

1 **Q. Page 22 of the Finance and Accounting Evidence of Barry Perry states that higher**
2 **fuel costs in the future will increase purchased power costs. How much of this**
3 **additional cost would be offset by customers switching from oil-based heat to**
4 **electric heat?**

5
6 A. The Company has information on the number of customers converting to and from
7 electric space heating. However, this information does not identify the fuel that the
8 electric space heating customer converted to or from (i.e. wood, oil or propane). The
9 Company's estimates are outlined in its response to CA-261.

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11 Revenues related to the net gain in electric heat customers (i.e. the offset to future
12 increase purchased power costs referred to in this question) are included with the
13 Company's test year forecast.

14
15 Due to data limitation, the Company is unable to calculate the degree of offset that
16 customers switching from oil-based heat to electric heat in the future will have on
17 increased purchase power costs.