

1 **Q. What information, identified by source, is used to forecast the increase in load that**  
2 **will cause a need for increased system capacity?**

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4 A. In developing its annual customer, energy and demand forecast, Newfoundland Power  
5 uses a variety of information related to economic activity, energy-use forecasts of larger  
6 customers, energy prices, and conservation and demand management activities, within  
7 the Company's service territory.

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9 The *Conference Board of Canada* is Newfoundland Power's primary source of economic  
10 information.<sup>1</sup> This information includes key economic indicators such as gross domestic  
11 product growth, particularly service sector growth, personal disposable income, consumer  
12 price index and the number of housing starts. The Company also uses housing start  
13 information provided by *Canada Mortgage and Housing Corporation*.

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15 Local economic information is gathered from Newfoundland Power's regional  
16 operations, the *St. John's Board of Trade* and various other trade associations, as well as  
17 the provincial and federal governments.

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19 Newfoundland Power annually surveys approximately 150 of its larger customers,  
20 representing 600 accounts, regarding their future load requirements.

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22 Energy price forecasts are developed by the Company based on information available  
23 internally and in consultation with Newfoundland and Labrador Hydro.

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25 Load growth forecasts are also adjusted to reflect the impact of energy conservation  
26 programs based on forecasts developed by the Company in consultation with  
27 Newfoundland and Labrador Hydro.

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<sup>1</sup> Newfoundland Power also monitors other economic forecasts available in the public domain, including government sources, banks and other financial institutions.