

# IMPORTANT: Natural Gas Rate Change



## Kitchener Utilities offers natural gas rate stability

Kitchener Utilities' goal is to provide stable natural gas supply pricing, which our customers have told us they prefer. We do not make a profit on our natural gas supply program. It is operated at cost. Customers on our supply program pay what we pay to our suppliers.

Information is available upon request from Kitchener Utilities, 5th Floor, City Hall or visit [www.kitchenerutilities.ca](http://www.kitchenerutilities.ca) or email [utilities@kitchener.ca](mailto:utilities@kitchener.ca)

For billing inquiries call 519-741-2450 and for natural gas emergencies call 519-741-2541.

## Rate change effective July 1, 2010

Kitchener City Council has endorsed Kitchener Utilities' proposal to change natural gas rates effective July 1, 2010.

**The combined impact of the supply, transportation, delivery and fixed charge rate changes result in a net decrease of approximately \$104 per year for the average residential customer\*.**

\* Savings are calculated based on an annual consumption of 2,100 cubic metres of natural gas.

The approved rate change includes:

- Supply rate decrease to 25.0 cents per cubic meter
- Transportation rate increase to 6.182 cents per cubic meter
- Variable delivery rate decreases (see chart below for applicable rates)
- Daily fixed charge rate increase to 62 cents per day

Customer research shows that natural gas customers view rate stability as most important to them. Kitchener Utilities is committed to providing the best value possible and rate stability for our customers.

*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 phone number is listed on your utility bill.*

City Council also endorsed the regrouping of customers into two rate classes, M1 and M2, effective July 1, 2010. This change recognizes that there are two distinct groups of customers within the former general rate class that vary in the amount of natural gas they use and the cost of serving them. Kitchener Utilities is not expected to earn additional revenue as a result of the rate class split.

### General Service Rate M1 – consumption under 50,000 m3 annually

Amount of Natural Gas Used Per Month	Supply Rate ¢/m <sup>3</sup>	Delivery Rate ¢/m <sup>3</sup>	Transportation Rate ¢/m <sup>3</sup>	Net Rate ¢/m <sup>3</sup>	Daily Fixed Charge
First 100 m3	25.0	5.2730	6.182	36.4550	62¢/day
Next 150 m3	25.0	5.0436	6.182	36.2256	62¢/day
All over 250 m3	25.0	4.5008	6.182	35.6828	62¢/day
Previous Rate for first 1,400 m3	31.6	6.1860	4.491	42.2770	56¢/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.

### Effective July 1, 2010 Kitchener Utilities has:

- 1) Decreased the supply rate to 25.0 ¢/m<sup>3</sup> from 31.6 ¢/m<sup>3</sup>
- 2) Increased the transportation rate to 6.182 ¢/m<sup>3</sup> from 4.491 ¢/m<sup>3</sup>
- 3) Decreased variable delivery rate (see chart for applicable rates)
- 4) Increased daily fixed charge to 62 cents from 56 cents per day

**The overall annual bill impact of all these M1 rate changes is a decrease of 10 per cent for the average residential customer.**

#### 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.

### General Service Rate M2 – consumption over 50,000 m3 annually

Amount of Natural Gas Used Per Month	Supply Rate ¢/m <sup>3</sup>	Delivery Rate ¢/m <sup>3</sup>	Transportation Rate ¢/m <sup>3</sup>	Net Rate ¢/m <sup>3</sup>	Daily Fixed Charge
First 1,000 m3	25.0	4.3754	6.182	35.5574	\$2.30/day
Next 6,000 m3	25.0	4.3012	6.182	35.4832	\$2.30/day
Next 13,000 m3	25.0	4.0801	6.182	35.2621	\$2.30/day
All over 20,000 m3	25.0	3.8148	6.182	34.9968	\$2.30/day
Previous Rate for first 1,400 m3	31.6	6.1860	4.491	42.2770	56¢/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.

### Effective July 1, 2010 Kitchener Utilities has:

- 1) Decreased the supply rate to 25.0 ¢/m<sup>3</sup> from 31.6 ¢/m<sup>3</sup>
- 2) Increased the transportation rate to 6.182 ¢/m<sup>3</sup> from 4.491 ¢/m<sup>3</sup>
- 3) Decreased variable delivery rate (see chart for applicable rates)
- 4) Increased daily fixed charge to \$2.30 from \$0.56 cents per day

**The overall annual bill impact of these M2 rate changes will vary based on use of gas. For example, customers consuming 50,000 m3 annually, the decrease is expected to be 9 per cent.**

#### 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 or business.

#### 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 or business.