1	Q.	Provide an explanation for the increased transmission energy losses as a per
2		cent of deliveries for the period 2004 to 2006. (Schedule III, J.R. Haynes)
3		
4		
5	Α.	Hydro's actual loss rate will vary due to a complex interaction of generation
6		issues such as hydro-thermal split and the location of incremental
7		generation, weather variation from normals, system load patterns, voltage
8		levels and line outages.
9		
10		Hydro's forecast of the system transmission loss rate is based on the most
11		recent ten year average of operating history available during the preparation
12		of the load forecast. This loss rate is a moving average that reflects system
13		load characteristics and generation configurations as they change over time.
14		
15		The forecast of transmission losses for the year 2006 was 3.4% and it is
16		based on actual losses for the period January through April and forecast
17		losses for May through December using historical loss rates for the 1996 to
18		2005 period. In years when there is higher than normal hydroelectric
19		production, the losses are higher due to the remoteness of the hydroelectric
20		plants from larger load centers. That 2006 is higher than the 10-year
21		average is due to proportionally higher reliance on hydroelectric generation
22		during the first four months of the year.