

Undertaking 62

Re: NP-NLH-297 Revision 1. Undertake to confirm that the Forecast Transmission Losses of the Island Interconnected System are calculated over 5 years or 10 years.

Pre-filed evidence as part of Newfoundland and Labrador Hydro's 2001, 2006 and 2013 general rate applications included forecast transmission losses for the Island Interconnected system based on ten years of historical system transmission losses.

As per Order No. P.U. 7 (2002-2003) and the Board's decision in the case of transmission losses, Hydro was required to use the average losses on the system for the last five years (1996-2000) calculated at 3.47%. However, as per the most recent Order on the matter, Order No. P.U. 8 (2007) incorporating the Parties' Agreement dated November 3, 2006, it was agreed that Hydro would use the most recent historical 10-year average system transmission losses. In using ten years of historical transmission losses, Hydro is applying the most recent Order of the Board on this issue.