

1 Q. Please provide any Newfoundland Hydro load forecast estimates reflecting changes
2 in load due to different future retail price projections (i.e., estimation of underlying
3 elasticity effects) and any explanations for the underlying rationale for such
4 projections.

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7 A. Please see PUB-Nalcor-074, Attachment 1 that provides forecasted loads for
8 Newfoundland Power and Hydro Rural Island Interconnected based on alternate
9 retail price futures. The changes in load requirement forecasted for Newfoundland
10 Power and Hydro Rural Island Interconnected based on the alternate retail price
11 futures reflect the underlying price elasticity effects of Hydro's planning load
12 forecast model. The alternate retail price scenarios were used in the summer of
13 2018 to assess the longer term load impacts on Island Interconnected utility sales
14 based on a broad range of electricity price futures.

Modelled Load Forecasts for island Interconnected System

		<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>
CASE 1																				
Modelled IIS Average Domestic Retail Rates - Including Taxes	(\$/MWh)	155.3	165.3	175.4	185.4	195.5	199.4	203.4	207.5	211.6	215.8	220.2	224.6	229.1	233.6	238.3	243.1	247.9	252.9	258.0
NEWFOUNDLAND POWER																				
Deliveries from NLH	GWh	5920	5854	5846	5836	5829	5822	5862	5907	5952	5994	6034	6078	6121	6166	6209	6241	6282	6323	6364
NP Demand @ NLH Peak	MW	1329	1325	1320	1325	1330	1332	1338	1344	1353	1363	1373	1383	1392	1401	1411	1420	1429	1438	1448
NLH RURAL																				
Bulk Energy Deliveries	GWh	471	464	459	448	441	438	437	437	438	437	437	437	438	439	439	438	438	439	437
Demand @ NLH Peak	MW	91	90	89	87	86	85	85	86	86	86	86	86	87	87	87	87	87	87	87
CASE 2																				
Modelled IIS Average Domestic Retail Rates - Including Taxes	(\$/MWh)	155.3	173.4	191.5	209.6	227.7	232.3	236.9	241.6	246.5	251.4	256.4	261.6	266.8	272.1	277.6	283.1	288.8	294.6	300.4
NEWFOUNDLAND POWER																				
Deliveries from NLH	GWh	5920	5854	5780	5704	5627	5550	5577	5607	5639	5667	5694	5726	5756	5787	5817	5837	5865	5894	5923
NP Demand @ NLH Peak	MW	1329	1325	1320	1313	1306	1296	1289	1291	1297	1303	1309	1315	1321	1327	1333	1339	1344	1350	1356
NLH RURAL																				
Bulk Energy Deliveries	GWh	471	462	453	437	426	420	419	419	419	417	417	417	418	418	418	417	417	417	415
Demand @ NLH Peak	MW	91	90	88	85	83	82	82	82	82	82	82	82	83	83	83	83	83	83	82
CASE 3																				
Modelled IIS Average Domestic Retail Rates - Including Taxes	(\$/MWh)	155.3	176.1	196.9	217.6	238.4	259.2	280.0	285.6	291.3	297.1	303.1	309.1	315.3	321.6	328.0	334.6	341.3	348.1	355.1
NEWFOUNDLAND POWER																				
Deliveries from NLH	GWh	5920	5854	5758	5659	5560	5457	5353	5255	5268	5277	5287	5300	5312	5326	5338	5342	5353	5365	5378
NP Demand @ NLH Peak	MW	1329	1325	1320	1309	1298	1284	1272	1250	1233	1234	1235	1237	1238	1239	1240	1241	1243	1243	1245
NLH RURAL																				
Bulk Energy Deliveries	GWh	471	462	451	434	421	411	401	396	395	394	393	393	393	393	392	391	390	390	388
Demand @ NLH Peak	MW	91	89	87	84	82	80	78	77	78	77	77	77	78	78	78	78	77	77	77

Modelling Assumptions

1. Long run electricity price assumption post Muskrat Falls for all forecast cases reflect zero percent price change in real dollar terms for retail consumers (Rate increases held to inflation).
2. Forecast furnace oil pricing based on PIRA Energy Group long term price forecast at May 2018.
3. Newfoundland and Labrador economic forecast assumptions are consistent with Government of Newfoundland & Labrador provincial economic forecast at April 2018.