

PUBLIC UTILITIES BOARD

**Reference on Rate Mitigation Option and Impact  
Relating to the Muskrat Falls Project**

**REQUEST FOR STANDING**

**Island Industrial Customer Group**

**I. CONTACT INFORMATION**

Name: Paul Coxworthy  
Organization: Stewart McKelvey, Co-Counsel Island Industrial Customer Group  
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See Legal Counsel/Representation below for complete contact information.

**II. INTEREST IN THE REFERENCE**

**Please provide detailed responses to each of the following:**

1. How will your participation assist in the Board's consideration of the Reference Questions?

The Island Industrial Customer (IIC) Group is comprised of Corner Brook Pulp and Paper Limited, NARL Refining Limited Partnership and Vale Newfoundland and Labrador Limited. Each is an industrial customer of Newfoundland and Labrador Hydro on the Island of Newfoundland. Each member of the IIC Group will be directly impacted by the recovery of Muskrat Falls Project costs through the rates paid by Hydro customers.

The Requests for Information issued by the Board to date (PUB-Nalcor-001 to 074) have largely focused on issues relating to domestic customers and domestic electricity rates (PUB-Nalcor-020, 021, 027 028, 029, 031, 033, 035, 037, 039, 040, 052, 053, 054, 055, 056). The participation of the IIC Group in the Board's consideration of the Reference Questions can serve as a greater assurance that the issues relating to industrial customers and industrial rates are duly canvassed and considered, provided that there is the necessary sensitivity to the commercial confidentiality concerns of each member of IIC Group and provided that there are opportunities for meaningful input into the work of the Board's experts and into the Board's recommendations to Government.

The IIC Group has already made a preliminary submission to the Board in this Reference, and the IIC Group would make reference to that preliminary submission for further elaboration of how their participation would assist in the Board's consideration of the Reference Questions. In that regard, the IIC Group note that their preliminary submission was cited, repeatedly, in the Board's Interim Report dated February 15, 2019.

2. How is your interest unique and not represented by others, including the Consumer Advocate?

It is not the understanding of the IIC Group that the mandate of the Consumer Advocate extends to representation of the interests of Island industrial customers in this Reference.

In other proceedings before this Board (Hydro General Rate Applications, Cost of Service Review, the Investigation into Supply Issues and Power Outages on the Island Interconnected System), the Board has recognized the IIC Group as a participant with a distinct interest in, and contribution to make to, those proceedings. The IIC Group submit that it is manifest that the same distinct interest and potential contribution of IIC Group applies to this Reference. Indeed, the IIC Group would submit that the work of the Reference, and the implementation of its recommendations if accepted by Government, will have to be informed by and synchronized with these other proceedings before the Board to which the IIC Group is already a party.

There will be areas of commonality of interest between the mandate of the Consumer Advocate in this Reference (which the IIC Group would submit is a mandate to represent, primarily, domestic customers of Hydro) and the interests of the IIC Group. However, other proceedings before the Board have highlighted that there are commonly issues in which the interests of industrial customers are distinct from those of the domestic customers, and sometimes are particular to the industrial customers. Generally speaking, the IIC Group expect that the Board's canvassing and consideration of different rate mitigation approaches, and of rate design alternatives to support those approaches, will give rise to the need to consider the distinct impact of these initiatives on the members of the IIC Group.

3. List all of the topics and issues of interest to you or your organization:

Topics and issues of interest to the IIC Group in this Reference include:

- Ensuring competitive power pricing for industrial activities on the Island.
- Incentivizing load growth on the Island System.
- Concerns over poorly focused or inefficient investments in CDM which do not meet the priorities of building load while simultaneously reducing peak.
- Interest in the implementation and interpretation, as well as, importance of full view of recommendations of any potential changes to, the power policy under the *Electrical Power Control Act, 1994*.
- Industrial self-supply as a mitigation option.
- Concerns over the concept of setting aside sinking funds as a cost to the project, in light of sinking funds normal treatment as an item outside revenue-requirement.
- Alternative depreciation approaches, including sinking fund methods.

As the work of the Board's experts in this Reference to date has only been preliminary, the IIC Group respectfully submit that it is premature at this time to attempt to identify all issues of interest to the IIC Group which may arise as the Reference proceeds.


**III. LEVEL OF PARTICIPATION IN THE REFERENCE**

Do you intend to:		<u>YES</u>	<u>NO</u>
(i)	File expert reports	Yes	_____
(ii)	Appear throughout the hearing	Yes	_____
(iii)	Make a Presentation(s)	Yes	_____
(iv)	Question Presenter(s)	Yes	_____
(v)	File a submission	Yes	_____

**IV. LEGAL COUNSEL/ REPRESENTATION**

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 Organization: Stewart McKelvey  
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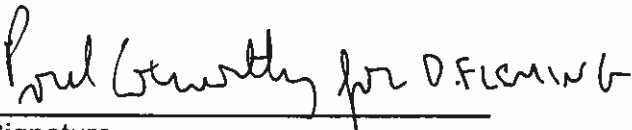
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 \_\_\_\_\_  
 Signature

March 7, 2019  
 \_\_\_\_\_  
 Date

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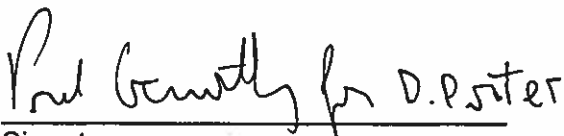
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March 7, 2019  
 \_\_\_\_\_  
 Date

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 \_\_\_\_\_  
 Signature

March 7, 2019  
 \_\_\_\_\_  
 Date

**Information:**

1. All information provided on this form will be placed on the public record for this Reference.
2. This form is formatted as a pdf\*. Please complete and download to sign.
3. Completed forms must be received by the Board on or before March 11, 2019.
4. Forms may be submitted by mail, courier or email to the one of the following addresses:

**Mail**

Cheryl Blundon, Board Secretary  
Board of Commissioners of Public Utilities  
P.O. Box 21040  
St. John's, NL A1A 5B2

**Courier/Hand Delivery**

Cheryl Blundon, Board Secretary  
Board of Commissioners of Public Utilities  
120 Torbay Road  
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