

1 Q. Schedule II, 2nd Revision – Oct. 31, 2003, page 5 of 8, J.C. Roberts, note 19:
2 Please provide details on the increased purchased power costs for 2004
3 associated with serving Labrador Interconnected customers.

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6 A. The increased costs in purchased power for Labrador are as follows:

	<u>Original Filing</u>	<u>October 31 Filing</u>	<u>Variance</u>
CF(L)Co ¹	\$ 2,433,930	\$2,470,860	\$ 36,930
Wabush Terminal ²	\$ 106,235	\$ 438,019	\$ 331,784
Station Use			
TOTAL	\$ 2,540,165	\$2,908,879	\$ 368,714

7 1 The CF(L)Co. purchase cost has increased due to higher energy
8 requirements in the Labrador Interconnected System.

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10 2 The Wabush Terminal Station Use cost has increased due to previously
11 unbudgeted costs of \$331,784 related to synchronous condenser
12 maintenance and control upgrades.