

1   Q.    Provide the impact on revenue requirement if transmission energy losses for  
2           2007 test year were set to equal the transmission energy losses as a percent  
3           of deliveries for 2005.

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6   A.    The reduction in net energy supply as a result of applying 2005 energy  
7           losses as a percent of deliveries to the 2007 test year is 27.5 GWh. This  
8           would reduce revenue requirements in the 2007 test year by approximately  
9           \$2.5 million. Losses in 2005 were 2.8% of Island Interconnected total  
10          deliveries, while losses for the 2007 test year are forecast to be 3.2%. 2006  
11          year-to-date losses are currently 3.7% of total deliveries.