



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

E-mail: [Barry.Hillier@riotinto.com](mailto:Barry.Hillier@riotinto.com)/[Maurice.McClure@riotinto.com](mailto:Maurice.McClure@riotinto.com)

2014-12-15

Iron Ore Company of Canada  
1 Retty Street  
Sept Iles, QC G4R 4L4

**Attention: Mr. Barry Hillier and Mr. Maurice McClure**

Dear Sirs:

**Re: Newfoundland and Labrador Hydro - Transmission component of Labrador  
Industrial Customer rates (interim), effective January 1, 2015**

On December 8, 2014 Newfoundland and Labrador Hydro (Hydro) forwarded the attached correspondence to your attention. As indicated by Hydro the Public Utilities Board has been granted the jurisdiction to regulate the transmission component of the Labrador Industrial Rates beginning January 1, 2015. A Board approved rate must be in place by that time. Hydro has proposed a rate of \$1.25 per kW as the transmission charge demand be implemented on January 1, 2015 on an interim basis.

The Board requests that you advise whether you consent to this interim rate. If you do not consent, please provide what you would consider to be an appropriate rate and the reasoning for that rate. Please provide your submissions in writing by Thursday, December 18, 2015. If the Board does not receive a submission it will consider that you consent to the interim rate proposed by Hydro.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, [jgylmn@pub.nl.ca](mailto:jgylmn@pub.nl.ca) or by telephone, 709-726-6781.

Yours truly,

Cheryl Blundon  
Board Secretary

/bds  
Encl.  
ecc.

**Newfoundland & Labrador Hydro**

Mr. Geoffrey Young, E-mail: [gyoung@nlh.nl.ca](mailto:gyoung@nlh.nl.ca)

**Newfoundland Power Inc.**

Mr. Gerard Hayes, E-mail: [ghayes@newfoundlandpower.com](mailto:ghayes@newfoundlandpower.com)

**Consumer Advocate**

Mr. Thomas Johnson, QC, E-mail: [tjohnson@odeacarie.ca](mailto:tjohnson@odeacarie.ca)

Ms. Colleen Lacey, E-mail: [clacey@odeacarie.ca](mailto:clacey@odeacarie.ca)



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P.O. Box 12400, St. John's, NL  
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December 8, 2014

Iron Ore Company of Canada  
1 Retty Street  
Sept Iles, QC  
G4R 4L4

**Attention: Mr. Barry Hillier and Mr. Maurice McClure**

Dear Sirs:

**Re: Transmission component of Labrador Industrial Customer rates, effective January 1, 2015**

In December 2012, the Provincial Government introduced a series of legislative amendments to establish a new electricity rate policy for Industrial Customers on Labrador's Interconnected System. In accordance with the amended legislation, the Board of Commissioners of Public Utilities of Newfoundland and Labrador (the Board) has been provided the jurisdiction to regulate the transmission component of the Labrador Industrial rates beginning in 2015. On November 10, 2014, Newfoundland and Labrador Hydro (Hydro) filed an application with the Board which proposed the implementation of a regulated transmission demand rate for Labrador Industrial Customers of \$1.25 per kW, to be implemented on an interim basis effective January 1, 2015. The transmission rate will be in addition to the rate components related to generation costs which are not subject to the authority of the Board.

As we have discussed, the proposed \$1.25 per kW transmission demand charge will apply to your firm demand for 2015. This charge does not include charges for the recovery of generation costs in 2015. The rate for the recovery of generation costs is not subject to the jurisdiction and authority of the Board.

The Board will be conducting a public hearing in 2015 to evaluate the proposed transmission demand charge. If upon reviewing Hydro's proposal, the Board determines that the proposed rate should be modified, then any adjustment to the rate would become effective retroactive to January 1, 2015 and billing adjustments would be required.

As Hydro has requested the proposed rate be implemented on January 1, 2015, the Board wishes to know if you consent to the proposed interim rate change and if you plan on intervening in the public hearing process to deal with Hydro's application. A prompt reply in writing to the Board (return address below) and to Hydro (address above) would be appreciated.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**

A handwritten signature in black ink, appearing to read 'K. Fagan', is written over a horizontal line.

Kevin J. Fagan  
Manager, Rates and Regulation

KJF/jc

The Board of Commissioners of Public Utilities  
Prince Charles Building  
120 Torbay Road, P.O. Box 21040  
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