1   Q.   When did Hydro last undertake a review of its load forecasting methodology prior

2   to January 2014? Provide details on the review that was completed.

3

4

5   A.   Please note there are two formal published demand forecast processes that are

6   completed for Hydro's system peak and two different methodologies used for those

7   processes. The two methodologies involve the forecast for Newfoundland Power's

8   (NP's) peak demand requirements which make up the bulk of Hydro's system supply

9   requirements.

10

11   The first methodology is used by Hydro for forecasting long-term annual system

12   peak demands. Hydro has not recently undertaken a review of its long-term annual

13   load forecasting methodology but the methodology used by Hydro has been

14   reviewed as part of the following recent reviews:

15

16   • Independent Supply Decision - Navigant Consulting Ltd. September 2011

17   (Please refer to PUB-NLH-010 Attachment 1); and

18

19   • Report on Two Generation Expansion Alternatives for the Island

20   Interconnected 11 Electrical system - Manitoba Hydro International January

21   2012 (Please refer to PUB-NLH-010 Attachment 2).

22

23   The Manitoba Hydro International review also included an assessment of forecast

24   accuracies of Hydro's energy forecasting and peak demand forecasting models.

25

26   The second methodology is used by NP for forecasting its monthly demand

27   requirements which are used for input to Hydro's Operating Load Forecast used for

1   short and medium-term operational purposes. The last significant review

2   undertaken by Hydro of the methodology used by NP for forecasting monthly

3   demand requirements for Hydro's Operating Load Forecast was prior to 2003. At

4   that time, Hydro reviewed the methodology used by NP for preparing its peak

5   demand requirements from Hydro and requested changes in the methodology to

6   better reflect NP's native peak and the historical normal weather conditions that

7   occur at NP's native peak demand. At that time, there were two primary changes to

8   the methodology:

9

10   1. NP began preparing an NP native peak demand forecast independent of its

11   NP-NLH delivery point demand forecast that provides individual delivery

12   point peak demand requirements; and

13

14   2. NP extended the historical period of data used for determining the load

15   factor that is used for forecasting NP native peak demand. This was done to

16   include a broader historical experience with respect to the varying weather

17   and system conditions that drive peak demand.