

1 **Q. Is there any evidence that Newfoundland Power will face competition from natural**
2 **gas or sources for space heating or water heating within the next 5 years? If so,**
3 **please elaborate.**
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5 A. With the development of the offshore oil and gas industry, Newfoundland Power may
6 eventually face competition from natural gas in the space and water heating markets.
7 However, it is unlikely that Newfoundland Power will face significant competition from
8 natural gas within the next five years.
9

10 Newfoundland Power will continue to face competition from traditional sources such as
11 furnace oil, propane and wood. The degree of competition will depend on the relative
12 economics between electricity and competitive fuels.