Q. Please provide a comparison of the long-term load forecast in Budgell Schedule X from the 2001 hearing to Haynes Table 8 age (*sic)* 37 from the current filing. Please indicate all variances, provide an explanation the basis for the revised figures, and indicate contributing factors.

A. See table below. Hydro's long term load forecast is revised annually to account for current energy market data and conditions impacting utility loads, industrial customer forecasts, updated provincial economic outlooks, model recalibrations, and methodology changes where identified.

The reduction in the diversified demand for the Island interconnected system in the 2003 forecast, relative to the 2001 forecast, can be attributed to lower utility demands resulting from lower sales and slight improvements in load factors and diversity on utility loads, a reduction in expected power on order requirements for the industrial customer group, and a reduction in system demand losses resulting from a review of historic data.

The change in energy in the 2003 forecast over the 2001 forecast shows higher energy in the short term, which reflects the strong economic growth and associated utility energy requirements of recent years. By 2006, lower relative energy requirements begin and are due to lower utility sales and industrial customer sales. Hydro rural sales on the Island are noticeably weaker. Utility general service sales are lower largely due to a forecast methodology change that commenced with Hydro's 2002 long-term forecast. Hydro now isolates the non-electric heat general services sales base and treats it, in effect, as a mature load. Electric heat general service sales are then forecast in relation to economic and investment factors. The result is a

more conservative forecast of general service than had been the case in previous years.

The net effect, in the medium term, of changes in the many variables in the 2003 GRA long term forecast relative to 2001 GRA forecast, is a lower demand and energy forecast for the Island interconnected system and a relative improvement in load factor.

Comparison of Long Term Load Forecast 2001 and 2003 GRA

	MW Comparison			GWh Comparison		
	2001 GRA	2003 GRA	Variance	2001 GRA	2003 GRA	Variance
2001	1,576	-	-	8,240	-	-
2002	1,602	-	-	8,316	-	-
2003	1,611	1,578	(33)	8,384	8,441	57
2004	1,632	1,602	(30)	8,479	8,504	25
2005	1,652	1,607	(45)	8,560	8,512	(48)
2006	1,673	1,613	(60)	8,639	8,556	(83)
2007	1,696	1,624	(72)	8,734	8,606	(128)
2008	1,719	1,634	(85)	8,831	8,653	(178)
2009	1,735	1,643	(92)	8,894	8,716	(178)
2010	1,741	1,654	(87)	8,929	8,793	(136)
2011	-	1,666	-	-	8,865	-
2012	-	1,728	-	-	9,309	-