

1 **IN THE MATTER OF** the *Public Utilities Act*,
2 RSNL 1990, Chapter P-47 (the “Act”);

3
4 **AND IN THE MATTER OF** an Application by
5 Newfoundland and Labrador Hydro for an Order
6 approving: (1) its 2019 capital budget pursuant to
7 s.41(1) of the Act; (2) its 2019 capital purchases,
8 and construction projects in excess of \$50,000
9 pursuant to s.41(3) (a) of the Act; (3) its leases in
10 excess of \$5,000 pursuant to s. 41(3) (b) of the
11 Act; and (4) its estimated contributions in aid of
12 construction for 2019 pursuant to s.41(5) of the
13 Act; and for an Order pursuant to s.78 of the Act
14 fixing and determining its average rate base for
15 2013 and 2014.

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19 **Request for information of the Iron Ore Company of Canada (« IOC »)**
20 **to**
21 **Newfoundland and Labrador Hydro (« NLH »)**
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25 **Reference:** Cover letter, dated July 31, 2018
26 Application, Overview, page 12 and Appendix A, page A-9

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28 **Preamble:** “[...] *the application [...] excludes the 2019 portion of the 2018-2019 Muskrat Falls to*
29 *Happy Valley Interconnection project (\$2.3 million) as approval of this project, which*
30 *was proposed as part of Hydro’s 2018 Capital Budget Application, remains before the*
31 *Board.*”

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33 **IOC – NLH – 001:** (A) Has NLH already made the 2018 expenditure of \$17,731,500? If not this amount,
34 then how much?

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36 (B) Is NLH accruing AFUDC on this amount? How much has been accrued to date?
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40 **Reference:** Application, Appendix A – *Five-Year Capital Plan*, pages A-8 - A-9

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42 **IOC – NLH – 002:** (A) Please show separately the Labrador transmission amounts, divided between
43 Lab West and Lab East.

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45 (B) Do any of these projects increase the ability to serve firm load in Lab West and
46 Lab East? If, so by how much for each area?
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- 1 (C) Do any of these projects increase the ability to serve interruptible load in Lab West
2 and Lab East? If, so by how much for each area?
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- 4 (D) Please explain the item "Upgrade 230 kV L23 & L24 - Churchill Falls to Wabush"
5 and its impact on transmission capacity.
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- 9 **Reference:** Application, Appendix C *2019 Capital Projects \$500,000 and Over*, page C-22 "Terminal
10 Station Refurbishment and Modernization"
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- 12 **Preamble:** NLH is engaged in a 30 m\$ Terminal Station Refurbishment and Modernization Program
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- 14 **IOC – NLH – 003:** Please indicate describe the transmission capacity increase associated with the
15 program, segregating the Lab West and Lab East systems.
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- 19 **Reference:** Application, Appendix C *2019 Capital Projects \$500,000 and Over*
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- 21 **Preamble:** It appears that the Contingency amount for some projects is 20% of the cost excluding
22 Interest and Escalation (e.g., Table 1, page C7), but is different for other projects (e.g.,
23 Table 1, page C23).
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- 25 **IOC – NLH – 004:** (A) Please explain the methods used to determine the Contingency for the various
26 projects.
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28 (B) How were the contingency percentages determined?
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- 32 **Reference:** Application, Appendix E, page E-5, footnote 4
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- 34 **Preamble:** "Upon the creation of the Newfoundland and Labrador System Operation (NLSO) the
35 Wabush substation was re-assigned from a distribution substation to part of the NL
36 transmission system"
37
- 38 **IOC – NLH – 005:** (A) How much was added to the transmission rate base as a result of this assignment?
39 Please segregate the amount for the Lab West and Lab East transmission systems.
40
41 (B) What is the additional 2019 transmission revenue requirement resulting from this re-
42 assignment?
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44 (C) How is the station functionalized in the Cost of Service study? Please include the
45 references to the latest cost study filed with the P.U.B.
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Reference:

IOC – NLH – 006: (A) Describe the impacts of the re-opening of the Wabush Mines by Tacora Resources on the 2019 capital expenditures? Similarly, what capital investments does NLH anticipate post-2019 resulting from the Wabush Mines re-opening?

(B) Have NLH's expectations regarding the Wabush Mines re-opening changed over the last year? Please provide a timeline of the evolution of NLH's expectations (date, ramp-up, firm and non-firm power requirement, costs, etc.) up to now.

Montréal, province of Québec, September 20, 2018.

Iron Ore Company of Canada



Per: Benoit Pepin

To: PUB and List of participants