution, and other associated assets. Hydro's 2026 Integrated Annual Work Plan completion target is 90%. As of the end of the second quarter, Hydro had completed approximately 84% of the forecasted planned activities and completed 42% of the planned activities for 2026. Results for Annual Work Plan activities are provided in Table 16.

YTD Actual			2026 Forecast		
Planned	Completed	%	Baseline	Scheduled	%
3,353	2,833	84	6,755	6,706	99

⁴⁹ "Capital Budget Application Guidelines (Provisional)," Board of Commissioners of Public Utilities, January 2022.

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for the Six Months Ended June 30, 2026
(\$000)

Q2				YTD			Annual
2026 Actual	2026 Budget	2025 Actual		2026 Actual	2026 Budget	2025 Actual	2026 Budget
			Revenue				
140,229	140,484	139,435	Energy Sales	373,850	374,216	370,957	646,292
1,763	1,518	1,966	Other Revenue	3,823	3,033	4,921	6,070
141,992	142,002	141,401		377,673	377,249	375,878	652,362
			Expenses				
25,068	25,967	28,256	Fuels	139,451	145,020	148,807	231,807
16,649	16,231	15,146	Power Purchased	41,342	35,013	33,859	65,934
41,139	38,701	39,968	Operating Costs	81,058	78,058	78,189	153,175
26,136	25,728	22,627	Depreciation and Amortization	52,021	51,438	45,431	102,936
21,492	21,760	21,018	Net Finance Expense	44,797	46,502	41,501	90,248
773	539	510	Other Expense	408	1,078	743	2,157
131,257	128,926	127,525		359,077	357,109	348,530	646,257
10,735	13,076	13,876	Net Income	18,596	20,140	27,348	6,105

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8.1.2 Calendar Days

Hydro recognizes various calendar days throughout the year to help increase awareness and understanding of various underrepresented groups. Hydro was pleased to recognize National Accessibility Week, National Indigenous Peoples Day, Multiculturalism Day and Pride Month. We shared information and resources with employees, and the Hydro IDEA Ambassadors hosted a Multiculturalism Day event celebrating various cultures in our community. Churchill Falls residents held a Pride Walk showing support for the 2SLGBTQIA+ community.

8.2 Community Initiatives

During the second quarter of 2026, Hydro held our Acts of Kindness Week activities including the annual Energy Breakfast, supported STEM programming in Labrador and continued to work with community partners throughout the province.

8.2.1 Supporting Equiforce Programs in Labrador

In April, Hydro welcomed 23 students from Mealy Mountain Collegiate in Happy Valley-Goose Bay to tour Muskrat Falls. The visit was part of Hydro's partnership with Equiforce (formerly WRDC) and was the first time the organization brought their STEM for Girls program to Labrador.



As part of the program, the students in grades 10–12, visited the site, learned about the inner workings of the station and also had the opportunity to meet with some of the women who are integral to its operation. The girls were able to ask questions about the work they did, why it was important and how they became interested in their field.

Equiforce has also done tours at our sites in Bay d'Espoir and Exploits and these visits allow students who have an interest in STEM careers to see first-hand what their future can look like.

8.2.2 Bringing Energy from the Heart during Acts of Kindness Week

From May 25–29, 2026, Hydro held its annual Acts of Kindness Week, an opportunity for employees across the province to take time and give back to organizations in the communities where they live and work.

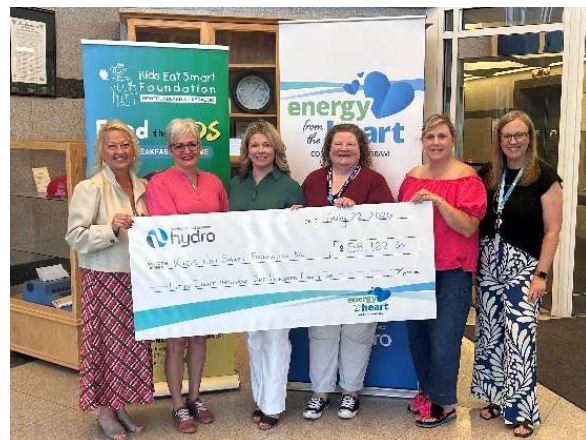
This year, volunteers supported a wide range of charities and community groups throughout the province.



Whether it was donating to our Energy Breakfast, organizing a community beach clean-up, hosting Bingo for seniors, preparing meals and snacks for the families staying at Ronald McDonald House, organizing collections of personal items and pet supplies, helping to build a home with Habitat for Humanity, or dozens of other volunteer activities throughout the province, Hydro employees were there to lend a helpful hand and provide the energy our communities count on.

8.2.3 Supporting Breakfast Clubs Across the Province with Hydro's Energy Breakfast

2026 marks the 6th annual Energy Breakfast in support of Kids Eat Smart Foundation. In the weeks leading up to Acts of Kindness Week, employees donated healthy food items, or made monetary donations, for the Kids Eat Smart breakfast programs. Volunteers in 15 offices throughout the province organized collections, coordinated with local schools and Kids Eat Smart representatives and ultimately brought the food donations to schools in their community during Acts of Kindness Week.



The Energy Breakfast is Hydro's largest donation drive each year, with employees from Labrador West to St. John's, and everywhere in between, participating. As part of this year's event, Hydro and its employees were proud to provide more than \$58,000 for school breakfast programs in 275 schools throughout the province.

8.2.4 Hydro Employee Recognized for Outstanding Volunteerism

In April, John Poole was presented with the Ronald McDonald House Leadership Volunteer Award for 2026. John is Hydro's Electrification Specialist and has been a part of the Facilities Committee at the House for more than 12 years, dedicated to ensuring the House and its operations best serves the families who stay there.

John was recognized for his insight, reliability, and expertise which helped strengthen planning, improve operations, and support responsible use of resources, while keeping family comfort and safety at the center of all the committee's decisions.

In 2023, John was a major contributor to the opening of the Family Time Park, a safe, accessible playground where the families at the House can enjoy normal playground activities in a controlled environment.



Appendix A

Power Outages Reported to the
Board of Commissioners of Public Utilities



Power Outages

Table A-1: Power Outages Reported to the Board for the Current Quarter

Date	Area Affected	Cause	Customers	Duration
			Affected	
06-Jun-2026	Newfoundland Power Customers	UFLS (LIL bipole trip)	73,379	Up to 1 hour, 29 minutes
24-Jun-2026	Glenburnie, Wiltondale, Rocky Harbour, Cow Head, Pasrons Pond, Birchy Head, Trout River, Winterhouse Brook	Tree Contact	2,882	Up to 6 hours 2 minutes
29-Jun-2026	West Coast, Northern Peninsula, Newfoundland Power Customers	Lightning	38,924	Up to 3 hours 56 minutes

Appendix B

Major Events Excluded from Performance Index Tables



Major Events

Table B-1: Major Events Excluded From Performance Index Tables¹

Year	Event Description	End-Consumer		Service Continuity		Transmission	
		SAIDI	SAIFI	SAIDI	SAIFI	T-SAIDI	T-SAIFI
2026	June 29 Lightning	0.36	0.22	0.96	0.29	78.77	0.51
	January 12 Winter Storm	0.22	0.01	1.68	0.11	63.19	0.09
2025	November 1 Northern Peninsula Outage	0.19	0.02	1.48	0.14	72.09	0.12
	December 5 Winter Storm	0.20	0.01	1.53	0.10	51.30	0.09
	December 15 Winter Storm	0.23	0.01	1.80	0.11	0.00	0.00
	December 25 Winter Storm	0.29	0.01	2.25	0.09	38.26	0.02
2024	Labrador West outage due to Churchill Falls forest fires	0.24	0.02	1.64	0.16	64.67	0.05
2023	No major events	N/A	N/A	N/A	N/A	N/A	N/A
2022	TL214 outage due to extreme winds	0.26	0.03	0.00	0.00	35.67	0.03
	Great Northern Peninsula outage	0.38	0.03	2.93	0.20	91.92	0.23
	Connaigre Peninsula outage due to freezing rain	0.24	0.01	1.81	0.06	0.00	0.00
2021	No major events	N/A	N/A	N/A	N/A	N/A	N/A

¹ Data for 2026 reflects major events to the end of the current quarter. Data for 2021–2025 reflects major events experienced through the year.

Appendix C

Generation Unit Outages



April 2026

Location	Asset	Capacity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Island																																
Bay d'Espoir	G1	76.5 MW																														
	G2	76.5 MW																														
	G3	76.5 MW																														
	G4	76.5 MW																														
	G5	76.5 MW																														
	G6	76.5 MW																														
	G7	154.4 MW																														
Cat Arm	G1	67 MW																														
	G2	67 MW																														
Granite Canal	Unit	40 MW																														
Hardwoods	GT	50 MW																														
Hawkes Bay	Unit	5 MW																														
Hinds Lake	Unit	75 MW																														
Holyrood	G1	170 MW																														
	G2	170 MW																														
	G3	150 MW																														
	CT	123.5 MW																														
	Diesels	10 MW																														
Soldiers Pond	Monopole ("M")	700 MW																														
Labrador-Island Link	Bipole ("B")																															
Paradise River	Unit	8 MW																														
Stephenville	GT	50 MW																														
St. Anthony	Unit	9.7 MW																														
Upper Salmon	Unit	84 MW																														
Labrador																																
Happy Valley	GT	25 MW																														
Muskrat Falls	G1	206 MW																														
	G2	206 MW																														
	G3	206 MW																														
	G4	206 MW																														

Available

Available Derated

Unavailable

May 2026

Location	Asset	Capacity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Island																																	
Bay d'Espoir	G1	76.5 MW																															
	G2	76.5 MW																															
	G3	76.5 MW																															
	G4	76.5 MW																															
	G5	76.5 MW																															
	G6	76.5 MW																															
	G7	154.4 MW																															
Cat Arm	G1	67 MW																															
	G2	67 MW	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57
Granite Canal	Unit	40 MW																															
Hardwoods	GT	50 MW																															
Hawkes Bay	Unit	5 MW																															
Hinds Lake	Unit	75 MW																															
Holyrood	G1	170 MW	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166
	G2	170 MW	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
	G3	150 MW																															
	GT	123.5 MW																															
	Diesels	10 MW																				8											
Soldiers Pond	Monopole ("M")	700 MW																															
Labrador-Island Link	Bipole ("B")																																
Paradise River	Unit	8 MW																															
Stephenville	GT	50 MW	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
St. Anthony	Unit	9.7 MW	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
Upper Salmon	Unit	84 MW																															
Labrador																																	
Happy Valley	GT	25 MW																															
Muskkrat Falls	G1	206 MW																															
	G2	206 MW																															
	G3	206 MW																															
	G4	206 MW																															

Available

Available Derated

Unavailable

Location		Asset	Capacity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
			Island																														
Bay d'Espoir	G1	76.5 MW																															
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Labrador-Island Link	Bipole ("B")																																
Paradise River	Unit	8 MW																															
Stephenville	GT	50 MW		25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
St. Anthony	Unit	9.7 MW		7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
Upper Salmon	Unit	84 MW																															
			Labrador																														
Happy Valley	GT	25 MW																															
Muskrat Falls	G1	206 MW																															
	G2	206 MW																															
	G3	206 MW																															
	G4	206 MW																															

Available

Available Derated

Unavailable

Appendix D

Supplemental Reliability Information



1.0 Service Continuity Performance

1.1 Service Continuity by Outage Type

Service Continuity SAIDI and SAIFI performance data, by outage type, are provided in Table D-1 and Table D-2, respectively. Hydro uses the average of each index for the period 2021 to 2025 to establish its annual targets for 2026 for these indices.

Table D-1: Service Continuity SAIDI (Hours per Customer)¹

	Q2		Target	YTD		Annual Target 2026
	2026	2025		2026	2025	
Planned	4.80	0.17	N/A	4.96	0.22	N/A
Unplanned	1.18	4.69	N/A	4.10	7.09	N/A
Planned and Unplanned	5.98	4.86	8.50	9.06	7.31	17.94

Table D-2: Service Continuity SAIFI (Interruptions per Customer)²

	Q2		Target	YTD		Annual Target 2026
	2026	2025		2026	2025	
Planned	0.62	0.05	N/A	0.73	0.10	N/A
Unplanned	0.48	1.22	N/A	1.51	1.86	N/A
Planned and Unplanned	1.10	1.27	2.22	2.24	1.96	5.61

1.2 Service Continuity Performance by Area

Service Continuity SAIDI and SAIFI performance data, broken down by geographical area, are provided in Table D-3 and Table D-4, respectively. The area performance indicators are calculated using their respective area customer counts.

¹ 2025 planned values included Distribution Planned outages only. Updated reporting implemented in 2026 now allows Hydro to report the total planned outage contribution from both Distribution and Transmission.

² 2025 planned values included Distribution Planned outages only. Updated reporting implemented in 2026 now allows Hydro to report the total planned outage contribution from both Distribution and Transmission.

Table D-3: Service Continuity SAIDI

Area	Q2		YTD	
	2026	2025	2026	2025
Labrador Region	4.49	1.56	5.31	1.91
Island Region	6.99	7.10	11.61	10.97
All Areas	5.98	4.86	9.06	7.31

Table D-4: Service Continuity SAIFI

Area	Q2		YTD	
	2026	2025	2026	2025
Labrador Region	0.90	0.94	1.62	1.38
Island Region	1.23	1.48	2.66	2.35
All Areas	1.10	1.27	2.24	1.96

1.3 Service Continuity Performance by Origin

- 2 Service continuity SAIDI and SAIFI values, broken down by origin, are provided in Table D-5 and
 3 Table D-6, respectively.³

Table D-5: Service Continuity SAIDI (Hours per Customer)

Origin	Q2		YTD		Average 2021–2025
	2026	2025	2026	2025	
Loss of Supply: Transmission	5.16	1.07	6.59	1.23	N/A
Distribution	0.82	3.79	2.47	6.08	N/A
Overall SAIDI	5.98	4.86	9.06	7.31	17.94

Table D-6: Service Continuity SAIFI (Interruptions per Customer)⁴

Origin	Q2		YTD		Average 2021–2025
	2026	2025	2026	2025	
Loss of Supply: Transmission	0.73	0.54	1.26	0.69	N/A
Distribution	0.37	0.73	0.97	1.27	N/A
Overall SAIFI	1.10	1.27	2.24	1.96	5.61

³ Hydro is updating some reliability tracking processes and is currently unable to provide segmented loss of supply statistics for Newfoundland Power, Isolated, and L'Anse-au-Loup systems. Reporting will resume when available.

⁴ Numbers may not add due to rounding.

1.4 Service Continuity Performance by Type

Service Continuity SAIDI and SAIFI values by type, broken down by geographical area, are provided in Table D-7.

Table D-7: Service Continuity by Interruption Type

Area	Q2 2026 Planned		Q2 2026 Unplanned		Q2 2026 Total	
	SAIDI	SAIFI	SAIDI	SAIFI	SAIDI	SAIFI
Labrador Region	3.35	0.21	1.14	0.69	4.49	0.90
Island Region	5.78	0.91	1.21	0.32	6.99	1.23
All Areas	4.80	0.62	1.18	0.48	5.98	1.10

1.5 Service Continuity Customer Interruptions by Cause

Service Continuity interruptions, grouped by cause, are provided in Table D-8.

Table D-8: Service Continuity by Cause of Interruption⁵

Cause	Q2 2026		YTD	
	SAIDI	SAIFI	SAIDI	SAIFI
Adverse Environment	0.00	0.00	0.03	0.02
Adverse Weather	0.17	0.03	0.49	0.15
Equipment Failure	0.10	0.06	1.75	0.47
Foreign Interference	0.24	0.12	0.24	0.12
Human Error	0.00	0.00	0.00	0.00
Loss of Supply	0.14	0.10	0.33	0.36
Lightning	0.00	0.00	0.00	0.00
Planned Outage	4.80	0.62	4.96	0.73
Tree Contacts	0.36	0.08	0.92	0.24
Undetermined/Other	0.16	0.08	0.33	0.16
Total	5.98	1.10	9.06	2.24

2.0 Transmission System Average Restoration Index

Hydro's 2026 YTD T-SARI was 260 minutes per interruption compared to 105 minutes per interruption for 2025 YTD. Hydro does not establish a restoration index target.

⁵ Numbers may not add due to rounding.

Chart D-1 shows the YTD T-SARI performance from 2022 to 2026 and the EC 2022 to 2024 annual T-SARI performances.⁶

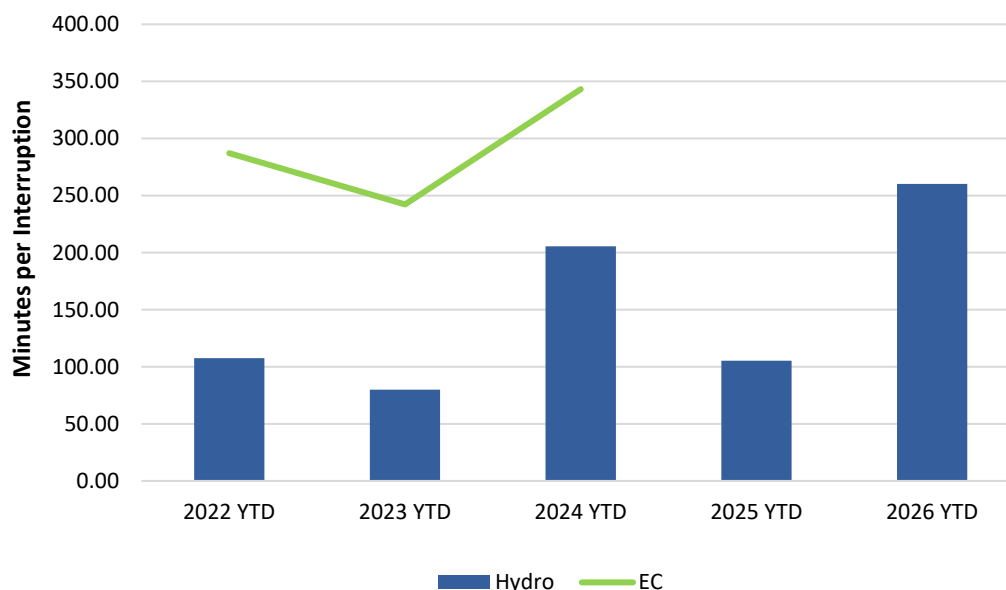


Chart D-1: T-SARI Measurements 2022–2026

3.0 Under Frequency Load Shedding

Performance data for UFLS events and UFLS undersupplied energy, by customer breakdown, are provided in Table D-9 and Table D-10, respectively. The 2026 UFLS target is zero events. Hydro does not establish a UFLS event YTD target or UFLS undersupplied energy targets. Performance data for UFLS events is provided in Chart D-2.

Table D-9: Customer Breakdown of UFLS Events

Customer	Q2		YTD		Annual Target	Average 2021–2025
	2026	2025	2026	2025	2026	
Newfoundland Power	1	0	3	1	N/A	2.4
Industrials	2	0	3	1	N/A	2.0
Hydro Rural	1	0	2	0	N/A	0
Total Events⁷	2	0	4	1	0	2.4

⁶ EC reliability data is published annually. EC Transmission reliability data is not currently available for 2025.

⁷ As individual UFLS events can affect customer types differently, totals may not be the sum of the customer types.

Table D-10: Customer Breakdown of UFLS Undersupplied Energy (MW-min)

Customer	Q2		YTD		Average 2021–2025
	2026	2025	2026	2025	
Newfoundland Power	5,610	0	24,222 ⁸	1,680	3,765
Industrials	48	0	2,357	300	297
Hydro Rural	105	0	456	0	0
Total Undersupplied Energy⁹	5,763	0	27,035	1,980	4,062

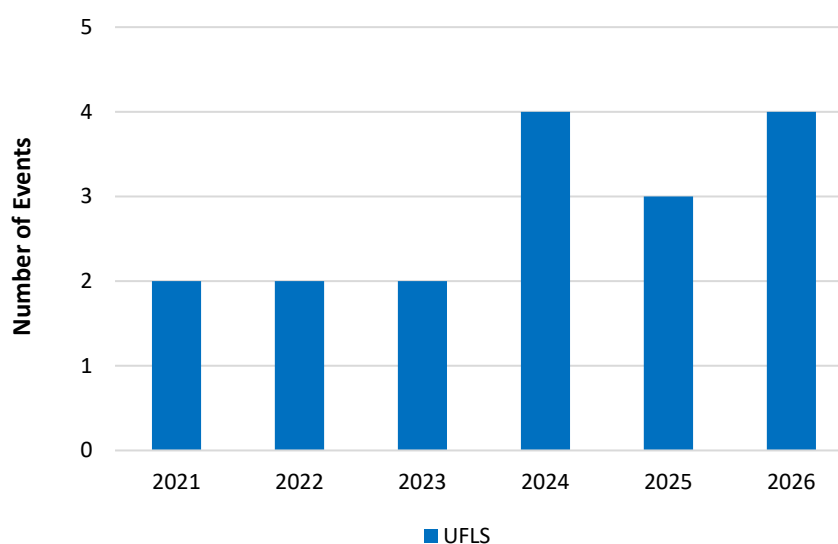


Chart D-2: UFLS Events

⁸ A UFLS event from February 13 in the amount of 7,290 MW was erroneously excluded from the calculation of the Q1 numbers reported. This has now been included in the year-to-date figures.

⁹ As individual UFLS events can affect customer types differently, totals may not be the sum of the customer types.

Appendix E

Financial Schedules



Balance Sheet - Regulated Operations
as at June 30, 2026
(\$000)

Assets	June 2026	June 2025
Current Assets		
Cash	1,914	2,880
Accounts Receivable	75,111	70,595
Inventories	135,643	113,484
Current Portion of Sinking Fund Investments	2,297	100,737
Contract Receivable	3,122	4,993
Prepayments	8,991	8,379
Due from Related Parties	466	1,284
Promissory Note - From Non-Regulated	49,143	21,667
	276,687	324,019
Property, Plant, and Equipment	2,605,704	2,448,785
Intangible Assets	4,914	4,147
Sinking Fund Investments	104,218	113,923
Right-of-Use Assets	2,378	2,397
Long-Term Receivable	99	209
Regulatory Assets	1,748,140	1,537,440
Total Assets	4,742,140	4,430,920
Liabilities and Shareholder's Equity		
Current Liabilities		
Short-Term Borrowings	350,000	392,000
Accounts Payable and Accrued Liabilities	87,833	92,854
Accrued Interest	19,499	25,363
Current Portion of Contract Payable	325,645	303,087
Current Portion of Long-Term Debt	8,750	234,548
Current Portion of Deferred Credits	3,841	7,698
Current Portion of Deferred Contributions	1,347	1,228
Current Portion of Decommissioning Liabilities	979	1,392
Due to Related Parties	26,326	15,707
	824,220	1,073,877
Long-Term Debt	2,050,571	1,767,782
Deferred Contributions	73,218	69,370
Decommissioning Liabilities	33,375	33,520
Employee Future Benefits	86,038	86,021
Contract Payable	1,017,738	743,880
Long-Term Payable	917	824
Lease Liability	2,612	2,604
Regulatory Liabilities	15,089	15,643
Shareholder Contributions	100,000	100,000
Accumulated Other Comprehensive Income	12,565	9,653
Retained Earnings	525,797	527,746
Total Liabilities and Shareholder's Equity	4,742,140	4,430,920

Quarterly Summary for the Quarter Ended June 30, 2026, Appendix E

Statement of Comprehensive Income - Regulated Operations for the Six Months Ended June 30, 2026 (\$000)

Q2				YTD		
2026 Actual	2026 Budget	2025 Actual		2026 Actual	2026 Budget	2025 Actual
10,735	13,076	13,876	Net Income	18,596	20,140	27,348
			Other Comprehensive Loss			
(224)	-	(163)	Employee Future Benefit Actuarial Loss	(449)	-	(326)
<u>10,511</u>	<u>13,076</u>	<u>13,713</u>	Total Comprehensive Income	<u>18,147</u>	<u>20,140</u>	<u>27,022</u>

**Statement of Cash Flows - Regulated Operations
for the Six Months Ended June 30, 2026
(\$000)**

	YTD	
	2026	2025
Operating Activities		
Net Income	18,596	27,348
Adjusted for Items not Involving Cash Flow		
Depreciation and Amortization	52,021	45,431
Accretion of Asset Retirement Obligation and Long-Term Debt	1,087	1,244
Amortization of Deferred Contributions	(1,229)	(1,193)
Employee Future Benefits	2,119	1,205
Loss on Disposal of Property, Plant and Equipment	(1)	(420)
Other	(6,251)	(8,584)
	66,342	65,031
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	60,979	53,385
Inventory	(38,421)	(9,737)
Prepaid Expenses	(4,115)	(4,191)
Regulatory Assets	(90,216)	(90,208)
Regulatory Liabilities	150	(5,577)
Accounts Payable and Accrued Liabilities ³	(54,462)	(28,403)
Contract Payable	195,187	321,132
Accrued Interest	(8,699)	-
Contract Receivable	2,003	(2,066)
Due to/from Related Parties ²	5,936	(2,599)
	134,684	296,767
Financing Activities		
Retirement of Long-Term Debt	(300,000)	-
Decrease (Increase) in Long-Term Receivable	45	(44)
(Decrease) Increase in Deferred Credits ¹	(2,241)	149
Increase in Deferred Capital Contributions	4,852	2,441
Increase (Decrease) in Promissory Notes ^{1,2}	82,663	(222,441)
	(214,681)	(219,895)
Investing Activities		
Additions to Property, Plant and Equipment	(92,966)	(82,277)
Removal Costs	(5)	(92)
Proceeds on Disposal	-	481
Additions to Intangible Assets	(624)	-
Decrease (Increase) in Sinking Funds	184,632	(2,400)
Changes in Non-Cash Working Capital Balances ³	(12,041)	7,146
	78,996	(77,142)
Net Decrease in Cash	(1,001)	(270)
Cash Position, Beginning of Period	2,915	3,150
Cash Position, End of Period	1,914	2,880

¹ Comparative figures for (Decrease) Increase in Deferred Credits and Increase (Decrease) in Promissory Notes have been restated for transactions reclassified in opening prior year balances between Regulated and Non-Regulated Hydro.

² Comparative figures for Due to/from Related Parties and Increase (Decrease) in Promissory Notes in Regulated and Non-Regulated Hydro have been restated due to a reclassification in opening prior year balances. Restated balances are as follows:

Q2 2025 Due to/from Related Parties is restated from (\$4,771) to (\$2,599). Change of (\$2,172).

Q2 2025 Increase (Decrease) in Promissory Notes is restated from (\$219,486) to (\$222,441). Change of \$2,955, of which \$783 pertains to Note 1 above.

³ Comparative figures for Accounts Payable and Accrued Liabilities and Changes in Non-Cash Working Capital Balances- Investing Activities have been restated to reflect an updated presentation change.

**Revenue Summary - Regulated Operations
for the Six Months Ended June 30, 2026
(\$000)**

Q2				YTD			Annual
2026 Actual	2026 Budget	2025 Actual		2026 Actual	2026 Budget	2025 Actual	2026 Budget
			Industrial				
11,045	8,559	7,825	Industrial	22,317	16,825	15,712	34,385
1,083	2,984	3,356	Industrial Load ¹	1,985	6,141	6,736	12,004
12,128	11,543	11,181	Total Industrial	24,302	22,966	22,448	46,389
			Utility				
111,568	109,227	109,135	Newfoundland Power Inc.	306,379	318,888	300,254	533,050
(2,737)	(107)	(667)	Utility Load ²	(3,459)	(14,937)	1,827	(18,678)
108,831	109,120	108,468	Total Utility	302,920	303,951	302,081	514,372
19,270	19,821	19,786	Rural	46,628	47,299	46,428	85,531
			Other Revenue				
347	120	401	Sundry	517	237	739	477
411	409	411	Pole Attachments	822	818	822	1,636
615	599	596	Amortization of CIAC ³	1,229	1,198	1,193	2,397
-	-	168	Recovery of Supply Power ⁴	475	-	1,387	-
390	390	390	Generation Demand Recovery	780	780	780	1,560
1,763	1,518	1,966	Total Other Revenue	3,823	3,033	4,921	6,070
141,992	142,002	141,401	Total Revenue	377,673	377,249	375,878	652,362

¹ Industrial load represents the revenue load variance recognized through the Supply Cost Variance Deferral Account ("SCVDA").

² Utility load represents the revenue load variance recognized through the SCVDA.

³ Contribution in aid of Construction ("CIAC").

⁴ Recovery of Supply Power includes sales of emergency energy to Nova Scotia Power.

Balance Sheet - Non-Regulated Activities
as at June 30, 2026
(\$000)

Assets	June 2026	June 2025
Current Assets		
Cash	656,805	559,728
Accounts Receivable	16,599	22,146
Inventories	1,325	2,193
Current Portion of Sinking Fund Investments	2,195	2,133
Prepayments	1,738	2,146
Deferred Asset	54,889	41,953
Related Party Loan Receivable	555,342	705,342
Due from Related Parties	24,290	26,276
	1,313,183	1,361,917
Property, Plant, and Equipment	1,882,891	1,882,456
Intangible Assets	18,706	21,172
Sinking Fund Investments	31,059	32,017
Investment in Joint Arrangement	840,842	805,136
Investment in Subsidiaries	5,299,108	5,061,341
Total Assets	9,385,789	9,164,039
Liabilities and Shareholder's Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	52,907	55,364
Current Portion of Decommissioning Liabilities	3	3
Current Portion of Deferred Credits	81,574	98,089
Derivative Liabilities	64,065	47,592
Other Current Liabilities	11,411	11,207
Due to Related Parties	4,614	4,254
Promissory Note - To Regulated	49,143	21,667
	263,717	238,176
Deferred Credits	1,458,046	1,480,371
Long-Term Payable	416	-
Employee Future Benefits	23,181	21,416
Other Long-Term Liabilities	35,357	37,584
Share Capital	122,504	122,504
Shareholder Contributions	4,658,210	4,658,210
Accumulated Other Comprehensive Income	(31,030)	(36,763)
Retained Earnings	2,855,388	2,642,541
Total Liabilities and Shareholder's Equity	9,385,789	9,164,039

Statement of Retained Earnings - Non-Regulated Activities
for the Six Months Ended June 30, 2026
(\$000)

Q2			YTD	
2026 Actual	2025 Actual		2026 Actual	2025 Actual
2,684,687	2,535,081	Balance, Beginning of Period	2,708,185	2,599,721
170,701	107,460	Net Loss	147,203	42,820
2,855,388	2,642,541	Balance, End of Period	2,855,388	2,642,541

Quarterly Summary for the Quarter Ended June 30, 2026, Appendix E

Statement of Comprehensive Income - Non-Regulated Activities for the Six Months Ended June 30, 2026 (\$000)

Q2			YTD			Annual
2026 Actual	2026 Budget	2025 Actual	2026 Actual	2026 Budget	2025 Actual	2026 Budget
170,701	27,619	107,460	147,203	(74,380)	42,820	(81,301)
(171)		384	(147)	-	866	-
852	-	875	1,707	-	1,754	-
171,382	27,619	108,719	148,763	(74,380)	45,440	(81,301)

Net Income (Loss)
Other Comprehensive Income
Share of Other Comprehensive (Loss) Income of Joint Arrangement
Share of Other Comprehensive Income of Subsidiaries
Total Comprehensive Income (Loss)

**Statement of Cash Flows - Non-Regulated Activities
for the Six Months Ended June 30, 2026
(\$000)**

	YTD	
	2026	2025
Operating Activities		
Net Income	147,203	42,820
Adjusted for Items not Involving Cash Flow		
Depreciation and Amortization	19,386	19,516
Share of Profit of Joint Arrangement	(17,345)	(25,993)
Share of Profit of Subsidiaries	(529,526)	(492,119)
Amortization of Deferred Credits	(46,215)	(47,758)
Maritime Link Operating Costs	10,910	10,116
Net Changes in PPA ¹ Fair Value	9,176	5,639
Employee Future Benefits	1,087	1,081
Accretion of Long-term Payables	1,062	1,122
Sinking Fund Earnings	(621)	(637)
Non-Cash Distribution from Subsidiary ³	46,215	47,759
Other	6	4
	(358,662)	(438,450)
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	22,245	14,769
Accounts Payable and Accrued Liabilities ⁵	(13,003)	1,497
Due to/from Related Parties ⁴	9,958	13,894
Prepaid Expenses	1,282	1,610
Other Liabilities	(6,893)	(6,760)
	(345,073)	(413,440)
Financing Activities		
Increase in Promissory Notes ^{2,4}	17,337	24,441
Change in Deferred Credits ²	1,584	5,851
	18,921	30,292
Investing Activities		
Additions to Property, Plant and Equipment	(7,478)	(7,673)
Dividends from Subsidiaries ³	267,848	119,849
Distributions from Subsidiaries	67,680	70,121
Changes in Non-Cash Working Capital Balances ⁵	271	(11,090)
	328,321	171,207
Net Change in Cash	2,169	(211,941)
Cash Position, Beginning of Period	654,636	771,669
Cash Position, End of Period	656,805	559,728

¹ Power Purchase Agreement ("PPA") between Newfoundland and Labrador Hydro ("Hydro") and Nalcor Energy Marketing.

² Comparative figures for Change in Deferred Credits and Increase in Promissory Notes have been restated for transactions reclassified in opening prior year balances between Regulated and Non-Regulated Hydro.

³ Comparative figures for Non-cash Distribution from Subsidiary and Dividends from Subsidiaries were previously combined. These have been broken out separately for presentation purposes.

⁴ Comparative figures for Due to/from Related Parties and Increase in Promissory Notes have been restated due to a reclassification to the opening prior year balance. Restated balances are as follows:
Q2 2025 Due to/from Related Parties is restated from (\$16,066) to (\$13,894). Change of (\$2,172).
Q2 2025 Increase in Promissory Notes is restated from \$21,486 to \$24,441. Change of \$2,955, of which \$783 pertains to Note 2 above.

⁵ Comparative figures for Accounts Payable and Accrued Liabilities and Changes in Non-Cash Working Capital Balances- Investing Activities have been restated to reflect an updated presentation change.

Attachment 1

Rate Stabilization Plan Report (Unaudited)

Quarter Ended June 30, 2026



Newfoundland and Labrador Hydro

Rate Stabilization Plan Report

June 30, 2026

Summary of Key Facts

The Rate Stabilization Plan ("RSP") of Newfoundland and Labrador Hydro ("Hydro") was established for Hydro's Utility customer, Newfoundland Power Inc. ("Newfoundland Power") and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 Fuel cost at Hydro's Holyrood Thermal Generating Station;
- Customer Load (Utility and Island Industrial); and
- Rural rates.

In Board Order No. P.U. 33(2021), the Board of Commissioners of Public Utilities ("Board") approved the Supply Cost Variance Deferral Account ("SCVDA") to deal with future supply cost variances on the Island Interconnected System beginning in the month in which Hydro was required to begin payments under the Muskrat Falls Purchase Power Agreement (i.e., November 2021). The approval of the SCVDA discontinued transfers to the RSP, effective as of the implementation of the SCVDA, resulting from variations in future costs associated with the Test Year Cost of Service estimates for the items listed above. However, the Board directed that the RSP balances be maintained for the transparent and timely recovery of historical balances. The rules provide for the disposition of historical balances in accordance with the RSP Rules previously approved by the Board in Board Order No. P.U. 4(2022).

The Hydraulic Variation Account Balance as of October 31, 2021 was fully assigned to customers as of December 31, 2024 as per the Rate Stabilization Plan Rules for Balance Disposition approved by the Board in Board Order No. P.U. 4(2022).

Per Board Order No. P.U. 10(2025), finance charges are calculated on the balances using the approved weighted average cost of capital, which is currently 5.45% per annum effective January 1, 2025.

Rate Stabilization Plan
Summary of Utility Customer
June 30, 2026

	A	B		C	D	E	F	G	H
	Load Variation (\$)	Allocation Fuel Variance (\$)	Allocation Rural Rate Alteration (\$)	Subtotal Monthly Variances (\$)	Financing Charges (\$)	Adjustment ¹ (\$)	Transfers ^{2,3} (\$)	Cumulative Net Balance (\$)	
	(A + B + C)								
Opening Balance									(to page 4)
Adjustment									12,617,595
Adjusted Opening Balance									12,617,595
January	-	-	-	-	55,921	(2,968,148)	-	-	9,705,368
February	-	-	-	-	43,014	(2,579,117)	-	-	7,169,265
March	-	-	-	-	31,774	(2,784,379)	6,091,362		10,508,022
April	-	-	-	-	46,572	(2,362,046)	-	-	8,192,548
May	-	-	-	-	36,310	(1,809,936)	-	-	6,418,922
June	-	-	-	-	28,449	(1,511,666)	1,237,008		6,172,713
July									
August									
September									
October									
November									
December									
Year-to-Date	-	-	-	-	242,040	(14,015,292)	7,328,370		(6,444,882)
Total	-	-	-	-	242,040	(14,015,292)	7,328,370		6,172,713

¹ Effective July 1, 2025, the Rate Stabilization Plan ("RSP") Adjustment rate is 0.413 cents per kWh as per Board Order No. P.U. 22(2025).

² Recovery of the 2025 Isolated Systems Supply Costs Deferral was approved in Board Order No. P.U. 9(2026).

³ The transfer of the June 2026 RSP Utility Customer Balance to the Utility Customer Balance in the SCVDA was approved in Board Order No. P.U. 15(2026). The transfer does not include the approximately \$6.1 million proposed to be collected in the RSP Current Plan Adjustment.

Rate Stabilization Plan
Summary of Industrial Customers
June 30, 2026

	A	B	C	D	E	F	G
	Load Variation (\$)	Allocation Fuel Variance (\$)	Subtotal Monthly Variances (\$)	Financing Charges (\$)	Adjustment (\$)	Transfers ¹ (\$)	Cumulative Net Balance (\$)
	(A + B)						
Opening Balance							(to page 4) (51,816)
Adjustment						51,816	51,816
Adjusted Opening Balance							-
January	-	-	-	-	-	-	-
February	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-
April	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-
July							
August							
September							
October							
November							
December							
Year-to-Date	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

¹ As per Order No. P.U. 3 (2026), the discontinuance of the Rate Stabilization Plan ("RSP") current plan adjustment for Island Industrial Customers ("IIC") effective January 1, 2026 was approved, and the RSP IIC balance as at December 31, 2025 of (\$51,816) was transferred to the Supply Cost Variance Deferral Account - Industrial Customers Balance.

Rate Stabilization Plan
Overall Summary
June 30, 2026

	A	B	C
	Utility Balance (\$)	Industrial Balance ¹ (\$)	Total To Date (\$)
	(from page 2)	(from page 3)	(A + B)
Opening Balance	12,617,595	(51,816)	12,565,779
Adjustments	-	51,816	51,816
Adjusted Opening Balance	12,617,595	-	12,617,595
January	9,705,368	-	9,705,368
February	7,169,265	-	7,169,265
March	10,508,022	-	10,508,022
April	8,192,548	-	8,192,548
May	6,418,922	-	6,418,922
June	6,172,713	-	6,172,713
July			
August			
September			
October			
November			
December			

¹ As per Order No. P.U. 3 (2026), the discontinuance of the Rate Stabilization Plan ("RSP") current plan adjustment for Island Industrial Customers ("IIC") effective January 1, 2026 was approved, and the RSP IIC balance as at December 31, 2025 of (\$51,816) was transferred to the Supply Cost Variance Deferral Account - Industrial Customers Balance.

Attachment 2

Supply Cost Variance Deferral Account Report (Unaudited)

Quarter Ended June 30, 2026



Newfoundland and Labrador Hydro
Supply Cost Variance Deferral Account
June 30, 2026

Summary of Key Facts

In Board Order No. P.U. 33(2021), the Board of Commissioners of Public Utilities ("Board") approved Hydro's proposal to establish an account to defer payments under the Muskrat Falls Project agreements, rate mitigation funding, project cost recovery from customers and supply cost variances.

In Board Order No. P.U. 4(2022), the Board of Commissioners of Public Utilities ("Board") approved the Supply Cost Deferral Account definition with an effective date of November 1, 2021.

Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% for the period January to November, 2026. In December, the financing costs will be trued up to reflect the actual short-term cost of borrowing for 2026.

Supply Cost Variance Deferral Account^{1,2,3}
Summary
June 30, 2026

	Supply Cost Variance Deferral Account Balance (\$) (from page 3)	Utility Balance (\$) (from page 4)	Industrial Balance (\$) (from page 5)	Total to Date (\$)
Opening Balance	390,740,090	(40,366,584)	-	350,373,506
Adjustment ⁴	-	-	(51,816)	(51,816)
Adjusted Opening Balance	390,740,090	(40,366,584)	(51,816)	350,321,690
January	422,656,688	(42,965,784)	(51,958)	379,638,946
February	457,801,440	(45,034,736)	(52,101)	412,714,603
March ⁵	143,623,434	(47,364,302)	(25,322)	96,233,810
April	193,659,624	(49,681,369)	(25,392)	143,952,863
May ⁶	245,671,127	(6,486,694)	(25,462)	239,158,971
June ⁷	296,250,902	(9,242,565)	(25,532)	286,982,805
July				
August				
September				
October				
November				
December				

¹ Numbers may not add throughout the report due to rounding.

² Financing charges accrued at the 2025 short-term cost of borrowing of 3.35%. In December, finance costs will be trued up to reflect the actual short-term cost of borrowing for 2026.

³ Balances reported may change in a subsequent month due to receipt of final invoice.

⁴ 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).

⁵ 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 4 and 5 for additional details.

⁶ May Utility Balance activity includes a \$45 million transfer as per Board Order No. P.U. 15/(2026). Please refer to page 4 for additional details.

⁷ June Utility Balance activity includes a transfer as per Board Order No. P.U. 15/(2026). Please refer to page 4 for additional details.

Supply Cost Variance Deferral Account
Section A: Summary
June 30, 2026

	Project Cost Recovery Rider				Load Variation				Financing Charges ¹				Cumulative Net Balance (\$) (to page 2)				
	Muskat Falls Project Cost Variance (\$) (from page 6)	Rate Mitigation Fund ² (\$) (from page 15)	Utility ³ (\$) (from page 15)	Industrial ⁴ (\$) (from page 15)	Holyrood TGS ⁵ Fuel Cost Variance (\$) (from page 7)	Other IIS ⁶ Supply Cost Variance (\$) (from page 8)	Net Revenue From Exports Variance (\$) (from page 9)	Transmission Tariff Revenue Variance (\$) (from page 10)	Utility ⁷ (\$) (from page 11)	Industrial (\$) (from page 12)	Greenhouse Gas Credit Revenue Variance (\$) (from page 14)	Subtotal Monthly Variances (\$)		Utility (\$) (from page 14)	Industrial (\$) (from page 14)	Other (\$) (from page 14)	Transfers (\$) (from page 14)
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)	(9,835,182)	(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)	(1,013,924) ⁸	(327,784)	(1,498,023)	(1,483,274)	244,169	(75,133)	49,641,269	(616,333)	(39,709)	1,050,963	-	193,659,624
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)	1,215,075	-	245,671,127
June	60,838,513	-	(5,548,874)	(847,208)	(2,923,588)	231,865	(198,268)	(1,498,023)	(698,327)	546,832	1,331	49,904,253	(658,442)	(45,102)	1,379,066	-	296,250,902
July	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Year-to-Date	379,968,175	(350,300,000)	(51,445,960)	(5,670,761)	(56,845,853)	(2,709,443)	(1,934,151)	(8,988,138)	(3,458,610)	1,984,982	(187,789)	(99,587,548)	(3,597,615)	(229,996)	8,925,971	-	(94,489,188)
Total	2,718,304,071	(1,630,133,434)	(245,008,659)	(17,249,666)	(281,047,377)	(103,055,880)	(186,109,072)	(71,724,002)	67,472,324	62,518,982	(71,913,095)	242,054,232	(15,484,477)	(545,157)	70,226,304	-	296,250,902

¹ Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% for the period January to June 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 SCQA 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 Island Interconnected System ("IIS").

⁷ As per Board Order No. P.U. 1(2025), the Board approved a wholesale rate, effective as of January 1, 2025, to be charged to Utility of 8.698 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.

⁸ Balance reported changed due to the receipt of the final invoice.

Supply Cost Variance Deferral Account
Section B: Utility Customer Balance
June 30, 2026

	Allocation Rural Rate Alteration ¹ (\$)	Financing Charges ² (\$)	Adjustment ³ (\$)	Transfers ^{4,5} (\$)	Cumulative Net Balance (\$) (to page 2)
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	(1,501,027)	(17,836)	-	(1,237,008)	(9,242,565)
July					
August					
September					
October					
November					
December					
Year-to-Date	(12,444,475)	(637,654)	45,034,736	(828,588)	31,124,019
Total	(50,310,909)	(3,137,804)	45,034,736	(828,588)	(9,242,565)

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).

⁵ The transfer of the June 2026 Rate Stabilization Plan ("RSP") Utility Customer Balance to the Utility Customer Balance in the SCVDA was approved in Board Order No. P.U. 15(2026). The transfer does not include the approximately \$6.1 million proposed to be collected in the RSP Current Plan Adjustment.

Supply Cost Variance Deferral Account
Section B: Industrial Customers Balance
June 30, 2026

	Financing Charges (\$)	Transfers ^{1,2} (\$)	Cumulative Net Balance (\$) (to page 2)
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	(70)	-	(25,532)
July			
August			
September			
October			
November			
December			
Year-to-Date	(638)	26,922	26,284
Total	(638)	(24,894)	(25,532)

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).

Supply Cost Deferral Account
Muskrat Falls Project Cost Variances
June 30, 2026

	Muskrat Falls PPA ¹ Charges Actual (\$) (A)	Muskrat Falls PPA Charges Test Year (\$) (A _T)	TFA ² Charges Actual (\$) (B)	TFA Charges Test Year (\$) (B _T)	Total Variation (\$) (A - A _T) + (B - B _T) (to page 3)
January	25,404,942	-	39,500,763	-	64,905,706
February	25,287,679	-	39,162,568	-	64,450,247
March	25,681,137	-	34,129,994	-	59,811,131
April	25,538,124	-	39,266,474	-	64,804,598
May	25,938,462	-	39,219,518	-	65,157,980
June	23,848,432	-	36,990,081	-	60,838,513
July					
August					
September					
October					
November					
December					
Total	151,698,775	-	228,269,399	-	379,968,175

¹ Power Purchase Agreement ("PPA").

² Transmission Funding Agreement ("TFA")

Supply Cost Deferral Account
Holyrood TGS Fuel Cost Variance
June 30, 2026

	Actual		Net Quantity No. 6 Fuel (bbl.)	Actual Average No. 6 Fuel Cost (\$Can./bbl)	Actual (\$)	Test Year Quantity No. 6 Fuel (bbl.)	Test Year No. 6 Fuel Cost (\$Can./bbl)	Test Year (\$)	Total Variation (\$)
	Quantity No. 6 Fuel (bbl.)	Quantity No. 6 Fuel for Non-Firm Sales ¹ (bbl.)							
January	181,309	676	180,633	95.03	17,165,093	421,132	105.90	44,597,879	(27,432,786)
February	219,733	586	219,148	97.78	21,427,983	363,087	105.90	38,450,913	(17,022,931)
March	153,714	125	153,589	98.22	15,085,124	178,662	105.90	18,920,306	(3,835,182)
April	79,505	29	79,476	122.62	9,745,705	104,889	105.90	11,107,745	(1,362,040)
May	18,440	-	18,440	134.92	2,487,941	63,808	105.90	6,757,267	(4,269,326)
June	1,326	-	1,326	134.92	178,964	29,297	105.90	3,102,552	(2,923,588)
July									
August									
September									
October									
November									
December									
Total	654,028	1,416	652,611	101.27	66,090,810	1,160,875	105.90	122,936,663	(56,845,853)

¹ Includes non-firm sales to Island Industrial Customers and supply of emergency energy to Nova Scotia.

Supply Cost Deferral Account
Other IIS Supply Cost Variance Summary
June 30, 2026

	Thermal Variation ¹ (\$)	Off-Island Power Purchase Variation ¹ (\$)	On-Island Power Purchase Variation ¹ (\$)	CBPP ² Firm Energy Variation ¹ (\$)	Current Month Variation (\$)	Year-to-Date Variation (\$)	Cost Variance Threshold ³ (\$)	Other IIS Supply Cost Variance (\$)
	(D)	(E)	(F)	(G)	(D + E + F + G)			
January	2,491,682	5,069,104	(296,909)	-	7,263,877	7,263,877	500,000	6,763,877
February	(869,686)	(2,610,641)	(278,646)	-	(3,758,973)	3,504,904	500,000	3,004,904
March	(668,026)	(5,801,330)	132,432	-	(6,336,924)	(2,832,020)	(500,000)	(2,332,020)
April	(407,811)	(117,445)	(488,668)	-	(1,013,924)	(3,845,944)	(500,000)	(3,345,944)
May	(19,510)	174	423,972	-	404,636	(3,441,308)	(500,000)	(2,941,308)
June	(479,271)	145,123	566,013	-	231,865	(3,209,443)	(500,000)	(2,709,443)
July								
August								
September								
October								
November								
December								
Total	47,378	(3,315,015)	58,194	-	(3,209,443)			

¹ The calculation of the variation by source is provided in Appendix A.

² Corner Brook Pulp and Paper Ltd. ("CBPP").

Supply Cost Deferral Account
Net Revenue from Exports Variance
June 30, 2026

	Test Year (H_T) (\$)	Net Revenue from Exports Excluding Non- Firm Sales		Transfer	Actual ² (\$) (H)	Total Variation (\$) ($H_T - H$) (to page 3)
		Firm Sales Revenue	Non-Firm Sales Revenue ¹			
January	-	207,601	183,541		391,142	(391,142)
February	-	256,785	190,490		447,275	(447,275)
March ³	-	132,937	104,698		237,635	(237,635)
April	-	244,367	83,417		327,784	(327,784)
May	-	208,989	123,058		332,047	(332,047)
June	-	29,755	168,513		198,268	(198,268)
July						
August						
September						
October						
November						
December						
Total	-	1,080,435	853,717	-	1,934,151	(1,934,151)

¹ Hydro's application to implement a non-firm rate for the Labrador Interconnected System and for Island Industrial customers to be calculated based on export market prices was approved in Board Order No. P.U. 34(2023). The Board Order also approved a revision to the SCVDA so that revenues from non-firm sales on the Island Interconnected System, supplied by hydraulic generation and revenues from Rate No. 5.1L – Non-Firm Energy, will be credited to the Net Revenue from Exports Variance component.

² Muskrat Falls and Hydro entered into a Purchase Power Agreement for the purchase and sale of residual block energy. Under this Agreement, Labrador Rural and Industrial customer load, previously serviced with Recapture Energy from Churchill Falls, is now serviced with energy from the Muskrat Falls Hydroelectric Generating Facility. Entering into this Agreement has allowed additional Recapture Energy exports to external markets helping to ensure maximum value from the organization's hydrological resources.

³ In March the actual settlement value for net export sales for 2025 was finalized. The settlement did not change the revenue that was accrued in December 2025, therefore no true-up was required.

Supply Cost Deferral Account
Tariff Revenue
June 30, 2026

	Test Year	Actual	Total
	(\$)	(\$)	Variation
	(I _T)	(I)	(\$)
			(I _T - I)
			(to page 3)
January	-	1,498,023	(1,498,023)
February	-	1,498,023	(1,498,023)
March	-	1,498,023	(1,498,023)
April	-	1,498,023	(1,498,023)
May	-	1,498,023	(1,498,023)
June	-	1,498,023	(1,498,023)
July			
August			
September			
October			
November			
December			
Total	-	8,988,138	(8,988,138)

Supply Cost Deferral Account
Load Variation - Utility
June 30, 2026

Test Year Cost of Service Firm Sales (kWh) (J _T)	Actual Firm Sales (kWh) (J _A)	Sales Variance (kWh) (J _T - J _A)	Firm Energy Rate (\$/kWh) ¹ (K _R)	Load Variation (\$) (J _T - J _A) x K _R (to page 3)
January	715,400,000	718,679,851	0.09698	(318,080)
February	648,500,000	624,483,417	0.09698	2,329,128
March	646,000,000	674,183,838	0.09698	(2,733,269)
April	527,700,000	571,924,039	0.03354	(1,483,274)
May	421,700,000	438,241,072	0.03354	(554,788)
June	345,200,000	366,020,727	0.03354	(698,327)
July				
August				
September				
October				
November				
December				
Total	3,304,500,000	3,393,532,944		(3,458,610)

¹ 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 Deferral Account
Load Variation - Industrial
June 30, 2026

Test Year	Cost of Service	Actual	Sales	Firm	Load
Firm Sales	Firm Sales	Variance	Energy	Variation	
(kWh)	(kWh)	(kWh)	Rate	($\$/kWh$)	($\$$)
(J _T)	(J _A)	(J _T - J _A)	(K _R)	(J _T - J _A) x K _R	(to page 3)
January	63,000,000	50,085,586	12,914,414	0.04428	571,850
February	58,100,000	51,440,128	6,659,872	0.04428	294,899
March	63,300,000	62,504,983	795,017	0.04428	35,203
April	61,500,000	55,985,787	5,514,213	0.04428	244,169
May	63,000,000	56,404,941	6,595,059	0.04428	292,029
June	60,900,000	48,550,578	12,349,422	0.04428	546,832
July					
August					
September					
October					
November					
December					
Total	369,800,000	324,972,003	44,827,997		1,984,982

-

Supply Cost Deferral Account
Rural Rate Alteration
June 30, 2026

	Price (\$)	Volume (\$)	Total ¹ (\$)	Utility Allocation ¹ (\$)	Labrador Interconnected Allocation ¹ (\$)	Balance (\$)
				(to page 4)		
January	(2,062,211)	(526,971)	(2,589,182)	(2,488,204)	(100,978)	-
February	(1,868,269)	(161,709)	(2,029,978)	(1,950,809)	(79,169)	-
March	(1,886,154)	(834,089)	(2,720,243)	(2,614,154)	(106,089)	-
April	(1,631,251)	(644,325)	(2,275,576)	(2,186,829)	(88,747)	-
May	(1,544,289)	(228,294)	(1,772,583)	(1,703,452)	(69,131)	-
June	(1,389,545)	(172,398)	(1,561,943)	(1,501,027)	(60,916)	-
July						
August						
September						
October						
November						
December						
Total	(10,381,719)	(2,567,786)	(12,949,505)	(12,444,475)	(505,030)	-

¹The 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).

Supply Cost Deferral Account
Greenhouse Gas Credits
June 30, 2026

	Test Year	Actual	Total
	(\$)	(\$)	Variation
	(T _T)	(T)	(T _T - T)
			(to page 3)
January	-	(9,959)	9,959
February	-	(301)	301
March	-	30,784	(30,784)
April	-	75,133	(75,133)
May	-	93,463	(93,463)
June	-	(1,331)	1,331
July			
August			
September			
October			
November			
December			
Total	-	187,790	(187,789)

Supply Cost Deferral Account
Rate Mitigation Fund
June 30, 2026

	Test Year	Actual	Total Variation
	(\$)	(\$)	(\$)
			(to page 3)
January	-	-	-
February	-	-	-
March ¹	-	350,300,000	(350,300,000)
April	-	-	-
May	-	-	-
June	-	-	-
July			
August			
September			
October			
November			
December			
	<u>-</u>	<u>350,300,000</u>	<u>(350,300,000)</u>

¹ As per Order in Council OC2024-062 dated May 7, 2024, 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.

2025 Short-Term Interest Calculation¹

	<u>(\$000's)</u>
Promissory Note Interest	7,926
BA ² Interest	-
CORRA ³ Interest	5,167
Operating Line Interest	-
Standby and Upfront Fee	709
Brokerage Fee	292
Debt Guarantee Fee – Recoverable Portion Only	375
Total Short-Term Borrowing Costs	14,469
 Weighted Average Short-Term Debt Balance⁴	 431,293
 Short-Term Cost of Borrowing 2025	 3.35%

¹ Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% for the period of January to November, 2026. In December 2026, financing costs will be trued up to reflect the actual short-term cost of borrowing for 2026.

² Banker's Acceptance ("BA").

³ Canadian Overnight Repo Rate Average ("CORRA").

⁴ The weighted average of the short-term debt balance is calculated using the 365-day average of the credit facility debt and the promissory note debt balances.

Appendix A

Other Island Interconnected System

Supply Cost Variance Summary



Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
June 30, 2026

Holyrood Combustion Turbine	Actual Cost (\$) (A)	Fuel for Non- Firm Sales (\$) ^{1,2} (B)	Net Cost (\$) (C = A - B)	Test Year Cost (\$) (D)	Thermal Variation (\$) (C - D)
January	2,923,421	358,422	2,564,999	1,258,888	1,306,111
February	16,900	5,042	11,858	767,288	(755,430)
March	73,512	791	72,721	661,531	(588,810)
April	66,188	-	66,188	392,558	(326,370)
May	73,481	5,924	67,557	123,373	(55,816)
June	32,698	-	32,698	431,643	(398,945)
July					
August					
September					
October					
November					
December					
Subtotal	3,186,201	370,179	2,816,022	3,635,281	(819,260)

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
June 30, 2026

Hardwoods Gas Turbine	Actual Cost (\$) (A)	Fuel for Non- Firm Sales (\$) (B)	Net Cost (\$) (C = A - B)	Test Year Cost (\$) (D)	Thermal Variation (\$) (C - D)
January	654,410	-	654,410	122,478	531,932
February	36,296	-	36,296	123,884	(87,588)
March	17,895	-	17,895	117,271	(99,376)
April	21,604	-	21,604	83,554	(61,950)
May	123,738	-	123,738	57,170	66,568
June	13,065	-	13,065	46,909	(33,844)
July					
August					
September					
October					
November					
December					
Subtotal	867,007	-	867,007	551,266	315,742

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
June 30, 2026

Stephenville Gas Turbine	Actual Cost (\$)	Fuel for Non- Firm Sales (\$)	Net Cost (\$)	Test Year Cost (\$)	Thermal Variation (\$)
	(A)	(B)	(C = A - B)	(D)	(C - D)
January	661,875	-	661,875	68,116	593,759
February	25,122	-	25,122	46,923	(21,801)
March	63,153	-	63,153	40,867	22,286
April	30,301	-	30,301	56,006	(25,705)
May	732	-	732	25,733	(25,001)
June	9,836	-	9,836	86,278	(76,442)
July					
August					
September					
October					
November					
December					
Subtotal	791,019	-	791,019	323,923	467,096

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
June 30, 2026

St. Anthony Diesel Generating Station	Actual Cost (\$) (A)	Fuel for Non- Firm Sales (\$) (B)	Net Cost (\$) (C = A - B)	Test Year Cost (\$) (D)	Thermal Variation (\$) (C - D)
January	52,777	21,946	30,831	3,147	27,684
February	(96)	-	(96)	3,089	(3,185)
March	2,825	-	2,825	3,299	(474)
April	10,395	-	10,395	3,547	6,848
May	86	-	86	3,662	(3,576)
June	35,368	-	35,368	3,604	31,764
July					
August					
September					
October					
November					
December					
Subtotal	101,356	21,946	79,410	20,348	59,061

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
June 30, 2026

Hawkes Bay Diesel Generating Station	Actual Cost (\$) (A)	Fuel for Non- Firm Sales (\$) (B)	Net Cost (\$) (C = A - B)	Test Year Cost (\$) (D)	Thermal Variation (\$) (C - D)
January	33,771	-	33,771	1,575	32,196
February	(135)	-	(135)	1,547	(1,682)
March	-	-	-	1,652	(1,652)
April	1,142	-	1,142	1,776	(634)
May	148	-	148	1,833	(1,685)
June	-	-	-	1,804	(1,804)
July					
August					
September					
October					
November					
December					
Subtotal	34,926	-	34,926	10,187	24,739
Total Thermal Generation Cost Variance					47,378

¹ All non-firm sales are credited under Holyrood Combustion Turbines since the non-firm sales were not distinguished between Holyrood, Hardwoods or Stephenville.

² Includes Non-firm sales to Island Industrial Customers and supply of emergency energy to Nova Scotia.

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Supply Cost Variance Deferral Account
Off-Island Power Purchase
June 30, 2026

Maritime Link	Actual	Test Year	Off-Island
	Cost (\$) (A)	Cost (\$) (B)	Power Purchase Variation (\$) (A - B)
January	5,526,816	325,148	5,201,668
February	(503)	2,548,040	(2,548,542)
March	98,470	5,799,459	(5,700,989)
April	-	-	-
May	-	-	-
June	142,482	-	142,482
July			
August			
September			
October			
November			
December			
Subtotal	5,767,266	8,672,647	(2,905,381)

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Supply Cost Variance Deferral Account
Off-Island Power Purchase
June 30, 2026

Labrador-Island Link	Actual Cost (\$)	Test Year Cost (\$)	Off-Island Power Purchase Variation (\$)
	(A)	(B)	(A - B)
January	19,322	151,886	(132,564)
February	-	62,099	(62,099)
March	20,030	120,370	(100,341)
April	28,873	146,318	(117,445)
May	174	-	174
June	2,641	-	2,641
July			
August			
September			
October			
November			
December			
Subtotal	71,039	480,674	(409,634)
Total Off-Island Power Purchase Variance			(3,315,015)

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Supply Cost Deferral Account
On-Island Purchases Variation
June 30, 2026

Nalcor Exploits	Actual Production (kWh)	Cost of Service Production (kWh)	Monthly Production Variance (kWh)	Cost of Service Cost (¢/kWh)	Power Purchase Variation (\$)
	(A)	(B)	(C) = (A - B)	(D)	(E) = (C x D)
January	45,292,370	54,196,680	(8,904,310)	0.0400	(356,172)
February	46,990,729	48,703,200	(1,712,471)	0.0400	(68,499)
March	51,507,814	53,794,920	(2,287,106)	0.0400	(91,484)
April	48,447,435	55,911,600	(7,464,165)	0.0400	(298,567)
May	50,613,995	58,649,520	(8,035,525)	0.0400	(321,421)
June	47,028,528	48,618,000	(1,589,472)	0.0400	(63,579)
July					
August					
September					
October					
November					
December					
Subtotal	289,880,871	319,873,920	(29,993,049)		(1,199,722)

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Supply Cost Deferral Account
On-Island Purchases Variation
June 30, 2026

Star Lake	Actual Production (kWh) (A)	Cost of Service Production (kWh) (B)	Monthly Production Variance (kWh) (C) = (A - B)	Cost of Service Cost (¢/kWh) (D)	Power Purchase Variation (\$) (E) = (C x D)
January	12,291,437	12,391,320	(99,883)	0.0400	(3,995)
February	10,478,789	11,245,920	(767,131)	0.0400	(30,685)
March	12,510,880	12,395,040	115,840	0.0400	4,634
April	12,077,051	12,308,400	(231,349)	0.0400	(9,254)
May	12,248,567	12,636,840	(388,273)	0.0400	(15,531)
June	11,814,397	11,970,000	(155,603)	0.0400	(6,224)
July					
August					
September					
October					
November					
December					
Subtotal	71,421,121	72,947,520	(1,526,399)		(61,055)

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Supply Cost Deferral Account
On-Island Purchases Variation
June 30, 2026

Rattle Brook	Actual Production (kWh) (A)	Cost of Service Production (kWh) (B)	Monthly Production Variance (kWh) (C) = (A - B)	Cost of Service Cost (¢/kWh) (D)	Power Purchase Variation (\$) (E) = (C x D)
January	1,178,434	680,000	498,434	0.0851	42,423
February	330,775	470,000	(139,225)	0.0851	(11,850)
March	1,228,163	630,000	598,163	0.0851	50,911
April	1,239,924	1,600,000	(360,076)	0.0851	(30,647)
May	2,553,296	2,590,000	(36,704)	0.0851	(3,124)
June	2,413,244	1,630,000	783,244	0.0851	66,663
July					
August					
September					
October					
November					
December					
Subtotal	8,943,836	7,600,000	1,343,836		114,376

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Supply Cost Deferral Account
On-Island Purchases Variation
June 30, 2026

CBPP ¹ Co-Generation	Actual Production (kWh) (A)	Cost of Service Production (kWh) (B)	Monthly Production Variance (kWh) (C) = (A - B)	Cost of Service Cost (¢/kWh) (D)	Power Purchase Variation (\$) (E) = (C x D)
January	6,320,000	6,320,000	-	0.1884	-
February	4,980,000	4,980,000	-	0.1884	-
March	5,840,000	5,840,000	-	0.1884	-
April	6,123,946	5,550,000	573,946	0.1884	108,131
May	9,086,213	5,740,000	3,346,213	0.1884	630,427
June	10,070,425	6,070,000	4,000,425	0.1884	753,680
July					
August					
September					
October					
November					
December					
Subtotal	42,420,584	34,500,000	7,920,584		1,492,238

¹ Corner Brook Pulp and Paper Limited ("CBPP").

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
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Supply Cost Deferral Account
On-Island Purchases Variation
June 30, 2026

St. Lawrence Wind	Actual Production (kWh) (A)	Cost of Service Production (kWh) (B)	Monthly Production Variance (kWh) (C) = (A - B)	Cost of Service Cost (¢/kWh) (D)	Power Purchase Variation (\$) (E) = (C x D)
January	10,524,237	11,200,000	(675,763)	0.0722	(48,790)
February	10,040,200	11,200,000	(1,159,800)	0.0722	(83,738)
March	11,758,103	10,570,000	1,188,103	0.0722	85,781
April	7,819,975	9,420,000	(1,600,025)	0.0722	(115,522)
May	8,426,180	7,860,000	566,180	0.0722	40,878
June	4,267,000	6,070,000	(1,803,000)	0.0722	(130,177)
July					
August					
September					
October					
November					
December					
Subtotal	52,835,695	56,320,000	(3,484,305)		(251,568)

Supply Cost Variance Deferral Account Report for the Quarter Ended June 30, 2026
Appendix A, Page 13 of 13

Supply Cost Deferral Account
On-Island Purchases Variation
June 30, 2026

Fermeuse Wind	Actual Production (kWh)	Cost of Service Production (kWh)	Monthly Production Variance (kWh)	Cost of Service Cost (¢/kWh)	Power Purchase Variation (\$)
	(A)	(B)	(C) = (A - B)	(D)	(E) = (C x D)
January	9,922,226	9,020,000	902,226	0.0772	69,625
February	7,933,127	9,020,000	(1,086,873)	0.0772	(83,874)
March	9,580,238	8,510,000	1,070,238	0.0772	82,590
April	5,739,428	7,590,000	(1,850,572)	0.0772	(142,809)
May	7,531,801	6,330,000	1,201,801	0.0772	92,743
June	4,185,712	4,890,000	(704,288)	0.0772	(54,350)
July					
August					
September					
October					
November					
December					
Subtotal	44,892,532	45,360,000	(467,468)		(36,075)
Total On-Island Purchases Variance					58,194

Contribution in Aid of Construction

Quarter Ended June 30, 2026



Table 1 summarizes the CIAC¹ activity for the current quarter. It also provides an overview of the following:

- The type of service for which a CIAC has been calculated, either domestic or general service;
- The number of CIACs quoted during the quarter, as well as the number of CIAC quotes that remain outstanding as of the end of the quarter. This format facilitates a reconciliation of the total number of CIACs that were active during the quarter; and
- Information as to the disposition of the total CIACs quoted. A CIAC is considered accepted when a customer indicates that it wishes to proceed with the construction of the extension and has agreed to pay any charge that may be applicable. A CIAC is considered to expire after six months have elapsed and the customer has not indicated its intention to proceed with the extension. A quoted CIAC is outstanding if it is neither accepted nor expired.

Table 1: CIAC Report for the Current Quarter

Type of Service	CIACs		Total CIACs Quoted	CIACs Accepted	CIACs Expired	CIACs Outstanding
	CIACs Quoted	Outstanding from Last Quarter				
Domestic						
Within Plan Boundary	0	0	0	0	0	0
Outside Plan Boundary	0	3	3	0	2	1
Subtotal	0	3	3	0	2	1
General Service	3 ²	0	3	2	1	0
Total	3	3	6	2	3	1

¹ Includes residential, non-residential, and general service CIAC activities for Northern, Central, and Labrador regions.

² Includes one General Service CIAC that was quoted in Q1 and not included in the Q1 report.

1 The number of CIACs quoted during the current quarter by region is summarized in Table 2, which also
2 identifies the following:

- 3 • The service location for the CIAC;
- 4 • The CIAC number related to the quote;
- 5 • The amount of the CIAC required to be paid by the customer;
- 6 • The estimated construction costs to provide the requested service; and
- 7 • Whether the CIAC has been accepted by the customer.

Table 2: CIAC Activity Report for the Current Quarter

Date Quoted	Service Location	CIAC Number	CIAC Amount (\$)	Estimated Construction Costs (\$)	Accepted
Domestic: Within Residential Planning Boundaries					
n/a	n/a	n/a	n/a	n/a	n/a
Domestic: Outside Residential Planning Boundaries					
n/a	n/a	n/a	n/a	n/a	n/a
General Service					
02-Mar-2026 ²	King's Point	2103202	590,889	619,477	yes
19-Jun-2026	Daniel's Harbour	2101321	5,153	20,708	yes
29-Jun-2026	Parson's Pond	2139249	21,940	27,125	

² General Service CIAC 2103202 was quoted in Q1 and not included in the Q1 report.

Customer Damage Claims

Quarter Ended June 30, 2026



The Customer Damage Claims report contains a summary of all damage claims activity on a quarterly basis. The information contained in the report is broken down by cause as well as by the operating region where the claims originated.

The report provides an overview of the following:

- The number of claims received during the quarter, coupled with claims outstanding from the last quarter;
- The number of claims for which Newfoundland and Labrador Hydro (“Hydro”) has accepted responsibility and the amount paid to claimants versus the amount originally claimed;
- The number of claims rejected and the dollar value associated with those claims; and
- Those claims that remain outstanding at the end of the quarter and the dollar value associated with such claims.

Definitions of Causes of Damage Claims:

- **System Operations:** Claims arising from system operations (e.g., normal reclosing or switching).
- **Power Interruptions:** Claims arising from the interruption of power supply (e.g., all scheduled or unscheduled interruptions).
- **Improper Workmanship:** Claims arising from the failure of electrical equipment caused by improper workmanship or methods (e.g., improper crimping of connections, insufficient sealing and taping of connections, improper maintenance, and inadequate clearance or improper operation of equipment).
- **Weather Related:** Claims arising from weather conditions (e.g., wind, rain, ice, lightning or corrosion caused by weather).
- **Equipment Failure:** Claims arising from failure of electrical equipment not caused by improper workmanship (e.g., broken neutrals, broken tie wires, transformer failure, insulator failure or broken service wire).
- **Third Party:** Claims arising from equipment failure caused by acts of third parties (e.g., motor vehicle accidents and vandalism).
- **Miscellaneous:** All claims that are not related to electrical service.
- **Waiting Investigation:** Cause to be determined.

Table 1: Customer Property Damage Claims Report by Region for the Current Quarter¹

Region	# Received	# Outstanding Since Last Quarter	Total	Claims Accepted		Claims Rejected	Claims Outstanding	
				#	Amount Claimed (\$)	Amount Paid (\$)	#	Amount (\$)
Central	3	11	14	1	184	184	0	0
Northern	2	10	12	3	7,484	3,464	2	1,731
Labrador	0	2	2	0	0	0	2	4,207
Total	5	23	28	4	7,668	3,648	4	5,937

Table 2: Customer Property Damage Claims Report by Region for the Same Quarter, Previous Year²

Region	# Received	# Outstanding Since Last Quarter	Total	Claims Accepted		Claims Rejected	Claims Outstanding	
				#	Amount Claimed (\$)	Amount Paid (\$)	#	Amount (\$)
Central	9	10	19	3	4,966	2,816	6	6,159
Northern	1	12	13	3	17,027	13,758	3	1,880
Labrador	1	1	2	0	0	0	1	3,945
Total	11	23	34	6	21,992	16,574	10	11,984

¹ Numbers may not add due to rounding.

² Numbers may not add due to rounding.

Table 3: Customer Property Damage Claims Report by Cause for the Current Quarter³

Cause	# Received	# Outstanding Since Last Quarter		#	Claims Accepted		Claims Rejected		Claims Outstanding	
		Quarter	Total		Amount Claimed (\$)	Amount Paid (\$)	Amount (\$)		Amount (\$)	
System Operations	0	0	0	0	0	0	0	0	0	0
Power Interruptions	0	2	2	0	0	0	1	2,908	1	350
Improper Workmanship	0	5	5	1	2,852	2,053	0	0	4	15,448
Weather Related	1	2	3	0	0	0	2	1,730	3	6,101
Equipment Failure	4	11	15	3	4,816	1,595	1	1,298	11	14,223
Third Party	0	0	0	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0	0	0	0
Awaiting Investigation	0	3	3	0	0	0	0	0	1	2,150
Total	5	23	28	4	7,668	3,648	4	5,937	20	38,271

Table 4: Customer Property Damage Claims Report by Cause for the Same Quarter, Previous Year⁴

Cause	# Received	# Outstanding Since Last Quarter		#	Claims Accepted		Claims Rejected		Claims Outstanding	
		Quarter	Total		Amount Claimed (\$)	Amount Paid (\$)	Amount (\$)		Amount (\$)	
System Operations	1	0	1	0	0	0	0	0	1	800
Power Interruptions	1	1	2	0	0	0	1	3,945	1	1,569
Improper Workmanship	1	3	4	0	0	0	0	0	4	17,744
Weather Related	2	7	9	1	1,553	610	6	6,709	2	2,734
Equipment Failure	5	8	13	5	20,439	15,964	0	0	8	22,203
Third Party	0	1	1	0	0	0	1	1,180	0	0
Miscellaneous	0	0	0	0	0	0	0	0	0	0
Awaiting Investigation	1	3	4	0	0	0	2	150	2	2,500
Total	11	23	34	6	21,992	16,574	10	11,984	18	47,549

³ Claims classified as "Awaiting Investigation" are recategorized once investigations are complete. Accordingly, the total of accepted, rejected and outstanding claims for each cause in the current quarter may be greater than the number of claims received and carried into the quarter for that cause.

⁴ Numbers may not add due to rounding.