

GLENCORE CANADA CORPORATION

Answer to Interrogatory from Ontario Energy Board Staff (OEB Staff)

Reference:

EXHIBIT M3, PARAGRAPH 6

Preamble:

OEB staff would like to ensure a common understanding with GCC regarding nomenclature in the context of GCC's filed evidence.

Question(s):

- a) Please confirm that it is correct to refer to Sudbury INO as a "facility" that is owned and operated at GCC. Paragraph 6 also identifies GCC's "Timmins facility." In total, how many facilities does GCC own and operate in Ontario that are subject to transmission service charges, whether through either uniform transmission rates or retail transmission service rates?
- b) Please confirm that the term "transmission connection" as used in paragraph 6 has the same meaning as delivery point. If not, please explain.
- c) Please confirm that, for the purpose of billing for transmission service from the IESO, GCC is one customer who is billed for transmission service for multiple facilities.

Response(s):

- a) In its evidence at paragraph 6 GCC refers to its "*facilities in Timmins Ontario*". GCC did not use this term in any pre-defined way, but rather as a general reference to its Timmins mining operations and associated infrastructure.

GCC owns and operates the following mining operations, each with associated infrastructure, in Ontario:

- i. Sudbury INO. This site consists of;
 - a. A smelter.
 - b. The Nickel Rim Mine
 - c. The Onaping area, which includes;

i. Strathcona Mill

ii. Fraser Mine

iii. Craig Mine

The Sudbury INO smelter and Nickel Rim Mine are directly transmission connected through GCC owned transformation facilities (TS).

The Strathcona Mill and the Fraser Mine are served through GCC's transmission connected customer owned Strathcona TS. This station steps the electricity voltage from 115kV down to 44kV (for the Fraser mine) and 5kV (for Strathcona Mill), which lower voltage electricity is then distributed internally through GCC's own distribution system. The 44kV distribution lines supplying Fraser Mine can also be "back fed" (at 44 Kv) through HONI's Larchwood TS during short term load transfers. These are the load transfer situations described in Exhibit M3.

The Craig Mine had also been served by the Strathcona TS, and in the past could be back fed through HONI's Larchwood TS, but as it has expanded GCC built a new customer owned Hillcrest TS to supply the Craig Mine, such that the Craig Mine can no longer be back fed through HONI's Larchwood TS and its load cannot be transferred.

ii. Timmins property, which includes;

a. The Kidd Mine, which has one transmission connection.

b. The Kidd Metallurgical Site, which has a main 230 Kv connection and an alternate 115 Kv connection.

The electrical grid connections at the Timmins property do not allow for load transfers, though as noted above the Kid Metallurgical Site has redundant transmission connections.

b) The phrase "transmission connection" as used in paragraph 6 of Exhibit M3 was intended to be a general description of the fact that GCC's Timmins facilities are connected to Ontario's grid at the transmission level, as distinct from the distribution level.

GCC understands the term "delivery point" to be a specific reference to the point at which the IESO determines the volume of electricity delivered to a particular customer, which coincides with a metering point. The delivery points for GCC's Ontario facilities are the GCC owned TSs serving the respective facilities.

c) Confirmed.

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Answer to Interrogatory from Ontario Energy Board Staff (OEB Staff)

Reference:

Exhibit M3, paragraphs 5 to 7

Preamble:

OEB staff would like to better understand the meters and delivery points that relate to Sudbury INO and billing for transmission services to this facility under normal circumstances.

Question(s):

- a) Please identify the number of delivery points that are used to serve Sudbury INO from Strathcona TS. Please identify the number of meters for each Strathcona TS delivery point. If there is more than one meter related to Sudbury INO's load from Strathcona TS, does any totalization occur? If yes, please describe.
- b) For each of Network Service, Line Connection, and Transformation Connection charges, please confirm which apply when the Sudbury INO load is served from Strathcona TS.
- c) Please identify the "customer" that is billed for Sudbury INO's load served from Strathcona TS.
- d) Please confirm whether any billing other than for transmission service occurs to either GCC or the customer in part c) based on load or energy from Strathcona TS. If such billing occurs, are the same meters used as those in part c) or are there distinct meters used between billing for transmission service and for other charges? Please explain.
- e) Please confirm that GCC owns or is otherwise responsible for the meters used to measure Sudbury INO's load from Strathcona TS. If not, please explain.
- f) Please confirm that in the scenario presented in Exhibit M3, when Sudbury INO's load is served from Larchwood TS, the load from Strathcona TS is nil and that any meter associated with the delivery points identified in part a) would have a reading of zero, or null. If not, please explain.
- g) Please provide any additional information that GCC thinks would be relevant to assist OEB staff in understanding the meters and their data associated with billing for UTRs in relation to GCC's Sudbury INO load served from Strathcona TS.

Responses:

- a) Strathcona TS is the delivery point for the Strathcona Mill and the Fraser Mine. There are two (redundant) meters for this delivery point.
- b) During normal operations when the Strathcona Mill and the Fraser Mine at the Sudbury INO are served through the GCC owned Strathcona TS transmission system connection (at 115 Kv), Network Service and Line Connection charges are incurred (as noted in paragraph 12.(a) of Exhibit M3). There are no transformation charges incurred for this service.
- c) The customer for Sudbury INO's load is Glencore Canada Corporation.
- d) In addition to transmission service charges as noted in part (b), above, GCC also pays Global Adjustment (GA) and electricity charges. The same (GCC owned) meters are used for all of these transmission and energy related charges.
- e) Confirmed.
- f) Confirmed. When Sudbury INO's Fraser Mine load is served from HONI's Larchwood TS, electricity is delivered directly (at 44kv) to serve the mine. In these circumstances, the power to Fraser Mine is no longer delivered via GCC's Strathcona TS, though the Strathcona Mill may continue to be supplied via GCC's Strathcona TS. Note that it is not possible to "back feed" Strathcona Mill from the Larchwood supply, since Strathcona Mill is supplied at 5kV and not 44kV.
- g) Please see partes a) through f), above.

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Answer to Interrogatory from Ontario Energy Board Staff (OEB Staff)

References:

- 1: Exhibit M3 Paragraphs 6 And 7
- 2: Exhibit M3, Paragraph 16, Part (A)
- 3: Exhibit M3, Attachment B

Preamble:

OEB staff would like to better understand the meters and delivery points that relate to Sudbury INO and billing for transmission services to this facility in the presented scenario during a load transfer to Larchwood TS.

Question(s):

- a) Please identify the number of delivery points that are used to serve Sudbury INO from Larchwood TS. Please identify the number of meters for each Larchwood TS delivery point. If there is more than one meter related to Sudbury INO's load from Larchwood TS, does any totalization occur? If yes, please describe.
- b) With respect to reference 2, please explain how the incremental charges that Hydro One Distribution passed through to GCC are derived and, if applicable, verified by GCC. For example, which meters or data are used?
- c) With respect to reference 3, please describe the meters and data that are used for the non-transmission related charges. For example, are the same meters and the same data use for all charges? Or do separate meters provide the data for individual charges?
- d) Please confirm that GCC owns or is otherwise responsible for the meters used to measure Sudbury INO's load from Larchwood TS. If not, please explain.
- e) Please confirm that in the scenario presented in Exhibit M3, when Sudbury INO's load is served from Strathcona TS, the load from Larchwood TS to Sudbury INO is nil and that any meter associated with the answer to part a) would have a reading of zero, or null. If not, please explain.

- f) Please provide any additional information that GCC thinks would be relevant to assist OEB staff in understanding the meters and their data associated with billing for retail transmission charges in relation to GCC's Sudbury INO load served from Larchwood TS.

Responses:

- a) During the time of load transfer for the Fraser Mine, GCC's 44kV distribution system serving the mine is directly coupled to the HONI 44kV distribution system, and, for a planned load transfer, temporary "in line" metering is installed by HONI.
- b) When STLT's occur, GCC receives a statement from HONI for distribution level charges. HONI obtains this information from temporary "in line" metering that is installed ahead of the planned transfer.
- c) The same meters and data are used for all charges.
- d) The meters used to measure the Sudbury INO Fraser Mine load served through HONI's Larchwood TS are owned by HONI, and removed upon completion of the load transfer.
- e) When Sudbury INO's load is fully served from GCC's transmission connections, that load is metered at GCC's Strathcona TS delivery point (for the Strathcona Mill and Fraser Mine). During normal operation, the 44kV switch that would "back feed" electricity onto GCC's 44kV Fraser Mine distribution system is locked in an open position, thus inhibiting the flow of any electricity along this path.
- f) Please see parts a) through e), above.

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Answer to Interrogatory from Ontario Energy Board Staff (OEB Staff)

Reference 1: Exhibit M3 paragraphs 6 and 7

Reference 2: Hydro One response to clarifying question LDC-TG-08

Preamble:

OEB staff would like to better understand load transfers in the context of both GCC's and Sudbury INO's operations.

Question(s):

- a) Please confirm whether the scenario described in Exhibit M3 illustrates the only reason to transfer Sudbury INO's load from Strathcona TS to Larchwood TS. If there are other reasons for such load transfers, please provide a general overview of the types, circumstances, and duration. Are there any other load transfers related to Sudbury INO that are not limited to Strathcona TS and Larchwood TS?
- b) Do load transfers as described in Exhibit M3 also occur during unplanned transmission outages that affect the supply from Strathcona TS?
- c) What is the typical number of load transfers in a year for Sudbury INO? If there is more than one reason for a load transfer identified in part a), please provide a reflective breakdown.
- d) What is the typical duration of a load transfer at Sudbury INO, and what is the typical range in time for such load transfers? Similar to part c), please provide a breakdown if there are different types of load transfers.
- e) Please confirm the number of customer enquiries GCC has made with Hydro One regarding double peak billing in the last five years.
- f) Please confirm whether load transfers occur at GCC's other facility or facilities in Ontario. If yes, please confirm that generally, the information regarding Sudbury INO load transfers in Exhibit M3 and these interrogatories is representative of that or those facilities. If not, please provide additional information to understand the nature of load transfers for all other GCC facilities in Ontario.

- g) Please provide an estimate of the additional cost to GCC, specifically for transmission related charges, due to transmission outage related load transfers from 2020 to 2023. Please explain the calculation of the estimate.

Responses:

- a) A load transfer may occur for two reasons; i) planned maintenance/upgrade activities; or ii) as a result of an emergency failure within the Strathcona TS or certain sections of HONI's transmission line. There are no other load transfers at the Sudbury INO that are not related to electrical service to the Fraser Mine through either GCC's Strathcona TS or, in the event of a load transfer, HONI's Larchwood TS.
- b) An unplanned outage can result in a load transfer. These have been very rare (occurring only once or twice in the last twenty years), and the main purpose of such a load transfer is to provide an alternate source of supply in order to extract personnel from Fraser Mine. In these circumstances, the load transfer would not be used to resume operations of the Mine.
- c) In some years there have been no load transfers. In others there has been one. Less frequently, there have been two load transfers within a year.
- d) Historically, the load transfers experienced by GCC last a few days, and, except in very rare instances, scheduled in advance. Generally these load transfers commence at sun-up, when work on a transmission line occurs, and end at sun down.
- e) GCC has been unable to verify the precise number of load transfers in the last 5 years, though expects there have been 3 or 4. Please see response to part c).
- f) Load transfers do not occur at GCC's other facilities in Ontario.
- g) GCC has been unable to verify precise figures, but expects that it has incurred ~\$1 million in distribution charges related to Sudbury INO load transfers from 2020 to 2023.

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Answer to Interrogatory from Ontario Energy Board Staff (OEB Staff)

REFERENCE 1: EXHIBIT M3 – APPENDIX B

Preamble:

Appendix B provides an invoice from Hydro One Networks Inc. to GCC associated with a short-term load transfer to supply Sudbury INO from Larchwood TS. OEB staff would like to better understand the impact of the transmission outage as well as any potential impacts of alternative scenarios.

Question(s):

- a) Please confirm that GCC agrees Appendix B shows the cost billed by Hydro One Networks Inc. for transmission service is approximately \$72 thousand. If not, please correct OEB staff's understanding and provide calculations for the transmission-related charges associated with the supply from Larchwood TS.
- b) Please confirm the actual duration of the short-term load transfer in this example.
- c) Please confirm whether this scenario represents a load transfer that fully or only partially supplied Sudbury INO. If the supply was only partial, please explain.
- d) Please explain the nature of planning for the load transfer. For example, was it a 2-day scheduled outage at inception or was there negotiation or coordination between Hydro One and GCC regarding the duration or timing or any other element of the outage?
- e) Please estimate or characterize the lost revenue and impact to Sudbury INO had the supply from Larchwood TS been unavailable. How often does it occur that Larchwood TS is unable to fully supply Sudbury INO and Sudbury INO experiences a complete or partial loss of supply?

Responses:

- a) The service charges included in the Appendix B invoice from HONI to GCC are all charges to GCC related to taking service through HONI's Larchwood TS during the period August 3-5, 2022. The transmission charges billed for this distribution level service, including sub-transmission line charges, equal \$71,726, inclusive of GST.
- b) The load transfer in this case lasted from August 3rd, 06:00 to August 5th, 06:00 (~ 2 days).

- c) During a scheduled load transfer, it is possible for the Sudbury INO Fraser Mine to be either substantially or fully supplied via the Larchwood back feed. The amount of power available depends on loading to other Hydro One customers. Sudbury INO and Hydro One co-ordinate to establish a maximum loading during these transfers.
- d) The outage was planned with Hydro One in advance, and was taken as pre-scheduled and in accord with availability of capacity at HONI's Larchwood TS.
- e) Normally planned load transfers are arranged so as to run the Sudbury INO Fraser Mine off of HONI's Larchwood TS in order to minimize financial losses. Revenues that would be lost if such load transfers were not available would be substantial, and further particulars of such potential lost revenues are commercially sensitive. During an emergency outage, any available load transfer is used just to extract people from the mine and operations would not be restored through such load transfer.

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Answer to Interrogatory from Ontario Energy Board Staff (OEB Staff)

Reference:

Hydro One Response To Clarifying Question Sec-02

Preamble:

Hydro One states that only Sub-Transmission LDC customers are served by more than one connection that would allow load to be transferred between connections.

Question:

- a) Is GCC / Sudbury INO a Hydro One Distribution Sub-Transmission customer in the context of Exhibit M3 and Appendix B? If not, to which customer class does the Sudbury INO facility fall when its load is served by Larchwood TS?

Response:

No, GCC is not a HONI sub-transmission customer. GCC is, and despite occasional STLTs remains, a HONI transmission connected customer. Distribution related charges resulting from STLTs are billed to GCC through a “one off” statement generated by HONI.

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Answer to Interrogatory from HONI

Reference:

GCC Evidence, Page 2, Paragraph 6.

Preamble:

GCC states that “generally, directly transmission connected customers with demand as significant as that for the Sudbury INO are provided with two transmission connections for redundancy and reliability purposes, subject to paying the associated connection costs. [...] However, Hydro One’s transmission infrastructure in the vicinity of the Sudbury INO is insufficient to allow for a second transmission system connection.”

Question:

- a) Has GCC previously requested or considered requesting a second transmission connection for its Sudbury INO? If yes, what was the outcome? If not, why not?

Response:

GCC has discussed a second transmission connection for its Sudbury INO with Hydro One. However, a second local transmission system connection for Sudbury INO would not actually provide any significant physical diversity of electricity supply for GCC, as the same physically limited HONI sub-system would feed such a second connection. In this context, provision of a second transmission connection for GCC’s Strathcona TS would be cost prohibitive relative to very limited, if any, benefit to GCC.

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Answer to Interrogatory from HONI

Reference:

GCC Evidence, Page 5, Paragraph 17

Preamble:

GCC indicates that the circumstances described in its evidence are analogous to those contemplated by Issue 4.

Questions:

- a) Hydro One assumes that GCC is proposing that the OEB decision in this proceeding include a solution to the type of double peak billing situation described in GCC's evidence. Is this assumption correct?
- b) If Hydro One's assumption is correct, does GCC have any suggestions as to how the situation described in its evidence could be addressed in the context the current proceeding?

Responses:

- a) Correct.
- b) GCC will consider Hydro One's proposed options for addressing double peak billing resulting from STLT's as the record herein is completed. Subject to further consideration, it appears to GCC that either Options 3 or 4 as set out by Hydro One in its April 2, 2024 Background Report on Issue 4 could provide a solution to GCC's STLT double billing. GCC will address its proposed solution(s) in its written submissions.

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**Answer to Interrogatory from Vulnerable Energy Consumers
Coalition (VECC)**

Reference:

Exhibit M3, page 2

Preamble:

The Evidence states:

“When work is required on Hydro One’s transmission system in the area or GCC’s Strathcona CTS, GCC’s Sudbury INO electricity load is transferred on a short-term basis to the Larchwood TS. Under this short term load transfer (STLT) arrangement, the supply to GCC which is normally received at GCC’s Strathcona CTS at 115 kv and then stepped down to a lower voltage for use by Sudbury INO, is instead re-routed through Hydro One’s Larchwood TS where it is stepped down to 44 kv, and then received at GCC’s Strathcona CTS at 44 kv where it is further stepped down to a lower voltage for use by Sudbury INO.

As a result of such STLTs GCC is billed as a Hydro One Distribution customer for the period during which GCC takes its electricity supply through the Larchwood TS.

It should be noted that the local distribution system was not built to accommodate the GCC load transfer. Rather that load transfer is made available to GCC due to, and only to the extent of, excess local distribution capacity at the time of the transfer.”

Questions:

- 1.1 Please confirm (or explain otherwise) that Hydro One and GCC seek to co-ordinate any planned work that would impact the ability of GCC’s Strathcona CTS to supply the Sudbury INO facilities such that it occurs when sufficient excess capacity is available through Hydro One’s distribution system.
- 1.2 Have there been instances where an unplanned outage on either Hydro One’s transmission system in the area or GCC’s Strathcona CTS have impacted the ability of GCC’s Strathcona CTS to supply the Sudbury INO facilities?

1.2.1 If yes, in such instances has there always been sufficient excess capacity is available through Hydro One's distribution system to serve Sudbury INO or have there been occasions where outages have occurred?

Responses:

1.1 Confirmed.

1.2 Yes. Please see responses to N-M3-Staff-10, parts a) and b).

1.2.1 Please see responses to N-M3-Staff-11, parts c) and e).

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**Answer to Interrogatory from Vulnerable Energy Consumers
Coalition (VECC)**

Reference:

Exhibit M3, page 5

Preamble:

The Evidence states:

“These duplicative charges have, in the past, added in the range of \$100,000 per STLT occurrence on average annually to GCC’s electricity bills, and multiples of that in years with multiple STLTs, as is anticipated by GCC in 2024 and 2025.”

Questions:

- 2.1 Typically how many STLT occurrences have occurred annually (e.g., in the last five years)?
- 2.2 Does GCC expect the number of such occurrences to increase in 2024 and 2025 and, if so, why?

Responses:

- 2.1 Please see responses to N-M3-Staff-10, parts c) and e).
- 2.2 Please see response to N-M3-Staff-11, part e).

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**Answer to Interrogatory from Vulnerable Energy Consumers
Coalition (VECC)**

Reference:

Exhibit M3, page 2

Preamble:

The Evidence states:

“As a transmission connected customer, GCC is invoiced by, and settles directly with, the IESO. When these STLTs occur, GCC is, in addition, billed by Hydro One for STLT driven distribution costs. The result of these STLTs has been a duplication of transmission and Global Adjustment (GA) charges to GCC in the months in which the STLTs occur. GCC is charged these monthly demand-based charges once through its regular transmission account billed by the IESO, and a second time through Hydro One distribution charges for service during the STLT.”

Question:

- 3.1 Is GCC aware of any other transmission-connected industrial customers in Ontario whose facilities are also connected to distribution system such instances of double-peak billing can and have occurred?

Response:

- 3.1 HONI has indicated in its Response to Clarifying Questions Issue 4, AMPCO-3 that, based on current information, 8 industrial customers have both transmission and distribution DPs. GCC is not aware whether any of these customers have experienced double-peak billing.

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**Answer to Interrogatory from Vulnerable Energy Consumers
Coalition (VECC)**

Reference: Exhibit M1, pdf page 20

Preamble:

The Evidence submitted by the LDC Transmission Group proposes that the OEB address the issue of double-peak billing where a customer has both transmission connected and distribution connected delivery points as follows:

“The LDC Transmission Group also support this option (i.e., use of deferral account) though only for situations where the totalizing of meters will not work. Those LDCs that are not able to utilize the option of totalizing their meters can use this option. An example where this solution could be implemented would include where a customer has both transmission connected and distribution connected delivery points with switching between these points. Another example would be if a customer has distribution connected delivery points with more than one supplier such as Hydro One for one delivery point and another LDC for the other. As Hydro One has indicated, for this solution processes will need to be established and a methodology for calculating the double peak billing impact will need to be determined.

The LDC Transmission Group recognizes the challenges with implementing this solution as described by Hydro One in their background report. It also recognizes that this is outside the scope of this proceeding as defined by the OEB in Procedural Order #3 as will always involve distribution-connected customers. Due to this, the LDC Transmission Group recommends that a working group be established comprised of Hydro One, some interested LDCs (including some members of the LDC Transmission Group), OEB staff and any other participants the OEB consider to be appropriate. The working group would be tasked to seeing if they can develop a working approach for the deferral account.”

Questions:

- 4.1** Does GCC support/agree with the approach proposed by the LDC Transmission Group?
 - 4.1.1** If not, does GCC have an alternative approach it would propose for addressing the issue of double-peak billing where a customer has both transmission connected and distribution connected delivery points?

Response:

Subject to further consideration as the record herein is completed, it appears to GCC that either Options 3 or 4 as set out by Hydro One in its April 2, 2024 Background Report on Issue 4 could provide a solution to GCC's STLT double billing. GCC will also consider the approach proposed by the LDC Transmission Group and will address GCC's proposed solution(s) in its written submissions.

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