Regression

```
library(readxl)
## Warning: package 'readxl' was built under R version 4.0.5
Tng_Ctr <- read_excel("C:/Users/prach/Desktop/Rutgers/BF/Project/Tng_Ctr_HourRE.xlsx")</pre>
Summary of the data
class(Tng Ctr)
## [1] "tbl_df"
                    "tbl"
                                  "data.frame"
summary(Tng_Ctr)
##
        Year
                         Quarter
                                              Month
                                                                 Device_Hrs
    Length:82
                       Length:82
                                           Length:82
                                                                      : 222.8
##
                                                              Min.
    Class :character
                       Class : character
                                           Class : character
                                                               1st Qu.: 900.2
    Mode :character
                       Mode :character
                                           Mode :character
                                                               Median :1009.1
##
                                                               Mean
                                                                      : 991.9
##
                                                               3rd Qu.:1105.5
##
                                                                      :1519.9
                                                               Max.
##
   Total Inst Hrs
                     Device Hrs Sub
                                                       Holiday dv
##
                                         Ratio
##
   Min.
          : 504.6
                     Min.
                            : 570
                                            :1.710
                                                     Min.
                                                             :0.0000
                                     Min.
   1st Qu.:1945.2
                     1st Qu.: 913
                                     1st Qu.:2.111
                                                     1st Qu.:0.0000
##
  Median :2209.9
                     Median:1026
                                     Median :2.186
                                                     Median :0.0000
##
   Mean
           :2169.1
                     Mean
                           :1019
                                     Mean
                                            :2.201
                                                     Mean
                                                             :0.4878
##
    3rd Qu.:2445.8
                     3rd Qu.:1128
                                     3rd Qu.:2.317
                                                     3rd Qu.:1.0000
##
           :3084.1
                     Max.
                            :1520
                                     Max.
                                            :2.529
                                                     Max.
                                                             :1.0000
##
##
       COVID dv
                           RPM
                                              UNRATE
##
           :0.00000
                             : 2553492
                                                 : 3.500
  \mathtt{Min}.
                      Min.
                                          Min.
```

Libraries

Mean

Max.

##

##

##

1st Qu.:0.00000

3rd Qu.:0.00000

:0.09756

:1.00000

Median :0.00000

1st Qu.:52163613

Median :55929396

3rd Qu.:60277998

:2

:51284108

:64656057

Mean

Max.

NA's

1st Qu.: 4.000 Median : 4.700

3rd Qu.: 5.375

: 5.104

:14.800

Mean

Max.

```
library(data.table)
## Warning: package 'data.table' was built under R version 4.0.5
library(fpp3)
## Warning: package 'fpp3' was built under R version 4.0.5
## -- Attaching packages ------ fpp3 0.4.0 --
                3.1.4 v tsibble 1.0.7 v tsibble
## v tibble
                                          1.0.1
                          v tsibbledata 0.3.0
## v dplyr
## v tidyr
                 1.1.4
                           v feasts 0.2.2
                                          0.3.1
## v lubridate 1.7.10
                           v fable
## v ggplot2
                 3.3.5
## Warning: package 'tibble' was built under R version 4.0.5
## Warning: package 'dplyr' was built under R version 4.0.5
## Warning: package 'tidyr' was built under R version 4.0.5
## Warning: package 'lubridate' was built under R version 4.0.5
## Warning: package 'ggplot2' was built under R version 4.0.5
## Warning: package 'tsibble' was built under R version 4.0.5
## Warning: package 'tsibbledata' was built under R version 4.0.5
## Warning: package 'feasts' was built under R version 4.0.5
## Warning: package 'fabletools' was built under R version 4.0.5
## Warning: package 'fable' was built under R version 4.0.5
                                                  ----- fpp3_conflicts --
## -- Conflicts -----
## x dplyr::between() masks data.table::between()
## x lubridate::date() masks base::date()
## x dplyr::filter() masks stats::filter()
## x dplyr::first() masks data.table::first()
## x lubridate::hour() masks data.table::hour()
## x tsibble::intersect() masks base::intersect()
## x tsibble::interval() masks lubridate::interval()
## x lubridate::isoweek() masks data.table::isoweek()
## x tsibble::key() masks data.table::key()
## x dplyr::lag() masks stats::lag()
                         masks data.table::last()
## x dplyr::last()
```

```
## x lubridate::mday()
                         masks data.table::mday()
## x lubridate::minute() masks data.table::minute()
## x lubridate::month() masks data.table::month()
## x lubridate::quarter() masks data.table::quarter()
## x lubridate::second() masks data.table::second()
## x tsibble::setdiff() masks base::setdiff()
## x tsibble::union() masks base::union()
## x lubridate::wday() masks data.table::wday()
## x lubridate::week() masks data.table::week()
## x lubridate::yday() masks data.table::yday()
## x lubridate::year() masks data.table::year()
library(TTR)
## Warning: package 'TTR' was built under R version 4.0.5
library(ggplot2)
library(tsibble)
library(tsibbledata)
library(dplyr)
library(forecast)
## Warning: package 'forecast' was built under R version 4.0.5
## Registered S3 method overwritten by 'quantmod':
##
    method
                      from
##
     as.zoo.data.frame zoo
library(fpp)
## Warning: package 'fpp' was built under R version 4.0.5
## Loading required package: fma
## Warning: package 'fma' was built under R version 4.0.5
## Loading required package: expsmooth
## Warning: package 'expsmooth' was built under R version 4.0.5
## Loading required package: lmtest
## Warning: package 'lmtest' was built under R version 4.0.5
## Loading required package: zoo
## Warning: package 'zoo' was built under R version 4.0.5
## Attaching package: 'zoo'
```

```
## The following object is masked from 'package:tsibble':
##
       index
##
## The following objects are masked from 'package:base':
##
       as.Date, as.Date.numeric
## Loading required package: tseries
## Warning: package 'tseries' was built under R version 4.0.5
##
## Attaching package: 'fpp'
## The following object is masked from 'package:fpp3':
##
       insurance
library(fpp2)
## Warning: package 'fpp2' was built under R version 4.0.5
##
## Attaching package: 'fpp2'
## The following objects are masked from 'package:fpp':
##
##
       ausair, ausbeer, austa, austourists, debitcards, departures,
       elecequip, euretail, guinearice, oil, sunspotarea, usmelec
## The following object is masked from 'package:fpp3':
##
##
       insurance
library(bsts)
## Warning: package 'bsts' was built under R version 4.0.5
## Loading required package: BoomSpikeSlab
## Warning: package 'BoomSpikeSlab' was built under R version 4.0.5
## Loading required package: Boom
## Warning: package 'Boom' was built under R version 4.0.5
## Loading required package: MASS
```

```
##
## Attaching package: 'MASS'
## The following objects are masked from 'package:fma':
##
##
       cement, housing, petrol
## The following object is masked from 'package:dplyr':
##
##
       select
##
## Attaching package: 'Boom'
## The following object is masked from 'package:stats':
##
##
       rWishart
##
## Attaching package: 'BoomSpikeSlab'
## The following object is masked from 'package:stats':
##
##
       knots
## Loading required package: xts
## Warning: package 'xts' was built under R version 4.0.5
##
## Attaching package: 'xts'
## The following objects are masked from 'package:dplyr':
##
       first, last
##
## The following objects are masked from 'package:data.table':
##
       first, last
##
##
## Attaching package: 'bsts'
## The following object is masked from 'package:BoomSpikeSlab':
##
##
       SuggestBurn
library(prophet)
```

Warning: package 'prophet' was built under R version 4.0.5

```
## Loading required package: Rcpp
## Warning: package 'Rcpp' was built under R version 4.0.5
## Loading required package: rlang
## Warning: package 'rlang' was built under R version 4.0.5
##
## Attaching package: 'rlang'
## The following object is masked from 'package:data.table':
##
##
      :=
library(repr)
## Warning: package 'repr' was built under R version 4.0.5
library(GGally)
## Warning: package 'GGally' was built under R version 4.0.5
## Registered S3 method overwritten by 'GGally':
    method from
##
    +.gg
           ggplot2
##
## Attaching package: 'GGally'
## The following object is masked from 'package:fma':
##
##
      pigs
Tng = Tng_Ctr[,c(1,2,3,4,8,9,10,11)]
summary(Tng)
##
                                                              Device_Hrs
       Year
                        Quarter
                                            Month
## Length:82
                      Length:82
                                         Length:82
                                                            Min. : 222.8
## Class :character
                      Class : character
                                         Class :character
                                                            1st Qu.: 900.2
## Mode :character Mode :character
                                         Mode :character
                                                            Median :1009.1
##
                                                                  : 991.9
                                                            Mean
##
                                                            3rd Qu.:1105.5
##
                                                            Max.
                                                                  :1519.9
##
##
     Holiday_dv
                       COVID_dv
                                           RPM
                                                             UNRATE
                                                         Min. : 3.500
##
          :0.0000
                           :0.00000
                                             : 2553492
  Min.
                    Min.
                                      Min.
   1st Qu.:0.0000
                    1st Qu.:0.00000
                                      1st Qu.:52163613
                                                         1st Qu.: 4.000
## Median :0.0000
                    Median :0.00000
                                      Median :55929396
                                                         Median : 4.700
## Mean :0.4878
                    Mean :0.09756
                                      Mean
                                             :51284108
                                                         Mean : 5.104
## 3rd Qu.:1.0000
                    3rd Qu.:0.00000
                                      3rd Qu.:60277998
                                                         3rd Qu.: 5.375
## Max. :1.0000
                    Max. :1.00000
                                      Max.
                                             :64656057
                                                         Max. :14.800
                                      NA's
##
                                             :2
```

```
Tng = na.omit(Tng)
summary(Tng)
```

```
##
        Year
                         Quarter
                                             Month
                                                               Device_Hrs
##
   Length:80
                       Length:80
                                          Length:80
                                                             Min. : 222.8
   Class :character
                                                             1st Qu.: 892.9
##
                       Class :character
                                          Class :character
   Mode :character
                                                             Median :1004.8
##
                       Mode :character
                                          Mode :character
##
                                                             Mean
                                                                   : 989.9
##
                                                             3rd Qu.:1103.0
##
                                                                    :1519.9
                                                             Max.
                        COVID_dv
                                        RPM
                                                          UNRATE
##
     Holiday_dv
##
  Min.
          :0.0000
                     Min.
                            :0.0
                                   Min.
                                          : 2553492
                                                      Min.
                                                             : 3.500
   1st Qu.:0.0000
                     1st Qu.:0.0
                                   1st Qu.:52163613
                                                      1st Qu.: 3.975
## Median :0.0000
                                                      Median : 4.700
                     Median :0.0
                                  Median :55929396
                                          :51284108
## Mean
          :0.4875
                     Mean
                            :0.1
                                  Mean
                                                      Mean
                                                            : 5.114
## 3rd Qu.:1.0000
                     3rd Qu.:0.0
                                   3rd Qu.:60277998
                                                      3rd Qu.: 5.400
                                                             :14.800
           :1.0000
                     Max.
## Max.
                            :1.0
                                  Max.
                                          :64656057
                                                      Max.
```

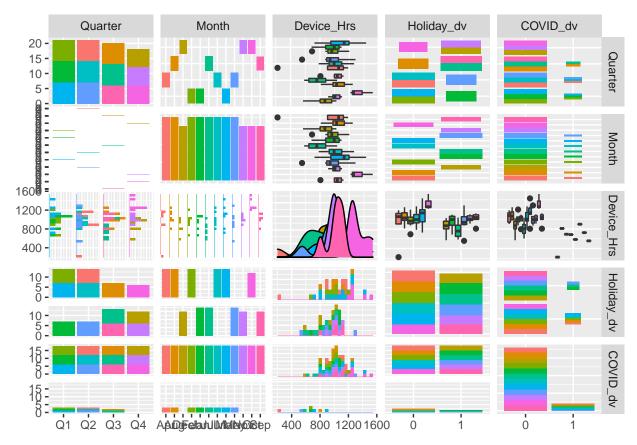
RPM is Revenue Passenger Miles for US Domestic Air Carriers. Unrate is an unemployment rate of USA.

```
setDT(Tng)
Tng[,Year:=factor(Year)]
Tng[,Quarter:=factor(Quarter)]
Tng[,Month:=factor(Month)]
Tng[,Holiday_dv:=factor(Holiday_dv, levels = c(0,1))]
Tng[,COVID_dv:=factor(COVID_dv, levels = c(0,1))]
summary(Tng)
```

```
Month
                                        Device_Hrs
                                                       Holiday_dv COVID_dv
##
         Year
                 Quarter
##
   2015-01: 1
                 Q1:21
                                : 7
                                      Min.
                                             : 222.8
                                                       0:41
                                                                  0:72
                         Apr
##
   2015-02: 1
                 Q2:21
                         Aug
                                : 7
                                      1st Qu.: 892.9
                                                       1:39
                                                                  1:8
##
   2015-03: 1
                 Q3:20
                         Feb
                                : 7
                                      Median :1004.8
## 2015-04: 1
                 Q4:18
                         Jan
                                : 7
                                      Mean
                                            : 989.9
   2015-05: 1
                                : 7
                                      3rd Qu.:1103.0
##
                         Jul
                                : 7
##
   2015-06: 1
                         Jun
                                      Max.
                                             :1519.9
##
   (Other):74
                         (Other):38
##
        RPM
                           UNRATE
## Min.
           : 2553492
                             : 3.500
                     Min.
##
   1st Qu.:52163613
                      1st Qu.: 3.975
## Median :55929396
                      Median : 4.700
## Mean
           :51284108
                      Mean : 5.114
##
   3rd Qu.:60277998
                       3rd Qu.: 5.400
           :64656057
##
   Max.
                       Max.
                              :14.800
##
```

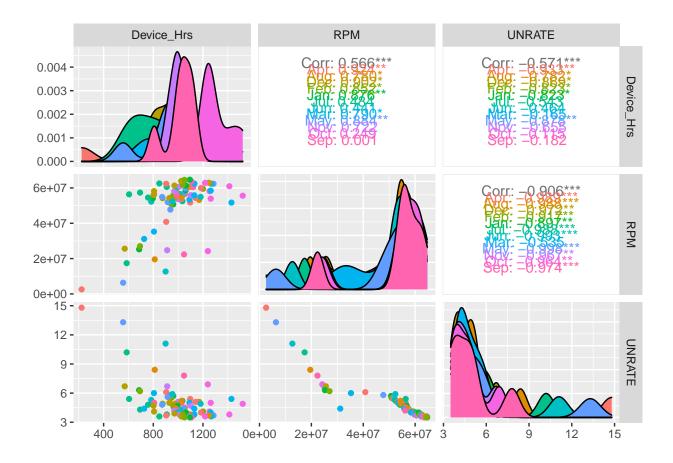
```
ggpairs(Tng, c(2:6), mapping = aes(colour = Month))
```

```
## 'stat_bin()' using 'bins = 30'. Pick better value with 'binwidth'.
## 'stat_bin()' using 'bins = 30'. Pick better value with 'binwidth'.
## 'stat_bin()' using 'bins = 30'. Pick better value with 'binwidth'.
## 'stat_bin()' using 'bins = 30'. Pick better value with 'binwidth'.
```



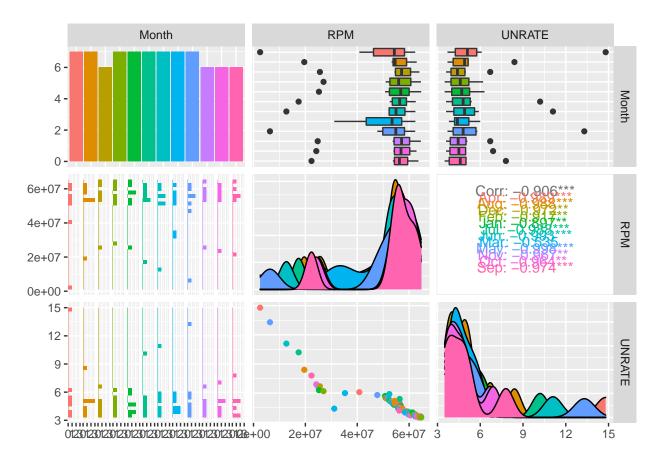
Here, we can see that there is an interaction between Month and RPM and Month and device_hrs. The months heavily affected by Covid outbreaks also affected by the Device Hours.

```
ggpairs(Tng, c(4,7,8), mapping = aes(colour = Month))
```

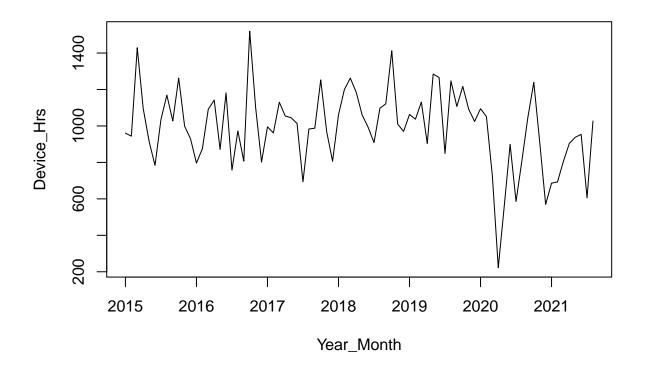


```
ggpairs(Tng, c(3,7,8), mapping = aes(colour = Month))
```

```
## 'stat_bin()' using 'bins = 30'. Pick better value with 'binwidth'.
## 'stat_bin()' using 'bins = 30'. Pick better value with 'binwidth'.
```



Tng_ts = ts(Tng\$Device_Hrs, frequency=12, start=c(2015,1))
plot(Tng_ts, xlab = "Year_Month", ylab = "Device_Hrs")



Building a model with interaction of Month and RPM and Month and Unemployment Rate:

```
fit.Tng = lm(Device_Hrs ~ Month + COVID_dv + RPM +UNRATE + Month:RPM +Month:UNRATE, data = Tng)
summary(fit.Tng)
##
## Call:
  lm(formula = Device_Hrs ~ Month + COVID_dv + RPM + UNRATE + Month:RPM +
       Month: UNRATE, data = Tng)
##
##
## Residuals:
        Min
                  1Q
                       Median
                                     3Q
                                             Max
## -249.182 -59.578
                       -0.039
                                         296.593
                                 54.176
##
## Coefficients:
##
                     Estimate Std. Error t value Pr(>|t|)
## (Intercept)
                    2.081e+03
                               1.438e+03
                                            1.447
                                                    0.1552
## MonthAug
                   -2.615e+03
                                3.050e+03
                                           -0.857
                                                    0.3961
## MonthDec
                   -1.955e+03 2.350e+03
                                           -0.832
                                                    0.4101
## MonthFeb
                   -2.961e+03
                               2.417e+03
                                           -1.225
                                                    0.2273
## MonthJan
                   -2.775e+03
                               2.213e+03
                                           -1.254
                                                    0.2166
## MonthJul
                    2.100e+02 2.561e+03
                                            0.082
                                                    0.9350
```

```
## MonthJun
                  -9.310e+02 2.892e+03 -0.322
                                                  0.7491
## MonthMar
                  -3.800e+03 2.013e+03 -1.888
                                                  0.0657 .
                  -2.719e+03 4.063e+03
## MonthMay
                                         -0.669
                                                  0.5070
## MonthNov
                  -1.617e+03 2.214e+03
                                         -0.730
                                                  0.4691
## MonthOct
                  -2.491e+03 2.137e+03
                                         -1.166
                                                  0.2500
## MonthSep
                   1.593e+03 2.166e+03
                                          0.736
                                                  0.4660
## COVID dv1
                   3.512e+02 2.451e+02
                                          1.433
                                                  0.1591
## RPM
                   -6.205e-06 1.750e-05
                                         -0.355
                                                  0.7247
## UNRATE
                   -1.461e+02 1.030e+02
                                         -1.419
                                                  0.1632
## MonthAug:RPM
                   2.944e-05 3.375e-05
                                          0.872
                                                  0.3879
## MonthDec:RPM
                   1.820e-05 2.426e-05
                                          0.750
                                                  0.4571
## MonthFeb:RPM
                                          1.222
                   3.263e-05 2.670e-05
                                                  0.2282
## MonthJan:RPM
                   3.045e-05 2.494e-05
                                          1.221
                                                  0.2289
                                                  0.8498
## MonthJul:RPM
                   -5.798e-06 3.043e-05
                                         -0.190
## MonthJun:RPM
                   9.146e-06 3.428e-05
                                          0.267
                                                  0.7909
## MonthMar:RPM
                   3.878e-05
                              2.219e-05
                                          1.747
                                                  0.0877 .
## MonthMay:RPM
                   3.184e-05 4.950e-05
                                          0.643
                                                  0.5235
## MonthNov:RPM
                   1.299e-05 2.313e-05
                                          0.561
                                                  0.5774
## MonthOct:RPM
                   2.298e-05 2.287e-05
                                          1.005
                                                  0.3206
## MonthSep:RPM
                   -2.042e-05 2.407e-05
                                         -0.848
                                                  0.4011
## MonthAug:UNRATE 2.100e+02 2.558e+02
                                          0.821
                                                  0.4162
                                          0.705
## MonthDec:UNRATE 1.645e+02 2.333e+02
                                                  0.4846
## MonthFeb:UNRATE 2.286e+02 2.115e+02
                                          1.081
                                                  0.2857
## MonthJan:UNRATE 2.115e+02 1.870e+02
                                          1.131
                                                  0.2642
## MonthJul:UNRATE -3.128e+01 1.860e+02 -0.168
                                                  0.8672
## MonthJun:UNRATE 8.623e+01 2.095e+02
                                          0.412
                                                  0.6827
## MonthMar:UNRATE 3.861e+02
                             1.827e+02
                                          2.113
                                                  0.0404 *
## MonthMay:UNRATE 1.963e+02 2.811e+02
                                          0.698
                                                  0.4888
## MonthNov:UNRATE 1.870e+02 2.173e+02
                                          0.861
                                                  0.3941
## MonthOct:UNRATE 3.254e+02 2.019e+02
                                          1.612
                                                  0.1143
## MonthSep:UNRATE -1.149e+02 1.885e+02 -0.610
                                                  0.5453
## ---
## Signif. codes: 0 '*** 0.001 '** 0.01 '* 0.05 '.' 0.1 ' 1
##
## Residual standard error: 124.4 on 43 degrees of freedom
## Multiple R-squared: 0.8135, Adjusted R-squared: 0.6574
## F-statistic: 5.211 on 36 and 43 DF, p-value: 2.881e-07
```

Stepwise Regression

step(fit.Tng)

```
## Start: AIC=796.11
## Device_Hrs ~ Month + COVID_dv + RPM + UNRATE + Month:RPM + Month:UNRATE
##
##
                  Df Sum of Sq
                                  RSS
                                          ATC
## - Month:UNRATE 11
                        174779 840325 792.76
## <none>
                                665546 796.11
## - COVID dv
                   1
                         31776 697322 797.84
## - Month:RPM
                  11
                        235402 900948 798.33
##
## Step: AIC=792.76
## Device_Hrs ~ Month + COVID_dv + RPM + UNRATE + Month:RPM
```

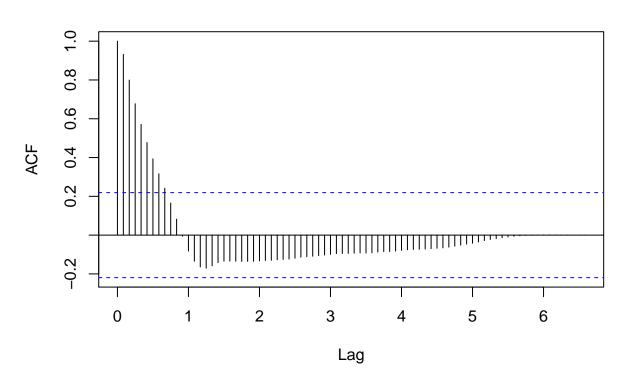
```
##
               Df Sum of Sq
                                        AIC
##
                                RSS
## - COVID dv
                             840768 790.80
                        442
## - UNRATE
                       3042 843368 791.05
                1
## <none>
                             840325 792.76
## - Month:RPM 11
                     311144 1151469 795.96
##
## Step: AIC=790.8
## Device_Hrs ~ Month + RPM + UNRATE + Month:RPM
##
##
               Df Sum of Sq
                                 RSS
                                        AIC
## - UNRATE
                       2623
                             843390 789.05
## <none>
                             840768 790.80
## - Month:RPM 11
                     350753 1191520 796.70
##
## Step: AIC=789.05
## Device_Hrs ~ Month + RPM + Month:RPM
##
##
               Df Sum of Sq
                                RSS
                                        AIC
## <none>
                              843390 789.05
## - Month:RPM 11
                     365052 1208442 795.83
##
## Call:
## lm(formula = Device Hrs ~ Month + RPM + Month:RPM, data = Tng)
##
## Coefficients:
##
   (Intercept)
                     MonthAug
                                   {\tt MonthDec}
                                                  MonthFeb
                                                                MonthJan
      2.399e+02
                    4.095e+02
                                   4.802e+01
                                                 1.505e+02
                                                                1.662e+02
##
##
                     MonthJun
       MonthJul
                                   MonthMar
                                                  MonthMay
                                                                MonthNov
##
      2.705e+02
                    5.589e+02
                                   3.066e+01
                                                 2.178e+02
                                                               5.805e+02
##
       MonthOct
                     MonthSep
                                         RPM MonthAug:RPM MonthDec:RPM
##
      9.664e+02
                    7.760e+02
                                  1.472e-05
                                                -7.099e-06
                                                              -4.151e-06
## MonthFeb:RPM MonthJan:RPM MonthJul:RPM MonthJun:RPM MonthMar:RPM
                                  -9.566e-06
                                                               1.602e-06
     -3.943e-06
                   -4.452e-06
                                                -1.045e-05
##
## MonthMay:RPM MonthNov:RPM MonthOct:RPM MonthSep:RPM
     -4.509e-06
                   -1.106e-05
                                 -1.261e-05
                                                -1.471e-05
Summary of Stepwise model
fit.step = tslm(Tng_ts ~ Month + RPM + Month:RPM, data = Tng)
summary(fit.step)
##
## Call:
## tslm(formula = Tng_ts ~ Month + RPM + Month:RPM, data = Tng)
##
## Residuals:
##
        Min
                  1Q
                       Median
                                     3Q
                                             Max
## -253.364 -55.428
                       -3.131
                                54.333 315.267
##
## Coefficients:
                  Estimate Std. Error t value Pr(>|t|)
##
```

```
## (Intercept)
                2.399e+02 1.223e+02
                                       1.961 0.054896 .
## MonthAug
                4.095e+02 2.203e+02
                                       1.859 0.068312 .
## MonthDec
                4.802e+01 2.473e+02
                                       0.194 0.846735
## MonthFeb
                1.505e+02 2.505e+02
                                       0.601 0.550580
## MonthJan
                1.662e+02 2.416e+02
                                       0.688 0.494244
## MonthJul
                2.705e+02 2.123e+02
                                      1.274 0.207898
## MonthJun
                                       2.828 0.006494 **
                5.589e+02 1.976e+02
## MonthMar
                3.066e+01 2.472e+02
                                       0.124 0.901748
## MonthMay
                2.178e+02 1.820e+02
                                       1.197 0.236415
## MonthNov
                5.805e+02 2.421e+02
                                       2.398 0.019830 *
## MonthOct
                9.664e+02 2.414e+02
                                       4.003 0.000186 ***
## MonthSep
                7.760e+02 2.321e+02
                                       3.343 0.001481 **
## RPM
                1.472e-05 2.415e-06
                                       6.094 1.07e-07 ***
## MonthAug:RPM -7.099e-06 4.187e-06 -1.696 0.095526 .
## MonthDec:RPM -4.151e-06 4.609e-06 -0.901 0.371672
## MonthFeb:RPM -3.943e-06 4.671e-06
                                      -0.844 0.402265
## MonthJan:RPM -4.452e-06 4.524e-06 -0.984 0.329354
## MonthJul:RPM -9.566e-06 4.041e-06 -2.367 0.021395 *
## MonthJun:RPM -1.045e-05 3.813e-06
                                     -2.741 0.008214 **
## MonthMar:RPM 1.602e-06 4.860e-06
                                       0.330 0.742916
## MonthMay:RPM -4.509e-06 3.554e-06 -1.269 0.209777
## MonthNov:RPM -1.106e-05 4.525e-06 -2.445 0.017671 *
## MonthOct:RPM -1.261e-05 4.536e-06 -2.779 0.007403 **
## MonthSep:RPM -1.471e-05 4.385e-06 -3.354 0.001434 **
## ---
## Signif. codes: 0 '*** 0.001 '** 0.01 '* 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 122.7 on 56 degrees of freedom
## Multiple R-squared: 0.7637, Adjusted R-squared: 0.6667
## F-statistic: 7.869 on 23 and 56 DF, p-value: 1.702e-10
```

Forecast for RPM values

```
RPM_ts = ts(Tng$RPM, frequency = 12,start = c(2015,1))
acf(RPM_ts, lag = 80)
```

Series RPM_ts

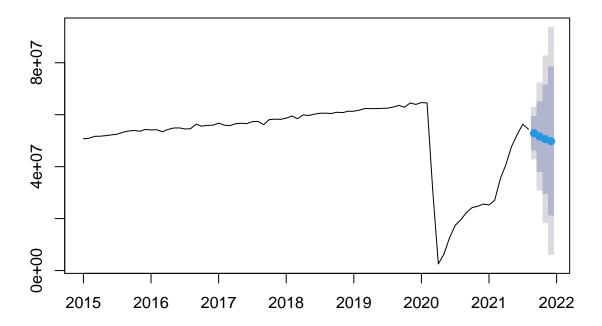


```
RPM_ets = ets(RPM_ts)
RPM_ets
## ETS(A,Ad,N)
##
## Call:
##
   ets(y = RPM_ts)
##
##
    Smoothing parameters:
       alpha = 0.9977
##
##
       beta = 0.9977
##
       phi = 0.8
##
##
     Initial states:
##
       1 = 50598263.196
       b = 354870.1238
##
##
##
     sigma: 5151280
##
        AIC
                AICc
## 2830.160 2831.311 2844.452
RPM_forecast = forecast(RPM_ets, h = 4)
RPM_forecast
```

```
## Point Forecast Lo 80 Hi 80 Lo 95 Hi 95
## Sep 2021 52838196 46236565 59439827 42741872 62934520
## Oct 2021 51588074 38018603 65157545 30835359 72340789
## Nov 2021 50587976 29554821 71621132 18420541 82755412
## Dec 2021 49787898 21145026 78430771 5982405 93593392
```

plot(RPM_forecast)

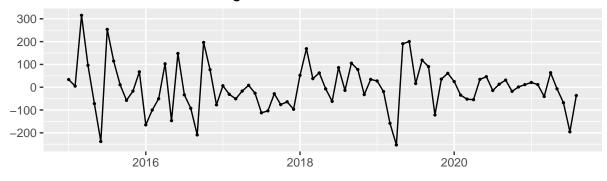
Forecasts from ETS(A,Ad,N)

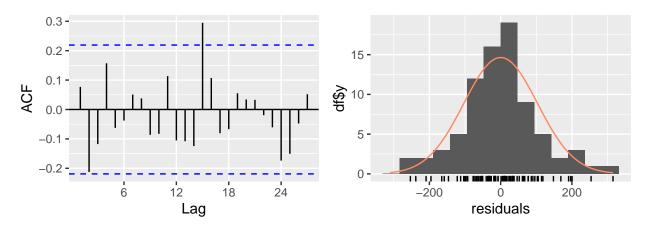


Checking residuals

 ${\tt checkresiduals}({\tt fit.step})$

Residuals from Linear regression model

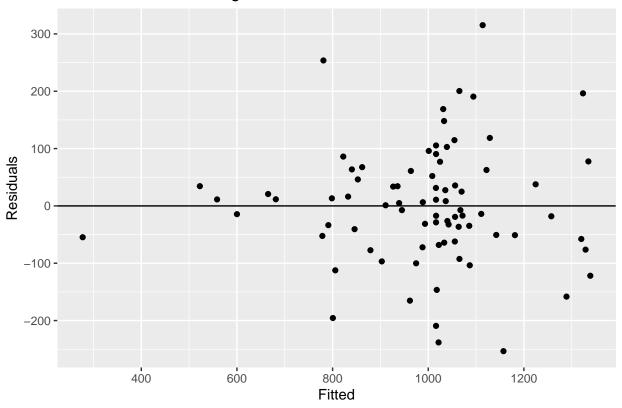




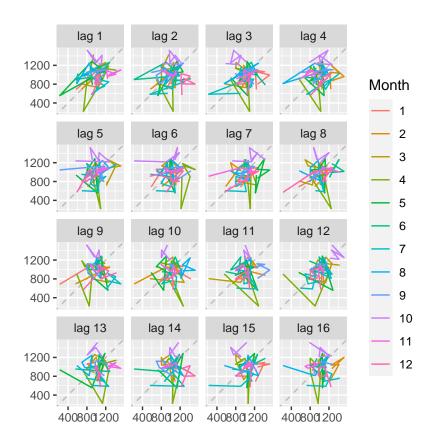
```
##
## Breusch-Godfrey test for serial correlation of order up to 27
##
## data: Residuals from Linear regression model
## LM test = 41.012, df = 27, p-value = 0.04108
```

cbind(Fitted = fitted(fit.step), Residuals=residuals(fit.step)) %>% as.data.frame() %>% ggplot(aes(x=F

Residuals vs Fitted Regression model

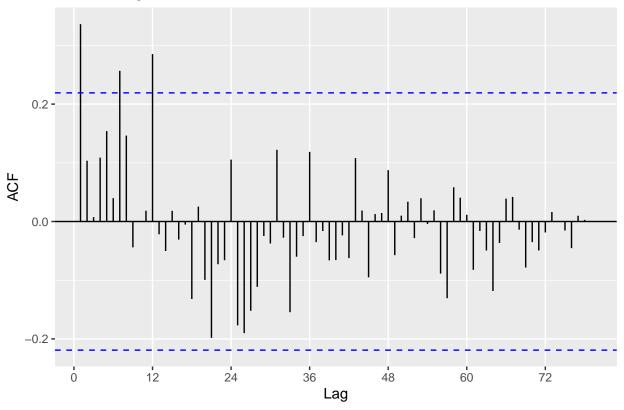


gglagplot(Tng_ts)



ggAcf(Tng_ts, lag = 80)

Series: Tng_ts



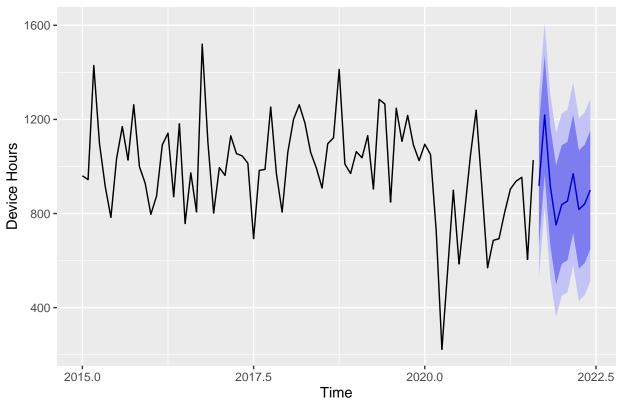
```
fit2.Tng = tslm(Tng_ts~trend + season)
summary(fit2.Tng)
```

```
##
## Call:
## tslm(formula = Tng_ts ~ trend + season)
##
## Residuals:
##
       Min
                1Q Median
                                ЗQ
                                        Max
##
   -650.56 -89.53
                      9.42 110.22
                                     360.10
##
##
  Coefficients:
##
                Estimate Std. Error t value Pr(>|t|)
                            74.3502
                                     13.960 < 2e-16 ***
## (Intercept) 1037.9286
## trend
                 -2.3527
                             0.8633
                                     -2.725 0.008192 **
## season2
                            94.9525
                                      0.184 0.854922
                 17.4284
## season3
                136.0596
                            94.9643
                                      1.433 0.156580
## season4
                -13.9977
                            94.9839
                                     -0.147 0.883283
                                      0.122 0.903092
## season5
                11.6121
                            95.0114
## season6
                 73.8119
                            95.0467
                                       0.777 0.440136
## season7
               -160.6169
                            95.0898
                                     -1.689 0.095848
                109.7001
                                      1.153 0.252995
## season8
                            95.1407
## season9
                 70.1153
                            98.8407
                                      0.709 0.480552
## season10
                373.4680
                            98.8596
                                      3.778 0.000339 ***
## season11
                 72.5723
                            98.8860
                                     0.734 0.465571
```

```
## season12   -88.8017   98.9199   -0.898 0.372553
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 177.6 on 67 degrees of freedom
## Multiple R-squared: 0.4077, Adjusted R-squared: 0.3016
## F-statistic: 3.843 on 12 and 67 DF, p-value: 0.0001816
```

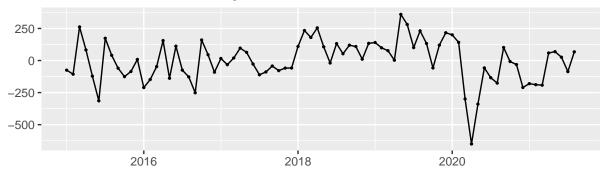
```
fit2.forecast = forecast(fit2.Tng)
autoplot(fit2.forecast) + ggtitle("Forecast of Device Hours using Regression with Trend and Season") +:
```

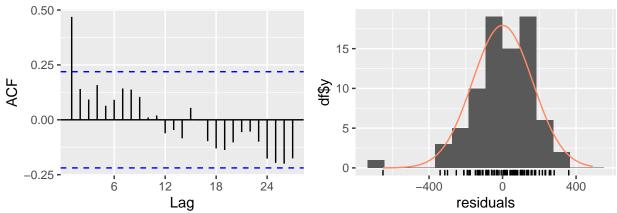
Forecast of Device Hours using Regression with Trend and Season



checkresiduals(fit2.Tng)

Residuals from Linear regression model





```
##
## Breusch-Godfrey test for serial correlation of order up to 16
##
## data: Residuals from Linear regression model
## LM test = 26.239, df = 16, p-value = 0.05076
```

cbind(Fitted = fitted(fit2.Tng), Residuals = residuals(fit2.Tng)) %>% as.data.frame() %>% ggplot(aes(x=

Residuals vs Fitted calues Regression model

