

Q. Schedule B 2015 Capital Projects (p. 30 of 97)

Newfoundland Power outlines that the forecast number of new customer users is derived from economic projections provided by independent agencies. New customer additions are forecast to decrease in 2014 and 2015. For the years 2010 through 2013, please provide a table indicating how accurate the economic projections provided by the independent agencies used by Newfoundland Power have been.

A. Table 1 provides the projection of housing starts used in estimating new customer connections provided in the capital budget applications, the actual number of housing starts, the actual difference and the percentage difference for each of the years from 2010 through 2013.¹

Table 1
Housing Starts for Newfoundland and Labrador
2010 to 2013

	2010	2011	2012	2013
Forecast Housing Starts - CMHC ²	2,775	3,120	3,170	3,000
Forecast Housing Starts - CBOC ³	<u>1,947</u>	<u>2,565</u>	<u>2,686</u>	<u>2,801</u>
Average Forecast Housing Starts	2,361	2,843	2,928	2,901
Actual Number of Housing Starts ⁴	3,606	3,488	3,885	2,862
Difference (Actual Less Average Forecast)	1,245	645	957	(39)
Percentage Difference	53%	22%	32%	-1.3%

Table 2 provides information on forecast and actual new customer connections for each of the years from 2010 through 2013.

Table 2
New Customer Connections

	2010	2011	2012	2013
Forecast New Customer Connections	3,864	4,625	4,670	4,657
Actual New Customer Connections	5,300	4,909	5,286	5,280
Difference	1,436	284	616	623
Percentage Difference	37%	6%	13%	13%

¹ Housing starts and historic disconnection data are used in forecasting the number of new customer connections.

² CMHC is the Canada Mortgage and Housing Corporation.

³ CBOC is the Conference Board of Canada.

⁴ As provided by the Conference Board of Canada.