

1 **Q. Please provide in Excel file format, any Newfoundland Power load forecast**
2 **estimates reflecting changes in load due to different future retail price projections**
3 **(i.e., estimation of underlying elasticity effects) and any explanations for the**
4 **underlying rationale for such projections. Please provide any supporting data or**
5 **analyses.**

6
7 A. Attachment A to this response illustrates the impact of a 1.0% increase in the price of
8 electricity on Newfoundland Power's energy sales.

9
10 The analysis is based on Newfoundland Power's forecasts presented in its *2019/2020*
11 *General Rate Application*. The analysis compares the Base Case to the Proposed Case
12 which assumes a 1.2% increase effective March 1, 2019. The analysis indicates that in
13 2023 a 1.0% increase in electricity prices will reduce total energy sales by 0.21%.

14
15 The calculation of elasticity in Domestic and General Service 0-100 kW (110 kVA) are
16 based on the econometric models provided in response to Information Request PUB-NP-
17 005. Overall, the most price sensitive category is Domestic where a 1.0% increase in the
18 price of electricity will result in a 0.33% decrease in energy sales compared to a 0.13%
19 decrease in General Service 0-100 kW (110 kVA) energy sales. There is no statistical
20 elasticity estimate available for General Service customers 110 kVA and over since the
21 Company's load forecast is based on information provided by customers, not econometric
22 modelling.

23
24 Attachment A is available in Excel format on Newfoundland Power's stranded website at
25 <https://ftp.nfpower.nf.ca>.

Comparison of Energy Sales (GWh) Forecasts

Newfoundland Power Inc.
Comparison of Energy Sales (GWh) Forecasts

Base Case

		Actual	Forecast					
		2017	2018	2019	2020	2021	2022	2023
Domestic	1.1	3,644.8	3,635.3	3,586.6	3,583.1	3,517.6	3,421.8	3,331.9
General Service								
0-100 kW (110 kVA)	2.1	793.6	796.2	792.5	796.9	787.6	785.9	781.7
110-1000 kVA	2.3	1,010.2	1,023.6	1,031.8	1,038.3	1,046.3	1,058.1	1,067.3
Over 1000 kVA	2.4	440.8	426.9	445.3	448.7	442.9	434.2	433.2
Total General Service		2,244.5	2,246.7	2,269.6	2,283.9	2,276.8	2,278.2	2,282.2
Street Lighting	4.1	32.8	33.0	32.8	32.3	31.9	31.4	30.9
Total Energy Sales		5,922.2	5,915.0	5,889.0	5,899.3	5,826.3	5,731.4	5,645.0

Proposed Case - 1.2% increase effective March 1, 2019¹

		Actual	Forecast					
		2017	2018	2019	2020	2021	2022	2023
Domestic	1.1	3,644.8	3,635.3	3,581.6	3,571.6	3,504.4	3,408.6	3,318.5
General Service								
0-100 kW (110 kVA)	2.1	793.6	796.2	791.4	795.6	786.2	784.6	780.4
110-1000 kVA	2.3	1,010.2	1,023.6	1,031.8	1,038.3	1,046.3	1,058.1	1,067.3
Over 1000 kVA	2.4	440.8	426.9	445.3	448.7	442.9	434.2	433.2
Total General Service		2,244.5	2,246.7	2,268.5	2,282.6	2,275.4	2,276.9	2,280.9
Street Lighting	4.1	32.8	33.0	32.8	32.3	31.9	31.4	30.9
Total Energy Sales		5,922.2	5,915.0	5,882.9	5,886.5	5,811.7	5,716.9	5,630.3

Elasticity Impact of a 1.0% Increase²

Total Domestic	1.1		0.00%	-0.11%	-0.26%	-0.30%	-0.31%	-0.33%
0-100 kW (110 kVA)	2.1		0.00%	-0.11%	-0.13%	-0.14%	-0.13%	-0.13%
Total General Service			0.00%	-0.04%	-0.05%	-0.05%	-0.05%	-0.05%
Total Energy Sales			0.00%	-0.08%	-0.18%	-0.20%	-0.20%	-0.21%

¹ The proposed increase in Newfoundland Power's 2019/2020 General Rate Application was 1.235% effective March 1, 2019.

² The impact of a 1.0% change in the price of electricity was calculated by comparing the Proposed Case to the Base Case forecast. The change in forecast arising from the proposed 1.235% increase was adjusted to reflect a 1.0% change in price. For example the elasticity impact in 2023 of a 1.0% increase was a reduction in total energy sales of 0.21% ((5,630.3-5,645.0)/5645.0/1.235).