

<p><b>Background:</b></p>	<p>There are two load forecasting methods noted in the filing requirements. A Multivariate Regression model and a Normalized Average Use per Customer model (NAC). Very Small Utilities identified that the Multivariate Regression model requires a lot of time and resources but the NAC model would require less time and could be completed internally. To assist very small utilities with completing a NAC model in house, a sample is provided.</p>
<p><b>Circumstances where NAC may be appropriate:</b></p>	<p>1) For Customer Classes With Non-Weather Sensitive Loads</p> <ul style="list-style-type: none"> <li>• No recent or anticipated customer reclassification.</li> <li>• Historical class average use per customer reasonably constant (or variations explainable by one-time events)</li> <li>• No new customers forecasted (or treated separately if anticipated load for new customers known)</li> <li>• No anticipated events that could lead to changes in existing customer use</li> <li>• For classes with only a few customers - confirmation from those customers that historic loads are representative of future anticipated loads.</li> </ul> <p>2) For Customer Classes With Weather Sensitive Loads</p> <ul style="list-style-type: none"> <li>• Minimal customer growth</li> <li>• No anticipated events that could lead to changes in customer use (or alternatively these changes are addressed separately).</li> <li>• No known historic events (apart from weather) that impacted historic use per customer over the period used to calculate NAC.</li> <li>• Demonstration that historic variations in annual per customer use are linked to variations in weather.</li> <li>• Average HDD and CDD over period used to calculate NAC similar to definition of “weather normal”</li> </ul>
<p><b>Notes:</b></p>	<p>The number of years used in the sample NAC model is meant to be a sample. A very small utility should assess the number of years to use for the NAC model that best represents their situation.</p>

