

1 Q. **Re: Page 25, Footnote 36**

2 This footnote indicates that Hydro’s forecast load requirements reflect “*customer’s*
3 *anticipation of significant retail price increases for electricity.*” How were customer
4 expectations of significant electricity cost increases incorporated into Hydro’s
5 forecast load requirements?
6
7

8 A. Both Hydro’s load forecast model for its Island rural retail customers and
9 Newfoundland Power’s load forecast model for its retail customers incorporate
10 customer expectations of electricity cost increases. The load forecasts prepared by
11 Hydro and Newfoundland Power that were used as the input to the Near-Term
12 Generation Adequacy Report reflect recent declines in average annual electricity
13 consumption by residential customers on a weather adjusted basis. Discussions
14 with Newfoundland Power of the recent declines in residential customer
15 consumption levels have led Hydro to conclude that retail electricity consumers
16 have already begun to change their electricity consumption levels in response to
17 anticipated retail price increases.