

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

3 Preamble:

4 IOC-NLH-010 derives the Labrador Industrial transmission coincident peak for the 2027 Test Year
5 by applying a coincidence factor of 94.13% to 317,000 kW to derive 298,387 kW, compared with
6 255,000 kW $\times$ 90.00% = 229,500 kW for the 2019 Test Year. IOC-NLH-008 identifies the increase
7 in the coincidence factor from 90% to 94% as a secondary driver of the higher class allocation
8 factor and refers to IOC-NLH-012 for the coincidence factor calculations; IOC-NLH-012 refers to
9 IOC-NLH-010, which presents the calculation steps but not the derivation of the 94.13% value.
10 CA-NLH-008, Table 2 reports actual winter coincidence factors for the Labrador Industrial class
11 of 90.6%, 89.7% and 89.9% for 2023, 2024 and 2025.

12 IOC-NLH-010, Table 1 applies a Non-Coincident Peak Demand (Peak Jan) of 317,000 kW for the
13 2027 Test Year, equal to the class annual maximum, whereas the 2019 Test Year applied
14 255,000 kW against an annual maximum of 293,000 kW. State why the January demand equals
15 the annual maximum in the 2027 Test Year, and identify the monthly demand profile assumed
16 for the class in the 2027 Test Year load forecast and its source.

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19 A. January demand equals the annual maximum as the aggregate firm Labrador Industrial forecast
20 reaches 317,000 kW in January, February and December. The class demand is the sum of the
21 Iron Ore Company of Canada ("IOC") and Tacora Resources Inc. ("Tacora") firm forecasts.

22 The monthly profile is included in Table 1.

Table 1 Monthly Load Profile (kW)

Description	Demand
January	317,000
February	317,000
March	312,000
April	312,000
May	285,000
June	275,000
July	275,000
August	275,000
September	275,000
October	295,000
November	300,000
December	317,000

1 The result was different in the 2019 Test Year as a result of the ongoing ramp-up of Tacora
2 operations at the Wabush Mines site, resulting in a lower value used to set rates. As per the
3 Labrador Settlement Agreement,¹ in Newfoundland and Labrador Hydro's ("Hydro") 2017
4 General Rate Application ("GRA"), IOC was eligible for a billing credit from Hydro if monthly
5 Labrador Industrial firm load requirements exceed the approved 2019 Test Year forecast by
6 more than 10 MW as a result of Tacora's operation of Wabush Mines.²

¹ "2017 General Rate Application – Information Filing – Labrador Settlement Agreement," Newfoundland and Labrador Hydro, September 6, 2018, <http://www.pub.nf.ca/applications/2017/NLH2017GRA/settlement/From%20NLH%20-%20Labrador%20Settlement%20Agreement%202018-09-06.PDF>.

² For additional information, please refer to "2017 General Rate Application Compliance Application," Newfoundland and Labrador Hydro, July 11, 2019, exh. 2, p. 4.