

1 Q. Provide a comparison of the cost to the consumer to heat a typical home with
2 oil, wood and electricity at current and proposed rates. Provide a comparison
3 of the cost to the consumer of hot water for a typical home using oil and
4 electricity at current rates. In the comparison, show Newfoundland and
5 Labrador Hydro's (hereafter "NLH) cost of supplying electricity for (1) hot
6 water, and (2) home heating for a typical home.

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9 A. See following table. Because the cost comparison is at an end-use level,
10 electricity and fuel oil costs represent the marginal or variable operating costs
11 to a consumer. In both instances, consumer costs excludes capital costs,
12 annual maintenance costs, etc.

	Space Heating		Water Heating
	Current Rates	Proposed Rates	
Estimated End-Use Electricity Consumption for Hydro Rural Households (kWh/Year) ¹	22,300	22,300	3,300
Annual Cost of Electricity to Consumer ²			
Island Interconnected	\$1,587	\$1,721	\$235
Labrador Interconnected	\$454	\$489	\$67
Isolated Diesel	\$2,982	\$3,199	\$280
Annual Cost of Oil to Consumer ³			
Avalon & West Coast	\$1,052	-	\$206
Central	\$1,113	-	\$218
Ramea	\$1,221	-	\$239
Northern Peninsula (St Anthony)	\$1,149	-	\$225
Labrador Straits	\$1,342	-	\$263
Labrador West	\$1,257	-	\$246
Labrador East	\$1,269	-	\$249
Coastal Labrador	\$1,595	-	\$312
Annual Cost of Wood to Consumer ⁴			
Island Interconnected	not available	-	-
Labrador Interconnected	not available	-	-
Isolated Diesel	not available	-	-
Annual Cost for Hydro to Supply Electricity ⁵			
Island Interconnected	\$2,850		\$473
Labrador Interconnected	\$407		\$60
Labrador Diesel	\$11,712		\$1,733
Island Diesel	\$18,591		\$2,751
L'Anse au Loup	\$3,675		\$601

Notes:

1. Weighted average electricity consumption based on means analysis compiled from 2001 survey of households in Hydro's service territory.
2. Cost of electricity based on domestic tariff to consumer at July 1, 2003 excluding HST and discount. Consumer cost of electricity for Labrador interconnected is weighted cost. Isolated diesel customer costs calculated at 3rd block for electric heat and an average of the 1st and 2nd blocks for electric hot water. Excludes equipment and maintenance costs.
3. Costs for oil are calculated using the July 1, 2003 various residential furnace oil price as posted by the Petroleum Products Pricing Commission. Cost is marginal fuel cost.
4. Hydro does not regularly collect firewood prices from across the Province. The high incidence of homeowner procurement makes it difficult to impute prices.
5. Hydro's 2004 Cost of Service as per Schedule 1.3 (Demand and Energy cost for domestic all-electric for space heating and domestic for water heating).