

1 **Q. Load Forecasting**

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3 **In Grant Thornton's 2009 Annual Financial Review, it observes as follows at p. 22,**
4 **lines 8-13:**

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6 **"As can be seen from the above tables, actual revenue from rates increased by**
7 **\$5,198,000 (1.04%) from the 2009 Plan, primarily due to an increase in the average**
8 **use of electricity by customers as there was a 1.04% increase in GWh sold in 2009**
9 **compared to Plan for 2009. The largest variance can be seen in the residential rate**
10 **class where actual revenues and energy sales increased by \$5,955,000 (1.96%) and**
11 **68.1 GWh (2.17%) respectively. This overall increase is attributable to an increase**
12 **in the customer connections for the year with 3,962 connections being budgeted and**
13 **5,051 connections actually being completed."**

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15 **Please explain the reason why the forecast for new residential customer connections**
16 **(3,962) for 2009 was at variance with actual (5,051).**

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18 **A.** In 2009, actual new customer connections were 5,051 or 27.5% higher than the forecast
19 of 3,962. This increase is primarily related to a variance between actual and forecast
20 housing starts. In 2009 actual housing starts were 30.7% higher than forecast and as a
21 result domestic customer connections were higher than forecast. In addition, the
22 expansion of local telephone service by Eastlink in the Avalon and Bonavista areas
23 resulted in higher than forecast general service connections. This information was not
24 available when the forecast was being prepared.