

CANADA

NEWFOUNDLAND AND LABRADOR

**BOARD OF COMMISSIONERS
OF PUBLIC UTILITIES**

In the matter of a General Rate Application by **Newfoundland and Labrador Hydro** for approvals of, under Section 70 of the *Public Utilities Act*, changes in the rates to be charged for the supply of power and energy to Newfoundland Power, Rural Customers and Industrial Customers; and under Section 71 of the Act, changes in the Rules and Regulations applicable to the supply of electricity to Rural Customers,

and

IRON ORE COMPANY OF CANADA, a corporation duly incorporated under the laws of Delaware having its head office at 1190 avenue des Canadiens-de-Montréal, in Montréal, province of Québec, H3B 0E3, and a place of business at 2 Avalon Drive, in Labrador City, province of Newfoundland and Labrador, A2V 2Y6,

(« **IOC** » or the « **Intervenor** »).

INTERVENOR SUBMISSION

(Section 9 of the Board of Commissioners of Public Utilities Regulations, 1996)

IOC HEREBY GIVES NOTICE OF ITS INTENTION TO PARTICIPATE IN THE ABOVE-MENTIONED PROCEEDINGS, AS A MAJOR INDUSTRIAL CUSTOMER OF THE APPLICANT NLH AFFECTED BY THE RATES CHARGED BY THE APPLICANT.

INTEREST OF INTERVENOR

1. IOC owns and operates since 1949 an iron ore mine in Labrador together with railways operations connecting the mine in Labrador to a port in the province of Québec and a pelletizing plant and an ore concentrator in Labrador City. Its Labrador operations have earned the company numerous safety, sustainable development and operational excellence awards.
2. IOC is the primary operating mine in Labrador. It employs approximately 2,350 employees and contractors and supports the local economy with spending in excess of 1,000M per year in Canada with the majority of the expenditures in Labrador.

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3. In February 2017, IOC announced an additional investment of 79 million \$ to develop the Wabush 3 pit, extending the life of its operations in Labrador. First ore is expected in the second half of 2018, contributing a ramp up of IOC annual capacity from 19 towards 23 million tonnes.
 4. For its operations in Labrador, IOC is a major consumer of power purchased from the Applicant and is its largest customer in Labrador with a forecasted Power on Order of 245 MW, representing, according to the Applicant, around 60% of the peak demand on the Labrador Interconnected System.
 5. IOC's interest as a Labrador Industrial Rate customer is distinct from other customers' classes.

DISPOSITIONS SOUGHT

6. Given that IOC has only recently taken cognizance of the Application, and the various matters raised by the Application and to be addressed by Requests for Information and by other pre-hearing and hearing processes, IOC does not yet have sufficient information, and has not yet had sufficient opportunity, to formulate final or complete dispositions with respect to the various approvals sought by the Applicant.
7. Nonetheless, IOC is particularly concerned with the following requests from NLH:
 - (a) The impact on its operations of the proposed successive 14.9% and 38.9% Industrial Transmission Rates increases in 2018 and 2019 from its single Labrador Industrial customer, extracting more than \$2 million from IOC;
 - (b) The proposed inclining block rate structure for Industrial Transmission Rate customers;
 - (c) The determination of transmission losses and their application to Industrial customers in Labrador;
 - (d) The approach to *Specifically Assigned Charges* and the inherent risk of improper allocation of costs on a case-by-case basis;
 - (e) The allocation of alleged benefits from off-island purchases and the opportunity to defer any such benefits to mitigate future rates increases after the commissioning of the Muskrat Falls Project inasmuch as it impacts the allocation of Recapture Energy and the unregulated cost of supply of Industrial customers in Labrador;
 - (f) The pitfalls of the new NLH organizational structure, largely similar to that of Hydro-Québec, mainly in relation to transmission access, a true open access and implementation of NERC's mandatory reliability standards in the Province.

FACTS AND REASONS SUPPORTING THE INTERVENTION

8. There has not yet been sufficient opportunity for IOC to submit what facts it intend to show in evidence or for what reasons the Board should dispose of the various approvals sought by the Application in a particular manner.

PARTICIPATION OF THE INTERVENOR

9. IOC intends to participate in the various procedures associated with the Application including without limitation:
- (a) directing Requests for Information and other information requests to the Applicant as may be permitted by the Board;
 - (b) participating in technical conferences, pre-hearing conferences, and other processes associated with the Application;
 - (c) cross-examination of witnesses appearing on behalf of the Applicant or of any other participant in any hearing on the Application, as may be appropriate in the circumstances of any hearing on the Application that may be ordered by the Board;
 - (d) calling witnesses, including expert witnesses, as may be appropriate in the circumstances of any hearing on the Application that may be ordered by the Board; and
 - (e) making representations and submissions, through counsel, to the Board concerning the disposition of the Application, including without limiting the foregoing with respect to the awarding of costs with respect to their participation in the Application proceedings.
10. Documents relating to this hearing can be served on IOC in care of:

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Respectfully submitted.

Montréal, September 11, 2017



Van Alexopoulos
for the Intervenor
Iron Ore Company of Canada

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Attention: Board Secretary

To : Newfoundland & Labrador Hydro

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Attention: Tracey L. Pennell
Senior Counsel, Regulatory