

1 Q. How does Hydro's cost/kWh and cost/KW rank with other utility providers in
2 Canada/North America and the world?

3

4

5 A. In a Hydro Quebec 2005 survey (excerpt attached), for an industrial sized
6 load of 50,000 kW and 30.6 GWh, Hydro's rates rank 5th out of 10 Canadian
7 provinces surveyed. Out of 10 American cities also included in the survey,
8 only one city had rates that were less than Hydro's rates.

9

10 In a Canadian Electricity Association publication, Electricity 2006 (excerpt
11 attached), Figure 1 shows Canadian industrial rates as 3rd lowest of the 15
12 developed nations shown.

13

14 No data was available on a comparative basis for the cost per kW.

15

16 (Attachment 1 - Source : Hydro Quebec, Comparison of Electricity Prices in
17 Major North American Cities, 2005, page 49

18 [http://www.hydroquebec.com/publications/en/comparison_prices/2005/index.](http://www.hydroquebec.com/publications/en/comparison_prices/2005/index.html)
19 [html](http://www.hydroquebec.com/publications/en/comparison_prices/2005/index.html))

20

21 (Attachment 2 - Source: Canadian Electricity Association, Electricity 2006,
22 2006 – Volume 77 – Number 1 Meeting Tomorrow's Challenges Today, page
23 3 http://www.canelect.ca/en/aboutcea/aboutcea_documents_annual.html)

Monthly Billings on April 1, 2005

(in CA\$)

General – Large Power

| Power | 5,000 kW | 5,000 kW | 10,000 kW | 30,000 kW | 50,000 kW | 50,000 kW |
|-------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Consumption | 2,340,000 kWh | 3,060,000 kWh | 5,760,000 kWh | 17,520,000 kWh | 23,400,000 kWh | 30,600,000 kWh |
| Voltage | 25 kV | 25 kV | 120 kV | 120 kV | 120 kV | 120 kV |
| Load factor | 65% | 85% | 80% | 81% | 65% | 85% |

Canadian Cities

| | | | | | | |
|---------------------|------------|------------|------------|------------|--------------|--------------|
| Montréal, QC | 112,611.00 | 131,043.00 | 238,380.00 | 721,284.00 | 1,053,660.00 | 1,237,980.00 |
|---------------------|------------|------------|------------|------------|--------------|--------------|

| | | | | | | |
|-----------------------------|------------|------------|------------|--------------|--------------|--------------|
| Charlottetown, PE | 170,876.00 | 204,284.00 | 391,864.00 | 1,186,728.00 | 1,708,760.00 | 2,042,840.00 |
| Edmonton, AB ¹ | 151,820.86 | 193,002.81 | 351,850.78 | 1,042,155.66 | 1,512,095.05 | 1,927,715.47 |
| Halifax, NS | 152,388.44 | 186,516.44 | 352,600.56 | 1,069,185.24 | 1,507,057.92 | 1,848,337.92 |
| Moncton, NB | 142,972.52 | 169,719.80 | 310,616.00 | 940,632.00 | 1,355,440.00 | 1,618,960.00 |
| Ottawa, ON ² | 221,883.07 | 275,597.72 | 512,662.16 | 1,532,539.43 | 2,113,747.07 | 2,650,893.57 |
| Regina, SK | 134,150.89 | 166,046.89 | 274,222.00 | 822,063.83 | 1,136,469.67 | 1,422,309.67 |
| St. John's, NL ³ | 150,811.06 | 187,221.46 | 349,864.94 | 866,978.40 | 1,219,228.00 | 1,499,452.00 |
| Toronto, ON | 226,422.92 | 282,814.81 | 525,802.00 | 1,589,769.39 | 2,200,437.86 | 2,755,497.77 |
| Vancouver, BC | 106,945.35 | 130,136.19 | 205,642.75 | 623,472.88 | 881,073.00 | 1,077,273.00 |
| Winnipeg, MB | 90,755.01 | 107,199.81 | 182,822.13 | 553,720.58 | 796,023.43 | 953,487.43 |

American Cities

| | | | | | | |
|--------------------------------|------------|------------|------------|--------------|--------------|--------------|
| Boston, MA | 343,335.85 | 422,383.67 | 804,955.46 | 2,440,639.70 | 3,430,766.78 | 4,221,244.95 |
| Chicago, IL ⁴ | 192,047.28 | 219,711.21 | 421,882.34 | 1,065,992.37 | 1,492,520.00 | 1,767,446.57 |
| Detroit, MI ⁴ | 166,508.11 | 193,004.95 | 358,604.15 | 1,083,830.87 | 1,596,238.00 | 1,856,833.42 |
| Houston, TX ⁴ | 169,671.63 | 213,532.89 | 369,431.39 | 1,119,751.47 | 1,511,914.10 | 1,950,474.24 |
| Miami, FL ⁴ | 177,476.03 | 217,050.95 | 413,862.72 | 1,253,876.36 | 1,770,694.77 | 2,166,444.03 |
| Nashville, TN | 178,038.34 | 210,153.06 | 354,833.31 | 1,011,555.52 | 1,513,299.98 | 1,726,086.27 |
| New York, NY ⁴ | 367,626.50 | 445,296.56 | 851,758.09 | 2,581,164.28 | 3,676,265.01 | 4,452,965.57 |
| Portland, OR | 117,052.79 | 146,068.26 | 254,207.12 | 769,558.11 | 1,062,515.78 | 1,334,834.12 |
| San Francisco, CA ⁴ | 248,634.56 | 315,429.74 | 596,611.00 | 1,810,396.27 | 2,478,687.59 | 3,146,639.34 |
| Seattle, WA | 160,961.32 | 209,747.02 | 377,835.02 | 1,149,046.56 | 1,539,491.36 | 2,005,736.34 |

| | | | | | | |
|----------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| AVERAGE | 180,142.36 | 220,283.87 | 404,776.57 | 1,201,635.28 | 1,693,161.21 | 2,079,211.99 |
|----------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|

- 1) Bills corresponding to typical levels of consumption of 250 MWh/year or more have been estimated by Hydro-Québec using the applicable general rate.
- 2) Bills corresponding to typical levels of consumption not eligible for the Regulated Price Plan have been estimated by Hydro-Québec.
- 3) Newfoundland and Labrador Hydro rates for customers with a power demand of 30,000 kW or more, Newfoundland Power rates for all other customer categories.
- 4) These bills have been estimated by Hydro-Québec and may differ from actual bills.

Source : http://www.hydroquebec.com/publications/en/comparison_prices/2005/index.html

ELECTRICITY 2006

MEETING TOMORROW'S
CHALLENGES TODAY



Electricity is a fundamental necessity for Canadians, expected to be flawlessly reliable, affordable, safe and environmentally friendly. A vital component of our quality of life and the foundation of a sustainable and thriving economy, electricity is the backbone of modern society.

The pressure to meet the continued growth in electricity demand in a sustainable, responsible and cost-effective manner is ever-present, and the Canadian electricity industry is working diligently to respond to the challenge in cooperation and coordination with governments and other stakeholders.

Consumers in the meantime are feeling the pinch of what meeting demand head-on can represent.

In most jurisdictions in Canada, consumers have been facing escalating electricity prices, and for the most part, their reaction has been predictably negative. When compared to other countries (*figure 1*), Canadian electricity rates are well below average; and when compared to other forms of energy (*figure 2*), Canadian electricity is a model of price stability. Yet rates are indeed on the rise, and the story behind this rising price environment is complex and involves factors such as growing environmental expectations, rising input costs, as well as the need to refurbish and build new capacity and infrastructure.

The sector is facing a growing number of challenges in the years ahead, and CEA and its member companies are working to meet them with a comprehensive approach that will help mitigate the financial consequences for Canadians.

Figure 1: World Electricity Prices: 2005

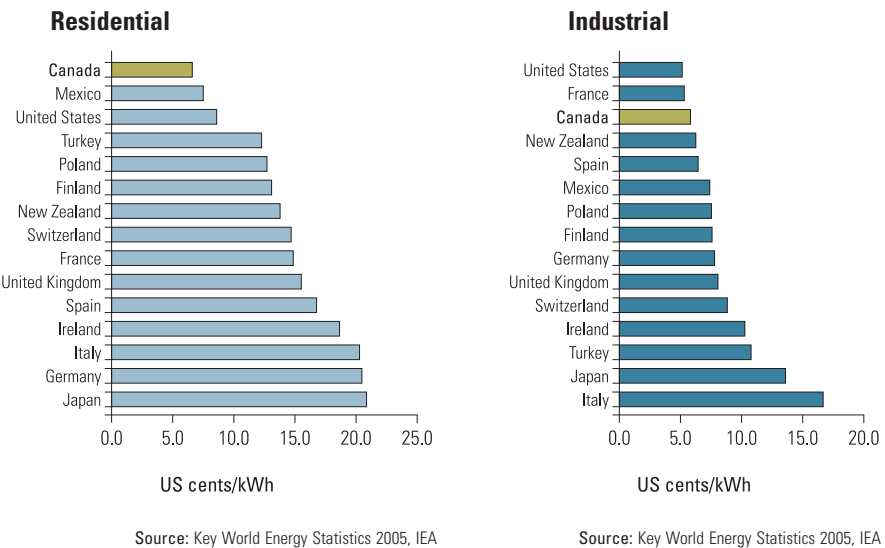


Figure 2: Selected Consumer Price Indices for Energy in Canada

