

# The PROVIDENT

# POST

Summer 2010, Issue 29

## Electricity Bills on the Rise

Ontario consumers and businesses will notice a sharp increase in electricity prices this summer, as a collection of new charges and taxes are come into effect. The charges include an increased commodity cost, a new regulatory charge, and the introduction of the Harmonized Sales Tax (HST).

The Ontario Energy Board has approved an increase on the commodity price of electricity for consumers under either the Regulated Price Plan (Tiered prices) and on the Time of Use (TOU) prices.

Consumers who purchase electricity from their local utility under the government's Regulated Price Plan will notice a 12% increase on the prices for electricity. Consumers will be charged 6.5 cents per kWh for the first 600kWh of use per 30 days, while electricity consumed in excess of this threshold will be priced at 7.5 cents per kWh. However, because the residential summer threshold that defines higher and lower electricity prices for

residential RPP consumers is resuming, (it will now be the first 600 kWh per 30 days, as opposed to the 1000 kWh per 30 days in the winter), customers who regularly consume more than 600 kWh per 30 days may notice an even larger increase on their bills. (It is important to remember that a multi unit residential building's total electricity consumption is divided by the total of self contained units to determine when the threshold for the lower electricity price has been met.)

For consumers who are billed Time-of-Use, they will notice an increase in their Off-Peak price to 5.5 cents per kWh and an increase in their On-Peak price to 9.9 cents per kWh. The Mid-Peak price has remained the same at 8.0 cents per kWh.

Also included with the May 1st increase is a new regulatory charge. Called the "Special Purpose Charge", it was introduced by the Ministry of Energy and Infrastructure (MEI) for a

period of one year to recover the costs associated with funding energy conservation and renewable energy programs throughout the province. It is \$0.0003725 per kWh.

Perhaps the most controversial new increase for energy bills this summer is the new HST which comes into effect July 1, 2010. All electricity and heating fuel bills will increase 8% when the Provincial Sales Tax is blended with the Goods and Service Tax, because energy was previously only subject to GST.

Overall, the price increase is expected to hit consumers by an estimated 15% to 20% over the summer.

## New Natural Gas Offer - Three Year Contract

In our Summer 2009 Provident Post, we recommended that our Clients wait until 2010 to sign a long term gas contract because we were seeing artificially high forward market pricing. While the economy through late 2009 and early 2010 has started to recover, we are now seeing a follow on effect where natural gas prices are finally starting to come down.

At Provident Energy, we use a slightly different strategy than most marketers in that we do not speculate in the natural gas market. Our strategy is very simple - market timing. Those who continuously speculate in the market are aggregating purchases on an on-going basis and are essentially simply delivering the gas at a market price plus a mark-up.

In order to remain competitive, these aggregators are constantly moving the market. If they are risk tolerant, they may buy gas at a loss, hoping to be able to purchase gas in the future at a price lower than they have sold it at in the present. Should the future market gas price increase, such speculation may lead to net losses in revenue, or worse, insolvency.

Provident Energy believes that a prudent strategy at the present time would be to buy gas in a mid-range time-frame, or a three year term. The short term (one year) market is still feeling the effects of artificially high forward pricing, while the long term market may or may not see the effects of off-shore drilling regulations (due to the Deepwater Disaster), and a consequent tightening of the market.

Provident Energy is again using our market timing strategy to offer the following:

- **Three Year Term**
- **Start November 1, 2010**
- **End October 31, 2013**
- **19.9 Cents per Cubic Metre**

Since market timing is crucial, should you wish take advantage of this offer it is imperative that all contracts be signed and received on time.

**OFFER CLOSES 12:00 NOON,  
MONDAY JULY 5, 2010**

Our offer includes our Price Guarantee - if the cost of gas goes down between now and July 5 - you get the lower of the offered price or market price. Please contact Provident Energy for further information.

## Provident Energy's New Phone System

A few months ago, Provident Energy switched to a new phone system. Here are a few shortcuts:

- press 1 to browse through the company directory
- press 2 to reach our utilities/submetering/billing department
- press 3 to reach a technician in our building automation department
- press 4 to reach our engineering department
- press 5 to reach the retrofit sales team
- press 0 or remain on the line for assistance or to speak with our receptionist

## 10 years with ACMO

Provident Energy was recently recognized for its 10 year membership with AMCO. The Association of Condominium Managers of Ontario was formed in 1977 to represent the collective aims of all condominium managers. For more information, please visit [www.acmo.org](http://www.acmo.org)

## Provident Grows Again!

Provident Energy would like to introduce Elaine Leung (LEED Project Coordinator), Christopher Wong (Commissioning Agent), and Alex Sklyannikov (Energy Analyst). Please join us in welcoming them to the Provident Energy team. We would also like to congratulate Nick Muffitt (Technician) on his 5 years of service with Provident Energy.

## PROVIDENT energy management

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## Common Area Lighting Retrofits

When it comes to generating energy savings via lighting retrofits there are several key issues to look at. First, is the area in question over lit? If so then cutting down on the number of lamps or cutting down on the wattage of the existing fixtures can help to generate large amounts of savings without affecting resident comfort in the process. Another area to concentrate on is the usage of the lights in question, many common areas are lit up 24 hours a day, 8,760 hours a year and this can obviously translate to a huge amount of kWh consumed over this time span. An added incentive for tackling a lighting retrofit in your building is to cut down on the costly upkeep of the existing fixtures, for example a wall sconce in your corridor may consist of a PL-style fluorescent bulb and external ballast, the ballast alone can cost \$20-\$30 dollars and last only 3 years. A retrofit to a fluorescent spiral style bulb with built in ballast can alleviate the excess cost of external ballast and provide even more light all the while saving you several watts of energy in the process.

For more information or to arrange a free energy assessment, please contact the sales department at Provident Energy at 416-736-0630.

## Tech Corner: Cooling Towers

It is shaping up to be a great Summer.

For Air Conditioning Systems, this means that these systems will be working overtime.

One area where we think facilities would be well advised to pay a little more attention to this summer is the Cooling Tower (in Heat Pump Systems and other applications a variant is referred to as a Fluid Cooler).

We have had some very warm temperatures early in the year, and if this is any precursor to the summer to come, we can expect much warmer ambient and cooling tower temperatures.

In particular, we are going to see higher evaporation rates of water in the cooling process. We may also see days this summer when the capacity of cooling equipment in a building may be exceeded.

There are a few key areas that can be addressed now, and will serve you well into the fall.

## Provident Energy's Top 10 Cooling Tower Check List

- 1) Consult your Water Treatment Tech to check for excessive evaporation or chemical use.
- 2) Ensure Float Valve is set properly.
- 3) Ensure Cooling Tower Return Set-point is correct - for the equipment being used.
- 4) Strainers - need to be checked more frequently in warmer weather. At least once a month.
- 5) Make sure pan heaters are serviced when they are not needed.
- 6) Gauges - more than one bad decision has been based on bad information. Change or Check as needed.
- 7) Regularly check for leaks along seams, under the sump and along piping connections. Repair.
- 8) Check for obstructed air flow, construction debris, plastic bags, in the Tower or Fluid Cooler.
- 9) Ensure that Interface (EMS or otherwise) between Cooling Tower Fan / Fluid Cooler is operative.
- 10) Always check for any unusual noise, vibrations, or shaking

These few items will ensure that you can enjoy a great summer indoors and out.

**Do you have any questions or topics that you would like to see addressed in future issues of the Provident Post? Please send your questions or topic suggestions to [info@pemi.com](mailto:info@pemi.com)**