

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.U. 19(2021)

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act, 1994*, SNL 1994, Chapter E-5.1
3 (the “*EPCA*”) and the *Public Utilities Act*,
4 RSNL 1990, Chapter P-47 (the “*Act*”), as
5 amended, and regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for approval
9 of a contribution towards the cost of improvements
10 from Iron Ore Company of Canada pursuant to
11 section 41 of the *Act*.
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13

14 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
15 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,
16 and is also subject to the provisions of the *EPCA*; and
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18 **WHEREAS** section 41(5) of the *Act* states a public utility that intends to demand from its
19 customers a contribution towards the cost of improvements or additions to its property shall not
20 demand the contribution without the prior approval of the Board; and
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22 **WHEREAS** on May 17, 2021 Hydro filed an application for approval of a contribution from
23 Iron Ore Company of Canada (“IOC”) of an amount equal to the final capital cost of circuit
24 breaker replacement and associated protection for IOC-specific lines in Wabush, NL (the
25 “Application”); and
26

27 **WHEREAS** in Order No. P.U. 37(2016) the Board approved a capital expenditure by Hydro to
28 acquire the Wabush Terminal Station; and
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30 **WHEREAS** IOC owns and operates a mine in Labrador City, NL which receives electrical power
31 through the Wabush Terminal Station; and
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33 **WHEREAS** in Order No. P.U. 43(2017) the Board approved, among other things, the replacement
34 of a 46 kV circuit breaker and associated protection within the 2018-2019 Terminal Station
35 Refurbishment and Modernization project, and in Order No. P.U. 2(2021) the Board approved
36 among other things, work related to Breaker B3L3, Breaker B4L5B, and Disconnect B4L6-1, as
37 well as replacement of protective line relays for IOC L3 and L5; and

1 **WHEREAS** the Application stated that the assets in these approved projects function to provide
2 service solely to IOC; and
3

4 **WHEREAS** the Application stated that Hydro's practice regarding assets that serve only one
5 Hydro customer is to ensure that the costs of construction and of ongoing maintenance of those
6 assets are the responsibility of that customer and not borne by other customers through rates or
7 otherwise; and
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9 **WHEREAS** the Application stated that the execution of the approved projects was delayed and is
10 scheduled to be completed by the end of 2022, with an estimated capital cost of \$2,315,000; and
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12 **WHEREAS** the Application stated IOC has been provided with the cost estimates associated with
13 these approved projects and has acknowledged its responsibility for the costs; and
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15 **WHEREAS** the Application was copied to: Newfoundland Power Inc.; the Consumer Advocate,
16 Dennis Browne, Q.C.; Hydro's Island Industrial customers: Corner Brook Pulp and Paper Limited,
17 NARL Refining Limited Partnership, Vale Newfoundland and Labrador Limited; the communities
18 of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and Labrador City; Praxair Canada Inc.; Teck
19 Resources Limited; and the Iron Ore Company of Canada; and
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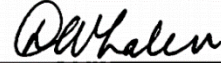
21 **WHEREAS** on May 27, 2021 Hydro noted that no comments were received and requested that
22 the Board approve the Application as submitted; and
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24 **WHEREAS** the Board is satisfied that, since the described capital work at the Wabush Terminal
25 Station relates to assets that function solely to provide service to IOC, it is appropriate for Hydro
26 to recover these costs from IOC and that the Application should be approved.
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29 **IT IS THEREFORE ORDERED THAT:**
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- 31 1. The contribution of an amount equal to the final capital cost of circuit breaker replacement and
32 associated protection for IOC-specific lines in Wabush, NL from Iron Ore Company of Canada
33 is approved.
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- 35 2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 31st day of May, 2021



Darlene Whalen, P. Eng., FEC
Chair and Chief Executive Officer



Christopher Pike, LL.B., FCIP
Commissioner



Cheryl Blundon
Board Secretary