

1 Q. What, if any, measures, programs or initiatives has Hydro undertaken to
2 lower the growth rates being experienced in areas whose electrical rates are
3 below costs? (WW p.26, line 28)
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6 A. On Hydro's Isolated Diesel Systems, customers are discouraged from using
7 electric heating due to the current rate structure. As of August 1, 2003 a
8 domestic diesel customer pays 7.185 cents for the first 700 kWh, 9.849 cents
9 for the next 300 kWh and 13.352 cents for all kWh over 1000. Use of electric
10 heat will push a customer's consumption into the more expensive third block.

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12 In addition to the above, the Provincial Government, after discussion with
13 Hydro, agreed to restrict electric baseboard heating in any Provincial
14 Government facility. Hydro also provides, upon request, a calculation of
15 electric heating cost estimates for customers, particularly general service
16 customers, who are considering the installation of electric heat. This
17 calculation shows the savings of heating with oil versus electric heat on a
18 diesel system.

19
20 Hydro continues to encourage wise use of electricity by all its customers, and
21 is now placing more emphasis in this area through its HYDROWISE program
22 (More information on the HYDROWISE Program can be found in RFI CA-20
23 NLH).