

1 **Volume 2, Tab 10 – Cost of Service Study**  
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3 **Q. (Schedule 4.2, page 1 of 1) Why are demand loss factors lower for distribution**  
4 **secondary than distribution primary?**  
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6 A. Demand loss factors are lower for distribution secondary than for distribution primary  
7 due to the electrical characteristics of Newfoundland Power’s electrical system as  
8 reflected in the Company’s analysis of losses.  
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10 The Company’s analysis of losses considers the electrical characteristics of the various  
11 components of the power system as modeled through engineering models. The losses as  
12 determined through these models are computed for a range of actual system demand  
13 requirements to allow estimation of energy losses. These estimated losses are compared  
14 and trued-up against actual energy losses. From this calculation, the losses as a  
15 percentage of energy delivered by the various components of the power system are  
16 determined. The results of this detailed analysis are the basis for the demand loss factors  
17 provided in the *Cost of Service Study*, Schedule 4.2, Volume 2, Tab 10, page 31 of 43.