

1 Q. **B-32, Provide Service Extensions \$4,172,000**

2 What information, if any, other than historical expenditures was used to determine
3 the forecast for service connections?

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6 A. Hydro used a five-year historical average of Service Extension expenditures for
7 forecasting the budgets for the Central region and a three-year historical average of
8 Service Extension expenditures for forecasting the budgets for Northern and
9 Labrador regions. The decision to use a three- or five-year average is reviewed
10 annually and is based on Hydro's assessment of recent service extension activity
11 and understanding of future service extension activity in each of the regions. The
12 three-year average to determine the service extension budgets for Northern and
13 Labrador regions better reflects the recent level of customer growth in these
14 regions. This customer growth is forecast to continue through the medium-term
15 and is reviewed annually.