

1 Q. Evidence of H.G. Budgell, Reference: Schedule II

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3 Please explain why transmission losses for the Labrador Interconnected  
4 System have increased so much from 1991 (filed) to 1992 (actual) and from  
5 1992 (actual) to 2000 (actual).

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7 A. Effective May 1, 1992 Hydro commenced serving Labrador City and the Iron  
8 Ore Company of Canada from the point of the Wabush 46 kV bus. Previously  
9 Hydro delivered to the Iron ore Company of Canada from the point of the 230  
10 kV bus at Churchill Falls. The 1992 actual loss statistic reflects eight months  
11 of losses as recorded under the contractual arrangements as of May 1, 1992  
12 while the 1991 loss forecast reflected the previous contractual delivery  
13 arrangement. The loss statistic for 2000 reflects a full year of recorded losses  
14 under the new delivery arrangements, as well as reflecting the underlying  
15 load utilization in Labrador West in 2000 versus 1992.