

Volume 2, Tab 8 – Customer, Energy and Demand Forecast

Q. (page 5) “System losses are based on historical information and are forecast to be approximately 5.4 percent of total produced and purchased.” Please explain in detail the historical information used to arrive at the forecast of 5.4 percent for system losses and show calculations to arrive at the same.

A. Table 1 shows the calculation of system losses for 2008 of 5.4% under both existing and proposed rates. The forecast of system losses for 2008 is based on actual system losses as a percentage of total produced and purchased power for 2006.

**Table 1
Calculation of System Losses
(GWh)**

	2006	2008	
	Actual	Existing	Proposed
Energy Sales	4,995.1	5,153.7	5,120.8
Company Use	11.7	11.4	11.4
System Losses	285.9	292.7	290.4
Total Produced & Purchased	5,292.7	5,457.8	5,422.6
System Losses	5.4%	5.4%	5.4%

System losses may be calculated as a percentage of total produced and purchased power (285.9 / 5,292.7 = 5.4%) or as a percentage of energy sales (285.9 / 4,995.1 = 5.7%).