* **Effect of categorical variables on dependent variable.**

Based on coefficients generated

1. sn\_4=1538.256477 – winter has highest demand
2. wd\_1=-437.688313 – Monday has lowest demand but increases as weekend approaches
3. mnth\_6=2545.591727 – Evenly distributed around various months increasing as winter approaches
4. wth\_3=-2300.953964 - Rain/snow/thunderstorm has lowest demand
5. yr=2078.140924 - Demand has increased from the previous year

* **Drop\_first=True.**

In order to create dummy variables we need to follow n-1 rule, where n is total number of categorical variables to be converted to dummy variables. We do this because n-1 variables contain enough information to explain n variables to the machine and the extra variable adds no value.

* **Pair\_plot among numerical variables.**

Looking at the pair-plot, temp has the highest correlation with the target variable.

* **Validation of assumptions**

Normality-using histogram

Multicollinearity-VIF+.corr()

Error terms-Durbin-Watson Test

* **Top 3 features**

Weather, Season, Holiday