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BY EMAIL AND COURIER

6 November 2017

Ms. Tracey Pennell
Newfoundland and Labrador Hydro
Hydro Place, 500 Columbus Drive
P.O. Box 12400
St. John's, NL A1B 4K7
email: traceypennell@nlh.nl.ca

**Re: Request for information #2 of Iron Ore Company of Canada ("IOC") to
Newfoundland and Labrador Hydro ("NLH")**

Dear Ms. Pennell:

Please find enclosed a copy of IOC's Request for information in the matter of a General Rate Application by Newfoundland and Labrador Hydro to establish customer electricity rates for 2018 and 2019.

Best regards,

Benoit Pepin
Director Energy, North America
Aluminium

Encl.

1 **IN THE MATTER OF** the *Electrical Power Control*
2 *Act, 1994*, SNL 1994, Chapter E-5.1 and the *Public*
3 *Utilities Act*, RSN 1990, Chapter P-47;

4
5 **AND IN THE MATTER OF** a General Rate
6 Application by Newfoundland and Labrador Hydro
7 to establish customer electricity rates for 2018 and
8 2019 (« *NLH 2017 GRA* »).

12
13 **Request for information #2 of the Iron Ore Company of Canada (« IOC »)**
14 **to**
15 **Newfoundland and Labrador Hydro (« NLH »)**

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19 **Preamble:** IOC seeks to understand the rates and methodology used to determine the
20 transmission losses applicable to IOC's rates and invoices.

21
22 Also, RFI IOC-NLH-019 was misinterpreted by NLH. In this RFI, "said transmission
23 loss factor" referred not to the illustration of the Island loss factor, but to the
24 transmission loss factor of the previous RFI. IOC therefore restates its RFI.

25
26 **References:** (i) IOC-NLH-001, page 2, line 11 and footnote 1
27 (ii) IOC-NLH-006, page 2, lines 14-15
28 (iii) IOC-NLH-018, page 1, lines 20-22
29 (iv) IOC-NLH-019

30
31 **IOC – NLH – 29:** (A) Please provide the detail of the different costs recovered by NLH through the
32 0.42 ¢/kW-month generation demand rate.

33
34 (B) If the calculation of the generation demand rate includes transmission losses,
35 please state the rate and source of its rate. Does NLH apply the same rate determine
36 the availability of the Development block, the Recapture Energy and the transmission
37 rate? If the transmission losses used for the determination of the Labrador
38 transmission rate differ, please explain.

39
40 (C) Please provide the detailed calculation, including assumptions of the transmission
41 loss factor applicable to Labrador Transmission Rate Customers. Please indicate if the
42 calculation and methodology has been presented to the Board by NLH? If so, please
43 provide the reference to the relevant filings. Include information in a format similar to
44 Table 1 of IOC-NLH-019.

45
46 
47

1 **References:** (i) IOC-NLH-008, page 1
 2 (ii) Québec Superior Court decision in *Hydro-Québec c. Churchill Falls (Labrador)*
 3 *Corporation Ltd.*, [2016 QCCS 3746](#) (CanLII)

4
 5 (i) « *Hydro is advised that the availability of Recapture Energy to Hydro has not*
 6 *been contended in the litigation with Hydro-Quebec.* »

7
 8 **IOC – NLH – 30:** Considering NLH answer to Request for information IOC-NLH-008, please explain
 9 how the Québec Superior Court came to find that the availability of Recapture Energy
 10 is limited to non-firm sales as it is first granted to Hydro-Québec as operating reserve?

11
 12 

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 14 **References:** (i) IOC-NLH-009, page 1

15
 16 **IOC – NLH – 31:** Please define what an “eligible Transmission Customer” is and whether IOC is an
 17 “eligible Transmission Customer”?

18
 19 

20
 21 **References:** (i) IOC-NLH-015, page 2, lines 5-6

22
 23 **IOC – NLH – 32:** You quote Order 888 to the effect that unbundling distribution and transmission
 24 functions is not necessary to ensure non-discriminatory open access transmission.
 25 Please state what conditions are necessary to ensure non-discriminatory open access
 26 transmission.

27
 28 

29
 30 **References:** (i) IOC-NLH-022

31
 32 **IOC – NLH – 33:** (A) Please file or state NLH’s network addition policy. Explain who contributes to the
 33 cost of or pays for network additions.

34
 35 (B) Please provide your load forecast for the next five years for western Labrador
 36 (currently 89 MW, page 2, line 10). Describe the market segments that drive growth.
 37 State how many requests and MW are requested for data centers?

38
 39 

40
 41 **References:** (i) IOC-NLH-022, page 2

42
 43 **IOC – NLH – 34:** Please confirm that the current transmission system in western Labrador is only
 44 constrained in an n-1 configuration? With two conductors the current transmission
 45 lines can supply the entire load?

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1 **Preamble:** IOC understands that the alternative described by NLH included the replacement of
 2 the current lines (described in IOC-NLH-022, page 2) with conductors of a greater
 3 dimension.
 4

5 **References:** (i) IOC-NLH-024, page 2, table 1.
 6

7 **IOC – NLH – 35:** Please include the transmission loss savings in the calculation provided in Table 1.
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 11 **References:** (i) IOC-NLH-025
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13 **IOC – NLH – 36:** State what other tools, strategies or mechanisms, if any, were envisaged to “promote
 14 the efficient use of customers’ demand requirement” and “provide a stronger financial
 15 incentive (...) to reduce (...) winter peak demand”?
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18
 19 **References:** (i) IOC-NLH-027
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21 **IOC – NLH – 37:** Please complete your answer with your 2019 revenue requirement in a form similar to
 22 Table 1, including the Power on Order for the First and Excess Blocks?
 23

24 *~ ~ ~ ~ ~*

25
 26 **References:** (i) IOC-NLH-028, attachment 1
 27

28 **IOC – NLH – 38:** (A) Please state amount effectively spent up to date and the commissioning or “in-
 29 service” date(s) (prior or estimated) of the following additions to the rate base?
 30

In-service year	Asset name	Average NBV	Current spent	In-service date
2017	Upgrade Circuit Breakers - 2017	5,904.3		YYYY-MM-DD
	Upgrade Terminal Station - Wabush	2,546.2		YYYY-MM-DD

31
 32 (B) Describe the advancement of the “Project Proposal – Interconnect MFA to HVY”
 33 with its major milestones.
 34

35 *~ ~ ~ ~ ~*

36 Dated in Montréal, province of Québec, on November 6, 2017.
 37

38 **Iron Ore Company of Canada**
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 42
 43
 44 Per: Benoît Pepin
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- 1 To: PUB and List of participants