1   **Q.**   **(Reference April 17, 2024 Brattle Report entitled Review of Newfoundland Power**
2   **Load Forecasting Methodology) It is indicated (page 17) that the energy forecasting**
3   **model is missing a key determinant of electricity sales, namely, a weather variable.**
4   **a)**   **Did Newfoundland Power inform Brattle, or has Brattle determined, whether**
5   **the dependent variable, i.e. average use, is measured in terms of actuals or**
6   **weather-adjusted?**
7   **b)**   **If the average-use figures used by Newfoundland Power were weather**
8   **adjusted then would it be appropriate to include weather variables, such as**
9   **CDD or HDD, in the regression specification?**
10
11   A.   a)   Brattle's understanding is the energy revenue data was weather normalized
12   before performing the regressions.
13
14   b)   It would not be appropriate to include weather variables in a regression that
15   uses weather normalized sales as its dependent variable. However, we have
16   argued that it is a more robust and transparent practive to include the weather
17   variables in the model as independent variables and actual sales as the
18   dependent variable. This approach accounts for the impact of weather within
19   the regression model. See Brattle's response to NP-PUB-001 for discussion on
20   the basis for this recommendation.