

1 Q. **Load Forecast**

2 References:

3 (i) NLH 2017 GRA, Evidence, chapter 5, page 5.34

4 (ii) NLH 2017 GRA, Evidence, chapter 5, page 5.34, footnote 50

5 (i) « Hydro has two mining facilities served on the Labrador Industrial rates,  
6 IOC and Wabush Mines. IOC's Power on Order is forecast to be 245.0 MW  
7 for 2018. Wabush Mines is currently not operational but still using a  
8 minimal amount of demand.50 Wabush Mines has been recently purchased  
9 and may reopen in late 2018.»

10 (ii) « 50 The forecast demand requirement for Wabush Mines in the 2018 Test  
11 Year is 0.3 MW. »

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13 Please quantify the impact on the Labrador Industrial Transmission rate of a  
14 reopening of Wabush Mines, assuming its load returns to a level similar to its  
15 historical consumption, or if you are privy to it, to its expected load.

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18 A. Please refer to Table 2 for a forecast of the 2019 Labrador Industrial  
19 Transmission rate with the following assumptions:

20 a. Wabush Mines load for the year 2019 is forecast at 45 MW. The IOCC  
21 monthly profile was used to shape the Wabush forecast;

22 b. No changes to the total transmission revenue requirement for 2019;  
23 and

24 c. No change in the percentage of transmission losses.

25

26 The results show a reduction in the monthly cost per kW for Power on Order  
27 from \$1.86 to \$1.68. Please refer to Table 1.

**Table 1 Pro-Forma 2019 TY Labrador Industrial Transmission Demand Cost Derivation**

Total Labrador Interconnected Transmission Demand Cost (\$)	\$9,391,411
Labrador Industrial Allocation based on Single Coincident Peak	62.14%
Allocated Transmission Demand Cost (\$)	\$5,835,899
Power on Order (kW)	290,000
Annual Cost (\$ per kW of Power on Order)	\$20.12
Monthly Cost (\$ per kW of Power on Order)	<b>\$1.68</b>

- 1 The impact on the proposed rate design is provided in Table 2 which also shows
- 2 a savings for IOC of approximately \$550,000 annually.

**Table 2 Labrador Industrial Rate Design Illustration Including Wabush Mines**

<b>Power on Order:</b>		
IOCC	245.0	
Wabush	45.0	
	290.0	
	Pro-forma Transmission Demand Cost (\$)	5,835,899
	2018 Revenue deficiency to be recovered in 2019	133,968
	Revenue Requirement in 2019 Illustrative Rate	5,969,867

**Customer Impacts and Rate Design**

IOCC	kW	Cost	Rate
First Block	2,646,000	4,418,820.00	\$1.67
Excess Block	170,000	623,900.00	\$3.67
	2,816,000	\$5,042,720.00	
<b>Wabush</b>			
First Block	486,000	811,620.00	\$1.67
Excess Block	31,224	114,593.88	\$3.67
	517,224	926,213.88	
<b>Total</b>			
First Block	3,132,000	\$5,230,440.00	\$1.67
Excess Block	201,224	\$738,493.88	\$3.67
	3,333,224	\$5,968,933.88	

**Monthly Support**

Month	Demand			1st Block Billing Demand		
	IOCC	Wabush	Total	IOCC	Wabush	Total
January	245.0	45.0	290.0	220.5	40.5	261.0
February	245.0	45.0	290.0	220.5	40.5	261.0
March	245.0	45.0	290.0	220.5	40.5	261.0
April	242.0	44.4	286.4	220.5	40.5	261.0
May	235.0	43.2	278.2	220.5	40.5	261.0
June	225.0	41.3	266.3	220.5	40.5	261.0
July	222.0	40.8	262.8	220.5	40.5	261.0
August	222.0	40.8	262.8	220.5	40.5	261.0
September	225.0	41.3	266.3	220.5	40.5	261.0
October	230.0	42.2	272.2	220.5	40.5	261.0
November	235.0	43.2	278.2	220.5	40.5	261.0
December	245.0	45.0	290.0	220.5	40.5	261.0
	2816.0	517.2	3333.2	2646.0	486.0	3132.0

Note: First Block Billing Demand equals 90% of Annual Power on Order.