

1 Q. Provide the basis for the forecast transmission energy losses for the 2007
2 test year.

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5 A. Hydro's forecast of the system transmission loss rate is based on the most
6 recent ten-year average of operating history available during the preparation
7 of the load forecast. This loss rate is a moving average that reflects system
8 load characteristics and generation configurations as they change over time.

9 The transmission loss rate for 2007 is based on Hydro's actual transmission
10 loss rates for the years 1996 to 2005.