

1 Q. **Preamble:** IOC understands that the alternative described by NLH included the
2 replacement of the current lines (described in IOC-NLH-022, page 2)
3 with conductors of a greater dimension.
4

5 **References:** (i) IOC-NLH-024, page 2, table 1.
6

7 Please include the transmission loss savings in the calculation provided in Table 1.
8
9

10 A. The transmission rate to Labrador Industrial customers reflects recovery of the
11 regulated revenue requirement for transmission. The transmission revenue
12 requirement for an additional 230 kV transmission line, as provided in Hydro's
13 response to IOC-NLH-024, is not impacted by transmission losses. The revenue
14 requirement would still have to be recovered over the defined sales volume.
15

16 Reduced transmission losses reduce the cost of energy purchases. The cost of
17 energy purchases to serve Labrador Industrial customers is covered under the
18 Labrador Industrial Rates Policy, which is non-regulated and not before the Board as
19 part of this GRA.