

- 1 **Q. At 4-29 NP refers to potential competition as a result of increased power costs.**
2 **Please provide the cost of conversion for a typical residential customer to an oil**
3 **furnace and the current annual cost of heating with oil versus electricity for**
4 **different rate classes.**
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- 6 A. The cost to convert a domestic customer to oil can vary significantly depending on the
7 dwelling. The typical cost of conversion to a forced air furnace is approximately \$10,000
8 while the cost of conversion to an oil fired hot water radiation system can range from
9 \$15,000 to \$25,000.¹
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- 11 The current annual cost of heating with oil versus electricity for different rate classes is
12 difficult to quantify. For domestic customers, furnace oil currently has approximately a
13 10% operating cost advantage compared to electricity.² For general service customers,
14 the cost of furnace oil can vary significantly depending on the volume of oil purchased
15 and the contracts available with the various oil distributors. Therefore, Newfoundland
16 Power is unable to provide information on the current cost of heating with oil versus
17 electricity for general service customers.

¹ The cost estimates are based on a 1200 ft. bungalow with an unfinished basement.

² The 10% is based on including only the cost of electricity and fuel oil.