

IMPORTANT:

Natural Gas Rate Change

Kitchener Utilities

Community-Owned for over 100 Years



Rate change effective April 1, 2008

Kitchener City Council recently endorsed the municipally-owned Kitchener Utilities proposal to decrease its residential natural gas rates by 5.3 per cent, effective April 1, 2008.

The decrease amounts to savings of about \$66 per year for the average residential customer.*

*Savings are calculated based on an annual consumption of 2,600 cubic metres of natural gas.

The approved rate change includes¹:

- Natural gas supply rate decrease to 28.0 cents/cubic metre from 31.3 cents.
- Variable delivery rate increase to 6.186 cents/cubic metre from 6.101 cents.
- Transportation rate increase to 4.114 cents/cubic metre from 3.887 cents.
- Daily fixed charge increase to 56 cents/day from 53 cents.

Through customer research conducted by Kitchener Utilities, our natural gas customers have told us that rate stability is most important to them. We have delivered on that request by keeping our rates constant since May 2007. Kitchener Utilities will continue to work to deliver rate stability for our customers in the future.

Kitchener Utilities' supply program operates on a non-profit basis – the costs are passed on directly to customers.

¹ Some of these rates may not be applicable to those customers supplied by agents, brokers or marketers (ABMS). If you are purchasing natural gas from an ABM and have questions about your rate, please call your broker directly – their telephone number is listed on your utility bill.

	Amount of Natural Gas used Per Month	Supply Rate ¢/m ³	Delivery Rate ¢/m ³	Transportation Rate ¢/m ³	Net Rate ¢/m ³	Daily Fixed Charge
Average Household	First 1,400 m ³	28.000	6.186	4.1140	38.300	56¢/day
Small to Medium Businesses	Next 4,600 m ³	28.000	5.144	4.1140	37.258	56¢/day
	Next 124,000 m ³	28.000	4.071	4.1140	36.185	56¢/day
	Next 270,000 m ³	28.000	3.450	4.1140	35.564	56¢/day
Large Business	Next 400,000 m ³	28.000	3.271	4.1140	35.385	56¢/day
	Previous Rate	31.3000	6.101	3.8870	41.288	53¢/day

If you have a contract with an ABM or are a contract delivery customer, your rates may differ from those shown in this chart. Almost all residences use less than 1400 m³/month.

Effective April 1, 2008 Kitchener Utilities has:

- 1) Decreased the supply rate to 28.0 ¢/m³ from 31.3 ¢/m³
- 2) Increased the variable delivery rate to 6.186 ¢/m³ from 6.101 ¢/m³
- 3) Increased the transportation rate to 4.114 ¢/m³ from 3.887 ¢/m³
- 4) Increased the daily fixed charge to 56 ¢/day from 53 ¢/day

The combined overall rate change is a decrease of 5.3%.

Supply rate:

The rate charged for natural gas commodity, fuel and administration.

Delivery rate:

The rate charged for delivering natural gas from the Ontario border to your home.

Transportation rate:

The rate charged for bringing natural gas to the Ontario border.

Daily fixed charge:

The rate charged for maintaining secure delivery of natural gas to your home.

Kitchener Utilities saves customers over \$25 million

Since the beginning of the supply program in April 1998, Kitchener Utilities has been able to keep its rates at some of the lowest levels in Ontario. In fact, the supply program has saved Kitchener customers over \$25 million since 1998 compared to previous supply arrangements.

Kitchener Utilities will continue to work to reduce the impact of price volatility through management of its natural gas portfolio.

Kitchener Utilities is committed to providing the best value for our customers.

Thank you for your continued support of your natural gas utility – community-owned since 1903.

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For more information contact Kitchener Utilities at 519-741-2626 or visit us online at www.kitchenerutilities.ca