

**IN THE MATTER OF the Commission
of Inquiry respecting the Muskrat
Falls Project**

COMMENTS ON BEHALF OF THE ISLAND INDUSTRIAL CUSTOMER GROUP

The Island Industrial Customer Group are a group of Newfoundland and Labrador Hydro's industrial customers, on the Island of Newfoundland. The Group is composed of Corner Brook Pulp and Paper Limited, NARL Refining Limited Partnership, and Vale Newfoundland and Labrador Limited.¹

These comments are limited to evidence and submissions in Phase 3 of the Inquiry, and specifically are in relation to the regulation of the supply of electrical power in the Province.

The Island Industrial Customer Group customarily intervene in proceedings before the Public Utilities Board relating to rate-making for Hydro's customers, and relating to reliability of service to Hydro's customers. The members of the Island Industrial Customer Group together are forecast, for the 2019 year, to represent about 10% of the total firm energy delivered by Hydro to the Island Interconnected System.

The members of the Island Industrial Customer Group, in addition to being significant Hydro customers, also substantially contribute to the economy of the Province as direct employers, as contractors for various goods and services, and as corporate tax payers. All members of the Group have made substantial investments in their operations in the Province, and have a clear interest in the least cost reliable supply of electrical power.

The Island Industrial Customer Group have had the opportunity to consider the Written Submissions on behalf of Newfoundland Power Inc., filed with the Commission of Inquiry on August 9, 2019. The Island Industrial Customer Group wish to express their general concurrence with Newfoundland Power's Submissions in relation to Regulatory Oversight (section E, pages 23-27), and in particular their endorsement of and support for recommendations to empower the Public Utilities Board to exercise regulatory oversight of all costs to be recovered through electricity rates and of the cost of service methodology. The Island Industrial Customer Group agree that the Board is well positioned to undertake these tasks.

The Island Industrial Customer Group have also had the opportunity to consider the final Submissions on behalf of Nalcor filed with the Commission of Inquiry. At page 181 of its Submission, Nalcor notes that

¹ Praxair Canada Inc. and Teck Resources Limited are other Island customers of Hydro, but are not represented by the Island Industrial Customer Group. The Island Industrial Customer Group do not represent any Labrador industrial electricity customers.

"The Commission has heard evidence and exhibited documents concerning the potential mitigation of increases in consumer power rates, which is also the subject of a referral by government to the PUB (P-04313)."

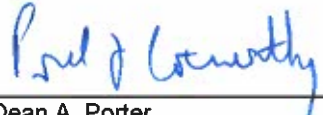
The Island Industrial Customer Group are participants (together with Nalcor, Newfoundland Power, the Consumer Advocate and other interested parties) in the Province's Rate Mitigation Reference to the Public Utilities Board, and as participants in that process believe that the Board is well positioned to undertake the task of making recommendations to the Provincial Government regarding rate mitigation.

Submitted by Island Industrial Customer Group Co-Counsel on behalf of the Island Industrial Customer Group.

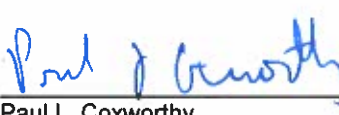
We thank the Commission for the opportunity to make these comments.

DATED at St. John's, Newfoundland and Labrador, this 14th day of August, 2019.

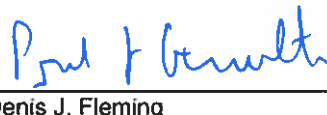
POOLE ALTHOUSE

for 
Dean A. Porter
whose address for service is:
Poole Althouse
49-51 Park Street
Corner Brook NL A2H 2X1

STEWART MCKELVEY


Paul L. Coxworthy
whose address for service is:
Stewart McKelvey
1100-100 New Gower Street
St. John's, NL A1C 15V3

COX & PALMER

for 
Denis J. Fleming
whose address for service is:
Cox & Palmer
Scotia Centre, Suite 1000
235 Water Street
St. John's NL A1C 1B6