



Newfoundland and Labrador Hydro
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April 11, 2024

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Re: Application for Approval of a Contribution by the Iron Ore Company of Canada ("IOC") for IOC-Specific Capital Work

Please find attached Newfoundland and Labrador Hydro's ("Hydro") application for approval of a contribution by IOC towards the cost of improvements to certain property in Wabush, Labrador ("Application").

IOC owns and operates a mine in Labrador City, Labrador. In its 2023 and 2024 Capital Budget Applications, Hydro applied for the replacement of two 46 kV circuit breakers and a line protective relay at the Wabush Terminal Station, assets which serve only the IOC mine. All of the proposed work was approved by the Board of Commissioners of Public Utilities ("Board") in Board Order No. P.U. 2(2023) and Board Order No. P.U. 35(2023), as further described in the Application.

As the relevant assets solely serve IOC, it is consistent with regulatory practice that the customer will provide a contribution sufficient to cover the entirety of capital costs for assets that serve only that customer. Hydro has provided the information to IOC, and they have acknowledged their responsibility for those costs.

Hydro's proposal in the Application is necessary to ensure that the costs of the projects, with estimated total capital expenditures in 2024 of \$1,210,200, are borne only by IOC as the sole customer served by the assets.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

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Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/rr

Encl.

ecc:

Board of Commissioners of Public Utilities

Jacqui H. Glynn
Board General

Island Industrial Customer Group

Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Dean A. Porter, Poole Althouse

Iron Ore Company of Canada

Gregory A.C. Moores, Stewart McKelvey

Labrador Interconnected Group

Senwung F. Luk, Olthuis Kleer Townshend LLP
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

Consumer Advocate

Dennis M. Browne, KC, Browne Fitzgerald Morgan & Avis
Stephen F. Fitzgerald, KC, Browne Fitzgerald Morgan & Avis
Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis
Bernice Bailey, Browne Fitzgerald Morgan & Avis

Teck Resources Limited

Shawn Kinsella

Linde Canada Inc.

Sheryl E. Nisenbaum
Peter Strong

Newfoundland Power Inc.

Dominic J. Foley
Lindsay S.A. Hollett
Regulatory Email

CIAC Application

Iron Ore Company of Canada – Specific Capital Work

April 11, 2024

An application to the Board of Commissioners of Public Utilities



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (“EPCA”) and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (“Act”), and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (“Hydro”) for approval, pursuant to Subsection 41(5) of the *Act*, of a contribution by the Iron Ore Company of Canada (“IOC”) towards the cost of improvements to certain property.

To: The Board of Commissioners of Public Utilities (“Board”)

THE APPLICATION OF HYDRO STATES THAT:

1. Hydro, a corporation continued and existing under the *Hydro Corporation Act, 2007*,¹ is a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*.
2. IOC owns and operates a mine in Labrador City, Labrador and receives electrical power through the Wabush Terminal Station.
3. The Wabush Terminal Station was acquired by Hydro in September 2016, as approved by the Board in Order No. P.U. 37(2016). Hydro had identified within that application that many of the assets in the Wabush Terminal Station are nearing the end of their useful lives and will require refurbishment or replacement in coming years.
4. In Hydro’s 2023 Capital Budget Application, Hydro applied for approval of the replacement of two 46 kV circuit breakers within the 2023–2024 Circuit Breakers Renewal Program.² The circuit breakers, B3L5A and B4L5B, function to provide service solely to IOC and are scheduled for replacement in 2024. Hydro’s application was approved in Board Order No. P.U. 2(2023). The costs associated with completion of the replacement in 2024 were proposed in Hydro’s 2024

¹ *Hydro Corporation Act, 2007*, SNL 2007 c H-17.

² “2023 Capital Budget Application,” Newfoundland and Labrador Hydro, July 13, 2022, vol. II, sch. 6, prog. 1.

Capital Budget Application³ and approved in Board Order No. P.U. 35(2023).

5. Also in Hydro's 2023 Capital Budget Application, Hydro applied for approval of the replacement of protective relays, including the 46 kV Line 5 at the Wabush Terminal Station that functions solely to provide service to IOC, as part of the Terminal Station Renewal Program (2023–2024),⁴ which was approved in Board Order No. P.U. 2(2023). The contribution from IOC for the 2023 expenditures related to this work were approved in P.U. 25(2023). The 2024 expenditures for the replacement of the Wabush Terminal Station Line 5 protective relays were proposed in Hydro's 2024 Capital Budget Application and approved in Board Order No. P.U. 35(2023).
6. The approved work noted above is necessary to support the delivery of safe, reliable, least-cost electricity in an environmentally responsible manner. The breaker work in particular is necessary to comply with federal regulations related to removing PCBs.⁵
7. Hydro's practice regarding assets that serve only one Hydro customer is that the costs of construction and of ongoing maintenance of those assets are the responsibility of that customer. Those costs are not borne by other customers through rates or otherwise.
8. As noted above, the lines and the related breakers solely serve IOC and the costs associated with these assets will be specifically assigned for recovery from IOC.
9. Hydro has provided IOC with the project cost estimates associated with these approved projects, and IOC has acknowledged its responsibility for those costs.
10. The work described above, more particularly set out in Schedule 1 attached hereto, has estimated capital expenditures in 2024 of \$1,210,200.
11. Hydro requests that the Board make an Order approving, pursuant to Section 41(5) of the *Act*, a contribution by IOC of an amount equal to the capital cost of the work described herein.

³ "2024 Capital Budget Application," Newfoundland and Labrador Hydro, rev. September 21, 2023 (originally filed July 12, 2023), sch. 6, prog. 12.

⁴ "2023 Capital Budget Application," Newfoundland and Labrador Hydro, July 13, 2022, vol. II, sch. 6, prog. 3, sec. 2.5.7, pp. 21–22.

⁵ Polychlorinated Biphenyls ("PCBs").

DATED at St. John's in the province of Newfoundland and Labrador on this 11th day of April 2024.

NEWFOUNDLAND AND LABRADOR HYDRO

A handwritten signature in blue ink, appearing to read "Shirley A. Walsh", is written over a horizontal line.

Shirley A. Walsh
Counsel for the Applicant
Newfoundland and Labrador Hydro,
500 Columbus Drive, P.O. Box 12400
St. John's, NL A1B 4K7
Telephone: (709) 685-4973

Schedule 1

Estimated Project Costs



Asset Description	Asset Class	Program	Replacement Year	Estimated Cost (\$000)
Breaker B3L5A	Breakers	Circuit Breakers Renewal Program (2023–2024)	2024	563.4
Breaker B4L5B	Breakers	Circuit Breakers Renewal Program (2023–2024)	2024	563.4
L5 Protection ¹	Protection	Terminal Station Renewal Program (2023–2024)	2024	83.4
			Total	<u>1,210.2</u>

¹ Newfoundland and Labrador Hydro ("Hydro") received approval for a contribution of the 2023 portion of this project in Board Order No. P.U. 25(2023). This portion of the work will now be completed in 2024, and Hydro will recover the customer contribution for this work in 2024, in addition to the 2024 contribution cited herein.

Affidavit



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (“EPCA”) and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (“Act”), and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (“Hydro”) for approval, pursuant to Subsection 41(5) of the *Act*, of a contribution by the Iron Ore Company of Canada (“IOC”) towards the cost of improvements to certain property.

AFFIDAVIT

I, Dana Pope, of St. John’s in the province of Newfoundland and Labrador, make oath and say as follows:

- 1) I am Vice President, Regulatory and Stakeholder Relations for Newfoundland and Labrador Hydro, the applicant named in the attached application.
- 2) I have read and understand the foregoing application.
- 3) To the best of my knowledge, information, and belief, all of the matters, facts, and things set out in this Application are true.

SWORN at St. John’s in the province of Newfoundland and Labrador this 11th day of April 2024, before me:



Commissioner for Oaths, Newfoundland and Labrador



Dana Pope, CPA (CA), MBA

KIMBERLEY DUGGAN
A Commissioner for Oaths in and for
the Province of Newfoundland and Labrador.
My commission expires on December 31, 2027.