

1 Q. (p.6, lines 26-30) Provide the assumptions and economic forecasts used in
2 developing Hydro's reference outlook for electricity consumption and peak
3 demand for the next ten years. Do those forecasts (Schedule VIII)
4 incorporate the use of wind generation, other alternate energy sources or
5 demand-side management measures?
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9 A. See response to IC-82 regarding the economic forecast used in the Long
10 Term Planning Load Forecast. The listing below highlights the major
11 assumptions.

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13 Wind generation and other alternate energy sources are supply side issues
14 and do not explicitly impact the load (demand) forecast.

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16 There is no explicit accounting of Hydro sponsored demand side
17 management measures in the forecast.

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19 The Summary of Major Assumptions for 2001 Long Term Planning Load
20 Forecast is as follows:

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22 - Moderate economic growth stems the recent high net out migration
23 levels and population decline moderates.

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25 - Modest increases in total seafood landings across forecast period.
26 - Excluding Voisey's Bay, exports of the mining sector increase
modestly. A mine and milling development for Voisey's Bay nickel
resource is assumed to be in production by 2007.

- 1 - Terra Nova commences its first full year of production in 2002.
- 2 White Rose development activity begins in 2002 with production in
- 3 2004.
- 4 - Island newsprint production approaches maximum given wood supply
- 5 constraints and existing plant capabilities.
- 6 - Production levels at the Come-By-Chance oil refinery remain constant
- 7 throughout the forecast period.
- 8 - Federal and Provincial government expenditures and fiscal initiatives
- 9 expected to provide stimulus for economy.
- 10 - Outside of mega-projects, underlying business investment is strong.
- 11 - Modest increases in real consumer expenditures expected.
- 12 - Inflation is forecast to be modest in the order of 2 percent annually.
- 13 - The unemployment rate declines over the forecast period as labour
- 14 force population growth slows and employment growth is modest.