



Cabot Place, 1100 – 100 New Gower Street, P.O. Box 5038
St. John's NL A1C 5V3 Canada tel: 709.722.4270 fax: 709.722.4565 stewartmckelvey.com

File Reference: SM055724.00001

Gregory A.C. Moores, K.C.
Direct Dial: 709.570.5797
gmoores@stewartmckelvey.com

September 21, 2026

Via Courier

Newfoundland and Labrador Board of
Commissioners of Public Utilities
120 Torbay Road
P.O.Box 21040
St. John's, NL A1A 5B2

Attention: Mike McNiven, Board Secretary

Dear Mr. McNiven:

**Re: Newfoundland and Labrador Hydro 2026 General Rate Application
Round 2, Requests for Information of the Iron Ore Company of Canada**

Please find attached Round 2 Requests for Information IOC-NLH-024 to IOC-NLH-045 on behalf of Iron Ore Company of Canada, in relation to NL Hydro's 2026 General Rate Application.

We trust the above and enclosed to be in order.

Sincerely,

Stewart McKelvey

For

Gregory A.C. Moores, K.C.*
Partner

GAM/dn

Enclosure

c. Public Utilities Board:
Jacqui Glynn
Ryan Oake
Colleen Jones
Board Record
Michael Collins

Newfoundland and Labrador Hydro:
Shirley Walsh
Daniel Simmons
NLH Regulatory

Newfoundland Power Inc.:

4136-6818-1358

Mike McNiven
September 21, 2026
Page 2

Dominic Foley
Douglas Wright
Liam O'Brien
NP Regulatory

Consumer Advocate:
Adrienne H. Y. Ding
Justin W. King, O'Dea Earle
Consumer Advocate General

Labrador Interconnected Group:
Nicholas E. Kennedy, Olthius Kleer Townshed LLP

Island Industrial Group:
Denis J. Fleming, Cox & Palmer
Glen G. Seaborn, Poole Althouse

*Law Corporation

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act, 1994*, Chapter E-5.1
3 and the *Public Utilities Act*, RSNL 1990,
4 Chapter P-47, and regulations thereunder; and
5

6 **AND IN THE MATTER OF** a general rate
7 application by Newfoundland and Labrador
8 Hydro to establish customer electricity rates
9 for 2027.

10
11 **TO:** The Newfoundland and Labrador Board of Commissioners of Public Utilities
12 (the "Board")
13

14 **(ROUND 2) REQUESTS FOR INFORMATION OF**
15 **THE IRON ORE COMPANY OF CANADA**
16 **IOC-NLH-024 to IOC-NLH-045**

17
18 **REQUESTS FOR INFORMATION IOC-NLH-024 to IOC-NLH-028:**
19 **DERIVATION OF THE LABRADOR INDUSTRIAL COINCIDENCE FACTOR AND TRANSMISSION**
20 **COINCIDENT PEAK**

21 **Reference:**

22 IOC-NLH-008; IOC-NLH-010, Table 1; IOC-NLH-012; CA-NLH-
23 008, Tables 1 and 2; Vol. I, Schedule F 3.1E, I. 2 (PDF p. 297); Vol.
24 I, Schedule A-II (PDF p. 212).

25 **Preamble:**

26 IOC-NLH-010 derives the Labrador Industrial transmission
27 coincident peak for the 2027 Test Year by applying a coincidence
28 factor of 94.13% to 317,000 kW to derive 298,387 kW, compared
29 with 255,000 kW × 90.00% = 229,500 kW for the 2019 Test Year.
30 IOC-NLH-008 identifies the increase in the coincidence factor from
31 90% to 94% as a secondary driver of the higher class allocation
32 factor and refers to IOC-NLH-012 for the coincidence factor
33 calculations; IOC-NLH-012 refers to IOC-NLH-010, which presents
34 the calculation steps but not the derivation of the 94.13% value. CA-
35 NLH-008, Table 2 reports actual winter coincidence factors for the
36 Labrador Industrial class of 90.6%, 89.7% and 89.9% for 2023,
37 2024 and 2025.

38 **IOC-NLH-024** Provide the derivation of the 94.13% coincidence factor applied in
39 the 2027 Test Year, including the following:
40

- 41 (a) the data relied upon (years and whether monthly or hourly);
42 (b) the calculation;
43 (c) the basis of any judgment applied; and
44 (d) state whether the derivation reflects any methodology
45 adopted following the review of class contributions to
46 coincident peak required by Board Order No. P.U. 37(2019)
47 and addressed in the 2025 Cost of Service Methodology
48 Application.

- 1 **IOC-NLH-025** For each year 2019 through 2025, provide for the Labrador
2 Industrial class each of the following:
3
4 (a) the annual maximum non-coincident demand;
5 (b) the class demand at the time of the Labrador Interconnected
6 System peak; and
7 (c) the resulting coincidence factor; and
8 (d) state the definitions of numerator and denominator used for
9 the “actual” factors reported in CA-NLH-008, Table 2.
- 10 **IOC-NLH-026** IOC-NLH-010, Table 1 applies a Non-Coincident Peak Demand
11 (Peak Jan) of 317,000 kW for the 2027 Test Year, equal to the class
12 annual maximum, whereas the 2019 Test Year applied 255,000 kW
13 against an annual maximum of 293,000 kW. State why the January
14 demand equals the annual maximum in the 2027 Test Year, and
15 identify the monthly demand profile assumed for the class in the
16 2027 Test Year load forecast and its source.
- 17 **IOC-NLH-027** CA-NLH-008, Table 1 reports forecast coincidence factors for the
18 Labrador Industrial class of 96.4%, 95.6% and 94.9% for 2023,
19 2024 and 2025, against actual factors in Table 2 of 90.6%, 89.7%
20 and 89.9% for the same years. State the basis on which the 2027
21 Test Year applies 94.13% rather than the recorded experience of
22 the most recent three years, and explain why the 2019 Test Year
23 Cost of Service Study applied 90.00% (IOC-NLH-010, Table 1)
24 when Hydro’s forecast coincidence factor for 2019 was 97.0% (CA-
25 NLH-008, Table 1).
- 26 **IOC-NLH-028** Provide the coincidence factor(s) and the peak-month demand
27 basis applied to each Rural Labrador Interconnected rate class in
28 the 2019 and 2027 Test Year studies, and confirm that the same
29 conventions were applied to all Labrador Interconnected classes
30 within each study, and provide the resulting transmission coincident
31 peak (kW) for each class in each study.
- 32 **REQUESTS FOR INFORMATION IOC-NLH-029-030: RESTATEMENT OF THE LABRADOR**
33 **INDUSTRIAL TRANSMISSION DEMAND RATE UNDER ALTERNATIVE ALLOCATOR ASSUMPTIONS**
- 34 **Reference:**
- 35 IOC-NLH-006; IOC-NLH-010; IOC-NLH-011, Table 1; Vol. I,
36 Schedule F 3.1E; CA-NLH-138; CA-NLH-146; PUB-NLH-101 (2027
37 Test Year Cost of Service model).
- 38 **Preamble:**
- 39 In CA-NLH-138 and CA-NLH-146, Hydro re-ran the 2027 Test Year
40 Cost of Service model to isolate the class-level effect of a single
41 change in assumption. IOC requests the same treatment for the
42 Labrador Industrial transmission demand allocator.
- 43 **IOC-NLH-029** Using the 2027 Test Year Cost of Service model filed in PUB-NLH-
44 101, provide the Labrador Industrial transmission demand

1		allocation factor, the allocated transmission demand revenue
2		requirement, and the resulting transmission demand rate in
3		\$/kW/month, all else unchanged, under a coincidence factor of
4		90.00%, being the value applied in the 2019 Test Year and
5		approximately the 2023-2025 average of the actual factors reported
6		in CA-NLH-008, Table 2.:
7	IOC-NLH-030	Present the case in the format of IOC-NLH-011, Table 1, showing
8		the class transmission coincident peak, total Labrador
9		Interconnected transmission coincident peak, allocation factor,
10		allocated revenue requirement, billing determinant and rate.
11	<u>REQUESTS FOR INFORMATION IOC-NLH-031-035: ALLOCATED COSTS INCLUDED IN THE</u>	
12	<u>LABRADOR TRANSMISSION DEMAND OPERATING AND MAINTENANCE REVENUE REQUIREMENT</u>	
13	Reference:	
14		IOC-NLH-017, Table 1; IOC-NLH-018, Table 1; Vol. I, Schedule F
15		2.4E (PDF pp. 292–293); Vol. I, Schedule F 2.1E, I. 1 (PDF p. 287);
16		PUB-NLH-046 (indirect loader); Vol. I, sec. 6.2.1, item 4) (PDF p.
17		178); Vol. I, Ch. 3, Table 3-4 (PDF p.121).
18	Preamble:	
19		IOC-NLH-018 reports direct Labrador transmission operating and
20		maintenance costs of \$2,642,799 for the 2019 Test Year and
21		\$2,937,178 for the 2027 Test Year, an increase of 11.1%, excluding
22		the allocation of Administrative and General costs. IOC-NLH-017
23		reports total transmission demand operating and maintenance
24		costs in the Cost of Service of \$3,298,085 and \$4,679,099 for the
25		same years. The allocated, non-direct component therefore rose
26		from \$655,286 to \$1,741,921 — an increase of 165.8% — and from
27		24.8% to 59.3% of direct costs.
28	IOC-NLH-031	Itemize the amounts making up that difference for each Test Year
29		by category with the Schedule F 2.4E line reference for each
30		category, including the following:
31		
32		(a) administrative and general costs;
33		(b) “transmission other” as that term is used in PUB-NLH-046;
34		and
35		(c) any other allocation or loading.
36	IOC-NLH-032	For each category, state the allocation method and the allocator
37		values (numerator and denominator) used to assign the amount to
38		Labrador transmission in the 2019 and 2027 Test Year studies, and
39		identify any change in method, allocator or cost pool between the
40		two studies.
41	IOC-NLH-033	Explain the increase in allocated costs from 24.8% to 59.3% of
42		direct Labrador transmission operating and maintenance costs,
43		identifying the principal drivers in dollars, including any change in
44		the size or composition of the corporate cost pools from which the
45		allocation is made, and how that change compares with the change

1 in Hydro's total General and Administration costs reported in Table
2 3-4 (\$34.2 million in the 2019 Test Year; \$35.0 million in the 2027
3 Test Year).

4 **IOC-NLH-034** Provide the Labrador Industrial transmission demand revenue
5 requirement and rate restated with the allocated (non-direct)
6 amount held at the 2019 Test Year proportion of direct operating
7 and maintenance costs (24.8%), all else unchanged, in the format
8 of IOC-NLH-011, Table 1.

9 **IOC-NLH-035** PUB-NLH-046 applies an indirect loader of 12.53%, defined as
10 transmission A&G plus transmission other divided by transmission
11 and terminals direct O&M, which section 6.2.1, item 4) states is
12 derived from the Cost of Service Study. Provide the numerator and
13 denominator values underlying the 12.53%, identify the system
14 (Labrador Interconnected or total) and Test Year to which they
15 relate, and reconcile that ratio with the relationship between
16 allocated and direct costs described in the preamble.

17 **REQUESTS FOR INFORMATION IOC-NLH-036-039: PHASE-IN OF THE LABRADOR INDUSTRIAL**
18 **TRANSMISSION DEMAND RATE**

19 **Reference:**

20 IOC-NLH-013; IOC-NLH-014; PUB-NLH-040; PUB-NLH-044; LAB-
21 NLH-012; LAB-NLH-015; Vol. I, sec. 6.8.3 and Table 6-10 (PDF p.
22 201); Vol. I, secs. 6.10.4–6.10.5 (PDF p. 205); Vol. I, Application,
23 paras. (xvi) and (xviii) (PDF p. 28); Vol. III (Rev. 1), Exhibit 18 (PDF
24 p. 982) and Exhibit 19 (PDF p. 984).

25 **Preamble:**

26 Section 6.8.3 phases the 8.54% increase for Rural Labrador
27 Interconnected customers at 2.25% per year over four years, citing
28 Government's support for rate smoothing to ease cost-of-living
29 pressures (Exhibit 18), with the resulting deficiency recorded in a
30 Revenue Deficiency Deferral Account (section 6.10.4) and a
31 residual of approximately \$3.3 million deferred to the next general
32 rate application (Table 6-10). IOC-NLH-013 states that the 8.54%
33 increase is "not considered a rate shock". The Labrador Industrial
34 transmission demand rate is proposed to increase from \$1.08 to
35 \$2.00 per kW per month (85.9% per IOC-NLH-011, Table 1) in a
36 single step effective July 1, 2027. IOC-NLH-013, IOC-NLH-014 and
37 PUB-NLH-040 do not address whether a phase-in was considered
38 for the Labrador Industrial class.

39 **IOC-NLH-036** State whether Hydro proposes any phase-in of the Labrador
40 Industrial transmission demand rate and, if not, state each reason
41 for implementing the full increase in a single step.

42 **IOC-NLH-037** State the criteria, other than Government's expressed support, that
43 Hydro applied in deciding to phase in the Rural Labrador
44 Interconnected increase, and state whether and how each criterion
45 was considered in respect of the Labrador Industrial class.

- 1 **IOC-NLH-038** In the format of PUB-NLH-044, provide the transmission demand
2 rate applicable in each year and the resulting annual revenue
3 deficiency if the Labrador Industrial increase were implemented in
4 equal annual steps over (i) two years, (ii) three years and (iii) four
5 years, commencing July 1, 2027.
- 6 **IOC-NLH-039** Describe the deferral and recovery mechanism Hydro would
7 propose if the Labrador Industrial increase were phased in,
8 including whether it would follow the 42-month amortization
9 proposed for this class in section 6.10.5 and whether carrying costs
10 would apply, and confirm that the total revenue requirement
11 recovered from the class over the recovery period would be
12 unchanged.
- 13 **REQUESTS FOR INFORMATION IOC-NLH-040-045: RECOVERY OF THE JANUARY-JUNE 2027**
14 **REVENUE DEFICIENCY FROM LABRADOR INDUSTRIAL CUSTOMERS (GRA RECOVERY RIDER)**
- 15 **Reference:**
- 16 Vol. I, secs. 6.10 and 6.10.5 (PDF pp. 204-205); Vol. I, Application,
17 para. (xix) (PDF p. 29); Vol. III (Rev. 1), Exhibit 19 (PDF p. 984);
18 Vol. I, Table 5-12 (PDF p.161); Vol III (Rev. 1), Exhibit 10 (PDF pp.
19 693-694); IOC-NLH-019; Board Order No. P.U. 30(2019).
- 20 **Preamble:**
- 21 Section 6.10.5 proposes to recover from Labrador Industrial
22 customers a revenue deficiency of approximately \$1.8 million,
23 being the difference between existing rates and the proposed rates
24 for the period January 1 to June 30, 2027, through a GRA Recovery
25 Rider amortized over 42 months (approximately \$42,000 per month
26 per IOC-NLH-019). Paragraph (xix) of the Application proposes that
27 the corresponding timing-related deficiencies for Newfoundland
28 Power and Island Industrial customers be transferred to the Supply
29 Cost Variance Deferral Account, and that the Rural Labrador
30 Interconnected deficiency be transferred to a proposed Revenue
31 Deficiency Deferral Account.
- 32 **IOC-NLH-040** With respect to the GRA Recovery Rider proposed in
33 section 6.10.5:
- 34 (a) State the regulatory basis on which Hydro proposes to
35 recover from Labrador Industrial customers the difference
36 between existing and proposed rates for a period preceding
37 the effective date of the proposed rates; and
- 38 (b) identify any Board Order approving equivalent recovery
39 from this class in a prior proceeding, including the treatment
40 of the corresponding timing-related deficiency for Labrador
41 Industrial customers in Hydro's 2017 General Rate
42 Application, for which rates became effective October 1,
43 2019.
- 44 **IOC-NLH-041** Provide the derivation of the \$1,753,000 Labrador Industrial
45 deficiency in Exhibit 19, including the billing determinants and the
46 existing and proposed rate components used, and the resulting

1 allocation between IOC and Tacora under the formula in section
2 6.10.5.

3 **IOC-NLH-042** State whether any carrying costs, interest or return would be
4 applied to the unrecovered balance over the 42-month period and,
5 if so, the rate applied and the resulting total recovery.

6 **IOC-NLH-043** Confirm that, if the Board approves a Labrador Industrial
7 transmission demand rate other than \$2.00 per kW per month, or
8 an effective date other than July 1, 2027, the deficiency and the
9 GRA Recovery Rider would be recomputed accordingly and
10 describe the recomputation.

11 **IOC-NLH-044** State whether Hydro considered treating the January–June 2027
12 shortfall for Labrador Industrial customers in the same manner as
13 proposed for the other customer classes, or absorbing it, and
14 provide the reasons for the treatment proposed and the effect on
15 the 2027 Test Year revenue requirement of each alternative
16 considered.

17 **IOC-NLH-045** Table 5-12 (Vol. I, PDF p.161) proposes the transfer of the Labrador
18 Industrial share of the Frequency Converter Depreciation Deferral
19 Account balance to a "Labrador Industrial Revenue Deficiency
20 Account". Identify where that account is defined in the Application,
21 provide its proposed definition and effective date, and describe its
22 relationship to the GRA Recovery Rider proposed in section 6.10.5.
23

24 **DATED** at St. John's, Newfoundland and Labrador, this 21st day of September, 2026.

25 **Iron Ore Company of Canada**
26 **(By its counsel, Stewart McKelvey)**

27
28 

29
30  **Per: GREGORY A.C. MOORES, K.C.**

TO: Public Utilities Board
Jacqui Glynn
Ryan Oake
Mike McNiven – Board Secretary
Colleen Jones
Board Record
Michael Collins

AND TO: Newfoundland and Labrador Hydro
Shirley Walsh
Daniel Simmons, K.C.
NLH Regulatory

AND TO: Newfoundland Power Inc.
Dominic Foley
Douglas Wright
Liam O'Brien
NP Regulatory

AND TO: Consumer Advocate
Adrienne Ding
Justin King
CA – General

AND TO: Labrador Interconnected Group
Nicholas E. Kennedy

AND TO: Industrial Customer Group
Glen G. Seaborn
Denis Fleming
Dana Constantine