



Media Release

HORIZON UTILITIES TO ROLL OUT TIME-OF-USE ELECTRICITY PRICES AT YEAR-END

HAMILTON / ST. CATHARINES - May 22, 2009 - Customers of Horizon Utilities will be among the first in Ontario to benefit from the province-wide rollout of time-of-use electricity rates.

Horizon Utilities plans to begin billing customers on time-of-use electricity rates using a phased-in approach beginning on January 1, 2010 with all of its customers expected to be on tiered pricing by the end of 2010. More than one million Ontario households will be on time-of-use rates by next summer.

Last week, George Smitherman, Deputy Premier and Minister of Energy and Infrastructure, announced the province-wide rollout of time-of-use rates, explaining that these rates will equip Ontarians with real-time information to make smart decisions about how and when they use electricity. The rates reflect the reality that electricity costs the most when demand is highest. By shifting electricity use to low demand times, consumers will save money.

"With 180,000 smart meters now installed in our service territory in St. Catharines and Hamilton, we are well on our way," says Max Cananzi, President & CEO of Horizon Utilities. "Customers with a smart meter who are interested in finding out how they will do under time-of-use rates can access their household's hourly consumption data by visiting www.horizonutilities.com."

"Research indicates that the average consumer, who makes no changes to their energy use pattern, will see only a slight difference on their bi-monthly hydro bill—generally an amount equal to plus or minus the cost of a cup of coffee," notes Cananzi. "The benefit of these new prices is that they reward consumers who take steps to shift some of their energy usage to periods of medium or low demand, such as at night or on weekends, when power is cheaper. Shifting usage away from peak times will reduce the strain on Ontario's electricity system and help the environment."

Ontarians will be better able to manage their electricity costs by reducing overall use and by shifting energy-intensive activities, such as doing laundry and running the dishwasher, to later in the evening or on weekends. Shifting use of other discretionary appliances such as air conditioners can also help.

Under the time-of-use rates, off-peak times occur on evenings and weekends. Currently, evening off peak hours start at 10 p.m. Beginning November 1, off-peak times will move to 9 p.m., offering Ontario families an additional evening hour at the lowest rate.

As of May 1, the three rates for electricity are (per kilowatt hour):

- On-peak: = 9.1 cents
- Mid-peak: = 7.6 cents
- Off-peak: = 4.2 cents

QUOTES

"Time-of-use pricing is what makes our smart meters 'smart,' by telling us how much electricity we are using throughout the day. With this information, the message is to first, reduce our overall energy use and, second, to shift as much of our electricity use as possible to later in the evening and on weekends because that's when it is the cheapest," says George Smitherman, Deputy Premier and Minister of Energy and Infrastructure

"The rollout of time-of-use rates is a very important step to help instill in the electricity consumers of St. Catharines a culture of conservation. This program will encourage people to look at ways to balance their energy use and promote smart choices such as doing laundry and dishwashing at night or on the weekend," says Jim Bradley, MPP for St. Catharines.

"This initiative will ease the strain on our electricity system and help us make informed decisions about our energy use," says Sophia Aggelonitis, MPP for the Hamilton Mountain.

"Time-of-use rates further support the culture of conservation in Hamilton and across the province. This program will help consumers balance energy use with their energy budget while reducing peak demand for electricity and improving the environment," says Ted McMeekin, MPP for Ancaster, Dundas, Flamborough and Westdale

QUICK FACTS

- Ontario's rollout of smart meters coupled with time-of-use rates is the largest in the world.
- More than 2.4 million smart meters are installed in Ontario – Horizon Utilities has installed 180,000 meters in Hamilton and St. Catharines.
- Time-of-use pricing is what makes smart meters "smart."
- By June 2011, an estimated 3.6 million customers will be on time-of-use rates. Consumers with retail electricity contracts will continue to follow the terms of their contracts.
- Rates are reset every six months in May and November, based on Ontario Energy Board projections.
- 40,000 residents in Milton, Newmarket and Chatham-Kent are already on time-of-use rates. Toronto Hydro announced last week that they will be moving 10,000 customers to time-of-use rates starting this June.
- Horizon Utilities will begin to move customers to time-of-use pricing on January 1, 2010.
- Smart meters are a first step in the development of a smart grid that will support renewable energy sources (solar, wind, hydro, biomass, geothermal), electric cars and smart home appliances.

TIPS FOR SHIFTING ELECTRICITY USE TO MID-PEAK OR OFF-PEAK TIMES

Air conditioning

- As much as possible, avoid running your air conditioner from 11 a.m. to 5 p.m. weekdays.
- Consider a fan first for cooling.
- Use a portable fan in conjunction with your air conditioner.
- Set the thermostat to **26-28°C**.
- Keep blinds and curtains closed to keep out the midday sun.

Laundry

- Do some or all of your laundry on weekends or weekdays before 11 a.m. or after 5 p.m.
- Hang laundry out to dry instead of using your dryer during peak times

Dishwashing

- Set your dishwasher to run at night after 9 p.m.
- Use the air-dry setting
- Always run full loads

Electronics

- Put your electronics and chargers on power bars with timers.
- Set the timer for chargers to come on during off-peak hours and shut off after only a few hours of charging.

Pools and Hot Tubs

- Set pool pumps and hot tub heaters to come on at night.
- Use a solar blanket on your pool

LEARN MORE

For more information on smart meters and time-of-use rates, visit:

The Ministry of Energy and Infrastructure at <http://www.mei.gov.on.ca.wsd6.korax.net/>

Horizon Utilities Corporation at www.horizonutilities.com

CONTACT INFORMATION

For more information, visit www.horizonutilities.com or contact:

Sandy Manners, Director, Corporate Communications, Horizon Utilities Corporation

Tel: 905-317-4707 • Cell: 905-308-1473 - sandy.manners@horizonutilities.com

ABOUT HORIZON UTILITIES

Horizon Utilities Corporation is one of the largest municipally owned electricity distribution companies in Ontario, providing electricity and related utility services to more than 230,000 residential, commercial and industrial customers in Hamilton and St. Catharines. Horizon Utilities' employees are committed to delivering a safe and reliable supply of electricity, providing unparalleled customer value, and helping to create a culture of energy conservation in Ontario.

Backgrounder Time-of-Use Rates

May 22, 2009

Putting you in control.

Time-of-use pricing rewards consumers for using electricity during low-demand periods whenever possible (reflected in green). These time-of-use rates – off-peak, mid-peak, and on-peak, will vary between summer and winter. As illustrated in the seasonal charts below, the lowest rates are at night, on weekends and statutory holidays.



The Summer weekdays

The highest energy prices occur over the afternoon, largely due to greater air-conditioning use. That's why the on-peak rate is from 11 a.m. to 5 p.m.



Weekends and Holidays

Demand and electricity prices are lower on weekends and holidays – as well as overnight – so these periods are all off-peak.



The Winter weekdays

Energy prices peak twice – in the early morning and in the evening – mainly due to space heating, plus increased lighting and appliance use.

There are three Time-of Use periods:

On-peak
 – demand is highest
9.1¢ per kWh

Mid-peak
 – demand is moderate
7.6¢ per kWh

Off-peak
 – demand is lowest
4.2¢ per kWh

Choose your time. Manage your costs.

Smart meters automatically record electricity consumption on an hourly basis consumers can take advantage of time-of-use pricing:

- During on-peak periods, when demand (and production costs) are highest, prices will be higher.
- During mid-peak times, when demand is moderate, prices will be lower.
- During off-peak hours, the least busy periods of the day, prices will be the lowest.

Below are some sample costs for typical appliances. To find how much electricity specific appliances/models consume, please visit the Natural Resources Canada’s Office of Energy Efficiency’s website at www.oeenrcan.ca or call NRCAN’s Office of Energy Efficiency at 1-800-387-2000 (toll free).

Appliance	Time-of-Use Rate Examples		
	Off-peak 4.2¢ Per kWh	Mid-peak 7.6¢ Per kWh	On-peak 9.1¢ Per kWh
Clothes Dryer (1 load)	9¢	17¢	20¢
Clothes Washer (1 load-hot wash)*	33¢	59¢	71¢
Electric Stove (1 family meal)	21¢	38¢	46¢
Dishwasher (1 load)*	15¢	27¢	33¢
AC Central 25 degrees (1hr)	12¢	21¢	25¢
AC Central 20 degrees (1hr)	13¢	24¢	29¢

* Cost of electrical water heating included.