

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

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

	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	\$1,989	\$2,081	\$294
Labrador Interconnected	\$594	\$656	\$88
Isolated Diesel	\$3,121	\$3,652	\$294
Annual Cost of Oil to Consumer ³			
Northeast Avalon	\$1,711	-	\$335
Burin Peninsula	\$1,815	-	\$355
Central	\$1,807	-	\$354
Corner Brook / Deer Lake	\$1,733	-	\$339
Ramea	\$1,962	-	\$384
Northern Peninsula (St Anthony)	\$1,868	-	\$366
Labrador Straits	\$2,025	-	\$396
Labrador West	\$1,945	-	\$381
Labrador East	\$1,897	-	\$371
Coastal Labrador North	\$2,432	-	\$476
Annual Cost for Hydro to Supply Electricity ⁴			
Island Interconnected	\$3,247		\$469
Labrador Interconnected	\$418		\$67
Labrador Diesel	\$14,081		\$2,084
Island Diesel	\$23,192		\$3,432
L'Anse au Loup	\$5,556		\$690

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, 2006 excluding HST and discount. Consumer cost of electricity for Labrador interconnected is weighted cost. Isolated diesel customer costs calculated at Non-Government 3rd block for electric heat and at 1st block for electric hot water. Excludes equipment and maintenance costs.
3. Costs for oil are calculated using the September 15, 2006 residential furnace oil prices for various locations as posted by the Petroleum Products Pricing Commission. Cost is marginal fuel cost.
4. Hydro's 2007 Forecast Cost of Service as per Schedule 1.3 excluding rural deficit allocation (Demand and Energy cost for domestic all-electric for space heating and domestic for water heating).