

1 **Q. NP refers to the 1990s as a period of inter-fuel competition. Please provide a similar**  
2 **comparison of the annual cost for different rate classes of using fuel oil versus**  
3 **electricity for the worst point in time when electricity was at the greatest possible**  
4 **disadvantage and the number of customers switching to fuel oil at that time as a %**  
5 **of the total number of customers.**  
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7 A. In the 1990s approximately 6,000 or 3.7% of domestic customers switched from electric  
8 space heating to other space heating fuels such as furnace oil and wood. During this  
9 period furnace oil had a 40% operating cost advantage. The cost advantage reflected  
10 increasing electricity prices combined with stable furnace oil prices.  
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12 With the Muskrat Falls hydroelectric project and transmission link, electricity prices are  
13 expected to increase significantly. While the price of electricity is uncertain it will result  
14 in significantly higher electric space heating costs and potentially increase the operating  
15 cost advantage of furnace oil and other space heating fuels similar to levels experienced  
16 in the 1990s.  
17

18 Consumers can respond to higher electricity prices in a numbers of ways, including:

- 19 • switching from electric space heating to other space heating fuels,
- 20 • increasing the use of supplementary fuels,
- 21 • reducing usage through conservation (i.e. insulation, energy efficient appliances and  
22 lighting, programmable thermostats), and
- 23 • installing energy efficient space heating equipment such as Mini Split Heat Pumps.

24 The adoption of any or all of these options will result in lower electricity usage.  
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