

1 **Q. Provide a comparison of the cost to the consumer of hot water for a typical home**
2 **using oil and electricity at current and proposed rates.**

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4 A. Table 1 provides a comparison of the cost to the consumer of hot water for a typical home
5 with oil and electricity at current and proposed rates.

Table 1
Annual Water Heating Costs for a Typical Home
(excluding taxes)

	Furnace Oil	Electricity ¹	
		July 1, 2017 Rates	Proposed Rates
Water Heating	\$656	\$573	\$580

6 The cost comparisons provided in Table 1 are based on the following assumptions:

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8 (i) 5,400 kWh per year for water heating;
9 (ii) seasonal oil furnace efficiency of 78 per cent;
10 (iii) 615 litres of furnace oil is equivalent to 5,400 kWh and accounts for cross-over
11 heating impact of boiler electricity use;
12 (iv) the average price of furnace oil in Newfoundland Power's service area is \$0.996 per
13 litre;²
14 (v) boiler electricity usage is 410 kWh per year for water heating; and,
15 (vi) cost of electricity supply to a boiler is based on electricity rates.

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17 The costs shown in Table 1 include only annual operating costs and exclude the capital
18 costs related to the purchase and installation of an electric hot water tank or the rental costs
19 of an oil boiler from an oil distributor.

¹ The electricity cost under existing and proposed rates are calculated using the Domestic – Rate #1.1 provided in Volume 2, Exhibits & Supporting Materials, Exhibit 11, page 1 of 4.

² As posted on the Newfoundland and Labrador Board of Commissioners of Public Utilities website on August 2, 2018.