

**CENTRAL MAINE POWER COMPANY
RESPONSE TO EXAMINER'S DATA REQUEST NO. 2
DOCKET No. 2008-255**

September 30, 2008

EX-02-11

- Q.** (Volume I, Page 25, Table 4) This table shows an approximate 2.3 percent load growth continuously occurring from 2008 through 2017. Please show what the average cost of electricity for CMP is in each year of the table in nominal year dollars. As part of your response, please describe the impact that rising electricity prices has on electrical usage.
- A.** Attachment 1 to this response provides the price of electricity forecast assumed in preparing CMP's Winter 2007 Update Forecast.

Increases in the price of electricity will dampen growth in electricity usage. Based on analyses of CMP customer response to price changes, CMP's forecast assumes the following price elasticities: residential, -0.27; commercial, -0.10; industrial, -0.075. For example, a 10% change in the residential price of electricity, adjusted for inflation, will result in a 2.7% decrease in customer usage.

Response and Submitted By:

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Attachment:

1. Estimated Price of Electricity by Class, Winter 2007 Update Forecast

Estimated Price of Electricity by Class, Winter 2007 Update Forecast

Nominal Price of Electricity in Current Dollars

	Residential Class		Commercial Class		Other Industrial		GDP - Price Index	
	¢ per kWh	% change	¢ per kWh	% change	¢ per kWh	% change	2000=1	% change
2000	12.27	-6.6%	10.07	-2.9%	8.31	7.7%	1.000	2.2%
2001	12.12	-1.2%	11.14	10.6%	10.15	22.2%	1.024	2.4%
2002	12.35	1.9%	9.30	-16.6%	7.36	-27.5%	1.042	1.7%
2003	12.08	-2.1%	9.82	5.6%	8.29	12.7%	1.064	2.1%
2004	11.76	-2.6%	9.64	-1.9%	8.01	-3.4%	1.094	2.8%
2005	13.15	11.8%	10.49	8.8%	8.71	8.8%	1.127	3.0%
2006	14.77	12.3%	12.76	21.6%	11.59	33.0%	1.160	2.9%
2007	15.56	5.4%	13.22	3.6%	11.30	-2.5%	1.184	2.0%
2008	16.05	3.2%	12.88	-2.5%	11.09	-1.8%	1.207	1.9%
2009	15.52	-3.3%	12.38	-3.8%	10.69	-3.6%	1.231	2.0%
2010	15.18	-2.2%	12.18	-1.7%	10.55	-1.4%	1.256	2.0%
2011	14.79	-2.6%	11.61	-4.7%	9.98	-5.3%	1.283	2.1%
2006-11		0.0%		-1.9%		-2.9%		2.0%

Real Price of Electricity in Constant 2000 Dollars

	Residential Class		Commercial Class		Other Industrial	
	¢/kWh (\$00)	% change	¢/kWh (\$00)	% change	¢/kWh (\$00)	% change
2000	12.27	#REF!	10.07	#REF!	8.31	#REF!
2001	11.84	-3.5%	10.88	8.0%	9.92	19.4%
2002	11.85	0.1%	8.92	-18.0%	7.06	-28.8%
2003	11.36	-4.2%	9.23	3.4%	7.79	10.4%
2004	10.75	-5.3%	8.81	-4.6%	7.32	-6.1%
2005	11.66	8.5%	9.31	5.6%	7.73	5.6%
2006	12.72	9.1%	11.00	18.2%	9.99	29.3%
2007	13.14	3.2%	11.16	1.5%	9.54	-4.5%
2008	13.30	1.2%	10.67	-4.4%	9.19	-3.7%
2009	12.61	-5.2%	10.06	-5.7%	8.69	-5.5%
2010	12.09	-4.1%	9.70	-3.6%	8.40	-3.3%
2011	11.53	-4.7%	9.05	-6.7%	7.78	-7.3%
2006-11		-2.0%		-3.8%		-4.9%