

1 Q. Reference: Vol. I, secs. 6.10 and 6.10.5 (PDF pp. 204–205); Vol. I, Application, para. (xix) (PDF
2 p. 29); Vol. III (Rev. 1), Exhibit 19 (PDF p. 984); Vol. I, Table 5-12 (PDF p.161); Vol III (Rev. 1),
3 Exhibit 10 (PDF pp. 693-694); IOC-NLH-019; Board Order No. P.U. 30(2019).

4 Preamble:

5 Section 6.10.5 proposes to recover from Labrador Industrial customers a revenue deficiency of
6 approximately \$1.8 million, being the difference between existing rates and the proposed rates
7 for the period January 1 to June 30, 2027, through a GRA Recovery Rider amortized over 42
8 months (approximately \$42,000 per month per IOC-NLH-019). Paragraph (xix) of the Application
9 proposes that the corresponding timing-related deficiencies for Newfoundland Power and Island
10 Industrial customers be transferred to the Supply Cost Variance Deferral Account, and that the
11 Rural Labrador Interconnected deficiency be transferred to a proposed Revenue Deficiency
12 Deferral Account.

13 Provide the derivation of the \$1,753,000 Labrador Industrial deficiency in Exhibit 19, including
14 the billing determinants and the existing and proposed rate components used, and the resulting
15 allocation between IOC and Tacora under the formula in section 6.10.5.

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18 A. Please refer to IOC-NLH-041, Attachment 1. The allocation between the Iron Ore Company of
19 Canada and Tacora Resources Inc. is based on each company's forecast billing determinants,
20 which are not provided in IOC-NLH-041, Attachment 1 as it is confidential customer data.

2027 Revenue Deficiency		2027 Revenue Deficiency												Total
		January	February	March	April	May	June	July	August	September	October	November	December	
Existing Rates														
Demand (KW)		317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	3,804,000
Demand (\$/KW)		1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	
Spec Assigned (\$)		-	-	-	-	-	-	-	-	-	-	-	-	-
Labrador Industrial Revenue (\$)		472,330	472,330	472,330	472,330	472,330	472,330	472,330	472,330	472,330	472,330	472,330	472,330	5,667,960
Test Year Rates														
Demand (KW)		317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	3,804,000
Demand (\$/KW)		2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	
Spec Assigned (\$)		3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	44,754
Labrador Industrial Revenue (\$)		764,530	764,530	764,530	764,530	764,530	764,530	764,530	764,530	764,530	764,530	764,530	764,530	9,174,354
Existing and Test Year Rates														
Demand (KW)		317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	317,000	3,804,000
Demand (\$/KW)		1.49	1.49	1.49	1.49	1.49	1.49	2.4	2.4	2.4	2.4	2.4	2.4	
Spec Assigned (\$)		-	-	-	-	-	-	3,730	3,730	3,730	3,730	3,730	3,730	22,377
Labrador Industrial Revenue (\$)		472,330	472,330	472,330	472,330	472,330	472,330	764,530	764,530	764,530	764,530	764,530	764,530	7,421,157
Revenue Deficiency (\$)		(292,200)	(292,200)	(292,200)	(292,200)	(292,200)	(292,200)	-	-	-	-	-	-	(1,753,197)