

1 Q. Did the contractual arrangements change or was there a change in the
2 physical arrangements that caused the losses to increase?

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5 A. As indicated in LC-14, effective May 1, 1992, energy deliveries to both
6 Labrador City and the Iron Ore Company of Canada were metered at Hydro's
7 Wabush terminal station (stated in LC-14 as the Wabush 46 kV bus). Prior to
8 May 1, 1992, energy deliveries to the Iron Ore Company of Canada which
9 included Labrador City were metered at Churchill Falls (stated in LC-14 as
10 the 230 kV bus at Churchill Falls). The change in contractual arrangements
11 and subsequent metering locations for Hydro's energy deliveries to the Iron
12 Ore Company of Canada accounts for the increase in transmission losses for
13 the Labrador Interconnected System by including losses on the 230 kV
14 transmission system between Churchill Falls and Labrador west. Prior to May
15 1, 1992 such losses would have been included in energy deliveries to the
16 Iron Ore Company of Canada.