

**DEMANDE DE RENSEIGNEMENTS NO 1 DE GAZIFERE INC.  
A LA FEDERATION CANADIENNE DE L'ENTREPRISE INDEPENDANTE (FCEI)  
DANS LE CADRE DU DOSSIER R-3665-2008**

---

**Preamble:**

Please refer to the illustrative degree day forecasting example in Figure-1.

Figure-1 consists of two 10 year out-of-sample forecasts from two non-descript degree day forecasting models along with a hypothetical actual experience over the forecast horizon. Also accompanying Figure-1 are the respective MAPE, RMSPE, and MPE for each method.

**Figure-1: Stylized Degree Day Forecasting Example**

	Actual	Model 1	Model 2
Year 1	3,000	3,270	3,060
Year 2	3,000	2,970	2,940
Year 3	3,000	2,970	3,060
Year 4	3,000	2,970	2,940
Year 5	3,000	2,970	3,060
Year 6	3,000	2,970	2,940
Year 7	3,000	2,970	3,060
Year 8	3,000	2,970	2,940
Year 9	3,000	2,970	3,060
Year 10	3,000	2,970	2,940
<i>MAPE</i>	-	1.8%	2.0%
<i>RMSPE</i>	-	3.0%	2.0%
<i>MPE</i>	-	0.0%	0.0%

**Question 1:**

Based on the results found in Figure-1, could the FCEI please comment on which model (Model 1 or Model 2) is a better degree day forecasting method?