

UNDERTAKING JT2.29

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To advise how EGD's 0.65 reduction function was calculated with an explanation discussing all the factors it considers including DSM.

RESPONSE

There are a number of factors that influence peak load on the distribution system over time. Some factors, such as GDP growth or a trend to larger buildings which are taller and denser than historical multi-residential construction, would tend to push the peak load higher. Other factors, such as energy efficiency improvements to the existing building stock or installed base of equipment, or changes to Building Codes on new construction and renovations, would be expected to decrease peak load. The Company forecast includes all of the above items.

The Company did a comparison of the load growth forecast (aggregated by sector, by geography, over the project forecast horizon as explained in the response to Environmental Defence Interrogatory #12 found at Exhibit I.A4.EGD.ED.12) to the historical send-out trend on peak day normalized to design conditions. As a result the Company applied a reduction to the forecast of increased peak system loads. The reduction factor captures the impact of all of the factors listed above across the existing and incremental loads.

The table below shows the comparison of the previous period normalized peak day demand for the GTA Project Influence Area and the forecast without and with the reduction factor that was included in the project forecast.

<u>Period</u>	<u># of Years</u>	<u>Total Growth (GJ/d)</u>	<u>Total Growth (%)</u>
1999-2012 ¹	13	406,923	19.5
2013-2025 forecast (No reduction factor)	13	334,736	13.9
2013-2025 forecast (with reduction factor)	13	217,578	9.0

1 - Normalized peak day demand regression on customer count

Witness: C. Fernandes