

1 **Q. Load Forecasting**

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3 **In Grant Thornton's 2010 Annual Financial Review, it observes as follows at p. 22,**
4 **lines 8-12 as follows:**

5
6 **"As can be seen from the above tables, actual revenue from rates increased by**
7 **\$6,551,000 (1.24%) compared to the 2010 Test Year, primarily due to an increase in**
8 **the average use of electricity by customers as there was a 1.29% increase in GWh**
9 **sold in 2010 compared to the 2010 Test Year. The largest variance can be seen in**
10 **the residential rate class where actual revenues and energy sales increased by**
11 **\$6,783,000 (2.08%) and 76.3 GWh (2.36%) respectively."**

12
13 **Please explain the reasons for the variance in the residential rate class referred to**
14 **above.**

15
16 **A.** The variance in the 2010 Test Year revenue for the residential category (2.08%) is
17 directly related to the variance in residential energy sales (2.36%). The variance in 2010
18 Test Year residential energy sales was due to increased average annual use per customer
19 and an increase in the number of customers. The increase in average annual use per
20 customer (1.7%) reflects higher than forecast personal disposable income and electric
21 space heating market share while the increase in the number of customers (0.7%) is
22 related to higher than forecast housing starts.