

- 1 **Q. Provide a comparison of the cost of the consumer to heat a typical home with oil and**
 2 **electricity at current and proposed rates.**
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 4 A. Table 1 provides a comparison of the cost to the consumer to heat a typical home with oil
 5 and electricity at current and proposed rates.

Table 1
Annual Space Heating Costs for a Typical Home
(excluding taxes)

	Furnace Oil	Electricity ¹	
		July 1, 2017 Rates	Proposed Rates
Space Heating	\$1,917	\$1,665	\$1,686

- 6 The cost comparisons provided in Table 1 are based on the following assumptions:
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 8 (i) 15,700 kWh per year for space heating;
 9 (ii) seasonal oil furnace efficiency of 78 per cent;
 10 (iii) 1,771 litres of furnace oil is equivalent to 15,700 kWh and accounts for cross-over
 11 heating impact of furnace electricity use;
 12 (iv) the average price of furnace oil in Newfoundland Power's service area is \$0.996 per
 13 litre;²
 14 (v) furnace electricity usage is 1,440 kWh per year for space heating; and,
 15 (vi) cost of electricity supply to a furnace is based on electricity rates.
 16
 17 The costs shown in Table 1 include only annual operating costs and exclude the capital
 18 costs related to the purchase and installation of the heating systems. It also excludes oil
 19 furnace maintenance plan costs, which are typically over \$200 per year.

¹ The electricity cost under existing and proposed rates are calculated using the Domestic – Rate #1.1 provided in *Volume 1, Application, Company Evidence and Exhibits, Exhibit 11*, page 1 of 4.

² As posted on the Newfoundland and Labrador Board of Commissioners of Public Utilities website on August 2, 2018.