

January 9, 2018

Dear Castle Mountain Residents,

It was a pleasure meeting with many of you during our recent open house at Castle Mountain. We tried to answer all your questions, but we know we couldn't get to everyone and that some were unable to attend. As a follow-up, we would like to address the most frequently asked questions and ensure that all residents have the same information.

Cost of Natural Gas vs. Propane

There were many questions about the cost of natural gas as compared to the current propane model – specifically those related to the fixed charges on the monthly bills and costs during summer months when usage is typically low.

To help answer those questions, we've taken the usage and rates of an average residence from 2015-16 and provided a monthly breakdown of the costs throughout the year (Table 1 below).

As you can see, while the mid-summer months could result in slightly higher summer bills than previously experienced on propane, there is an overall savings of **\$467 annually** given the heating requirements through the winter.

Impact of Carbon Levy on Prices

As natural gas is a cleaner burning fuel, responsible for 16% less CO₂ equivalent emissions than propane, the Alberta Carbon Levy for natural gas is cheaper than that of propane on an energy basis. While the Levy is not currently applied directly to the billing at Castle, this amount will continue to be reflected in the supply cost of propane.

As of January 1, 2018, the levy on natural gas is \$1.517/GJ, while the levy on propane is \$0.0462/L.

For the average residence at Castle this equates to an annual Carbon Levy of \$112.22, while the natural gas equivalent would result in an annual levy of \$94.05.

Appliance Conversions

ATCO will have staff onsite at Castle Mountain **January 13th** and **January 20th** to conduct an equipment survey to better understand the quantity and types of appliances requiring conversion. All appliances connected to the existing propane system will require conversion to natural gas. We will provide pricing once that survey is completed. More detailed information will be available following the upcoming site visits.

Meter Replacements

All existing meters will be removed, disposed of, and replaced with ATCO meters at the time that the propane system is converted to natural gas, and this will be at no additional charge.

Should you have any questions or require additional information, please do not hesitate to contact us at 403-892-0473 or Fraezor.Caldwell@atco.com.

Yours Truly,



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Table 1 - Monthly Fuel Costs

2015-2016 Average Residential Usage	January	February	March	April	May	June	July	August	September	October	November	December	Total
Consumption (L Propane)	400	303	291	199	120	68	43	42	96	127	272	469	2429
Equivalent Consumption (GJ Natural Gas)	10	8	7	5	3	2	1	1	2	3	7	12	62
Natural Gas Bill Fixed Charges (based on days/month)	\$30.22	\$27.78	\$30.22	\$29.41	\$30.22	\$29.41	\$30.22	\$30.22	\$29.41	\$30.22	\$29.41	\$30.22	\$356.93
Natural Gas Bill Variable Charges (usage)	\$50.53	\$40.05	\$36.93	\$21.60	\$11.87	\$8.32	\$4.67	\$5.16	\$12.50	\$16.69	\$37.04	\$57.34	\$302.70
Total Natural Gas Bill	\$80.75	\$67.83	\$67.15	\$51.00	\$42.09	\$37.72	\$34.89	\$35.38	\$41.91	\$46.91	\$66.44	\$87.55	\$659.63
Total Propane Bill	\$178.59	\$135.28	\$129.57	\$88.17	\$53.63	\$30.22	\$19.09	\$18.72	\$42.69	\$56.75	\$137.63	\$236.29	\$1,126.63
Cost Savings (Losses)	\$97.84	\$67.46	\$62.42	\$37.17	\$11.54	\$(7.51)	\$(15.80)	\$(16.66)	\$0.78	\$9.83	\$ 71.19	\$148.74	\$467.00