

1 **Volume 2, Tab 8 – Customer, Energy and Demand Forecast**

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3 **Q. Does the Company expect that it will face any significant competition from natural**  
4 **gas for space heating or water heating over the next 5 years? If so, please elaborate.**

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6 A. Newfoundland Power does not expect significant competition from natural gas within the  
7 next five years. However, as the offshore oil and gas industry continues to develop and  
8 mature, projects such as the potential construction of a LNG Transshipment and Storage  
9 Terminal near the head of Placentia Bay may increase the likelihood that Newfoundland  
10 Power could face competition from natural gas in the space and water heating markets  
11 over the longer term.

12

13 Newfoundland Power will continue to face competition from traditional fuel sources such  
14 as furnace oil, propane and wood. The degree of competition will largely depend on the  
15 relative prices of electricity and competitive fuels.