

1 Q. What is Hydro’s estimate of the extent to which residential customers tend to
2 switch from electric space heating to oil furnaces as the retail price of electricity
3 rises relative to the price of furnace oil?
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6 A. The extent to which residential customers would tend to switch away from primary
7 electric space heating to other heating fuel sources in future periods should the
8 retail price of electricity rise relative to the price of furnace oil will be influenced by
9 many factors including heating equipment capital costs, the amount of heating
10 energy required to maintain desired comfort levels, household income levels, the
11 options available to consumers to mitigate rising prices as well as the relative cost
12 level of electricity to other heating fuels.

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14 The extent to which residential customers within the Newfoundland Power service
15 territory of the Island Interconnected System tended to switch away from primary
16 electric space heating to other heating fuel sources including oil furnaces has been
17 estimated annually by Newfoundland Power since the mid 1990’s. The highest five
18 year period of conversions from electric heat based on the historical estimates by
19 Newfoundland Power occurred during the 1995 to 1999 period and averaged
20 approximately 650 conversions per year. Table 1 provides the annual estimated
21 conversions by Newfoundland Power for those years.

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Table 1 Annual Estimated Conversions from Electric Heat by Newfoundland Power

Year	Customers
1995	978
1996	617
1997	396
1998	695
1999	526