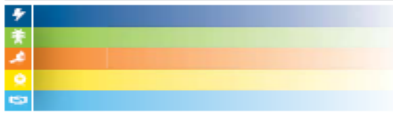


ELECTRICITY

ARE WE GETTING VALUE FOR THE MONEY WE PAY?

WITH ALL THE CONCERN ABOUT PRICES, THE CANADIAN ELECTRICITY ASSOCIATION BELIEVES YOU MIGHT WANT TO CONSIDER SOME OF THE FOLLOWING THINGS:



POWER FOR THE FUTURE
www.powerforthefuture.ca



Canadian Electricity Association

Association canadienne de l'électricité

THE NEED

IT MAY SEEM OBVIOUS BUT ELECTRICITY HAS BECOME AN INDISPENSABLE NECESSITY.



When we flick a light switch, turn on a TV or start up a computer, we expect the lights to come on and machines to get the electricity they need to function. We expect that to happen every time. And it seems fair to say we have come to take it all for granted.

We've all experienced how our lives change during an extended outage.

Many of the things that are part of our every day lives suddenly don't work: refrigeration and washing machines; security systems, smart phones, computers and home entertainment devices; medical technology and classrooms; bank machines, businesses and stores. They all depend on the power being there reliably and in plentiful supply.

THE COST

HOW DOES WHAT WE GET FOR OUR ELECTRICITY BILL COMPARE TO WHAT WE SPEND ON OTHER THINGS?

There are changes to the electricity system all across Canada these days. Grids everywhere are being upgraded to ensure reliability and increase capacity. New and cleaner sources of power are coming on line. There is a lot going on and some concern expressed, as Canada's electricity regulators and companies are coming to terms with securing power for the future. In large part, the concern is about the cost of all this and its impact on prices.

How much we each spend depends on our personal circumstance, but the average bill for a typical home is in the range of \$2 to \$9 per day, with the national average coming in at under \$4*.

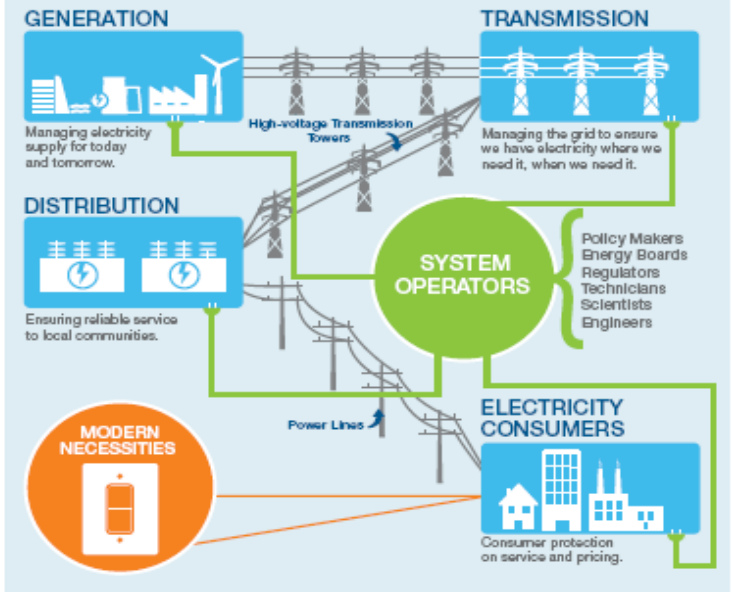
In most cities, according to Statistics Canada, electricity costs a dollar or two more a day than a cell phone, land line, natural gas for heat, water and sewer charges or internet fees. It is many dollars less than the daily cost of shelter and food—two other indispensable necessities. As a share of major daily household expenses, electricity in Canada averages out to less than two per cent, or two cents of every dollar spent. It is probably worth considering what else the members of a household buy and seeing how the value of those things stacks up to the value of electricity.

These are Canadian figures. In many other parts of the world electricity can be far more expensive.

* Statistics Canada

THE SYSTEM

HOW CAN WE ENSURE THE POWER IS THERE WHEN WE HIT THE SWITCH?



In Canada, electricity is generated by turbines driven by rushing water, steam generated from burning coal, burning gas or nuclear fission. In Alberta, it is primarily through coal and gas although we are also generating electricity from new sources like wind and solar energy. The source of generation is often far away from where it's used, and the electricity is carried over thousands of kilometres of transmission lines, big and small. Those lines are supported by thousands of towers, relay stations, transformers, and utility poles, many of them in remote areas. Then it is distributed to individual homes, buildings and businesses throughout every province, all of which are metered to gauge usage.

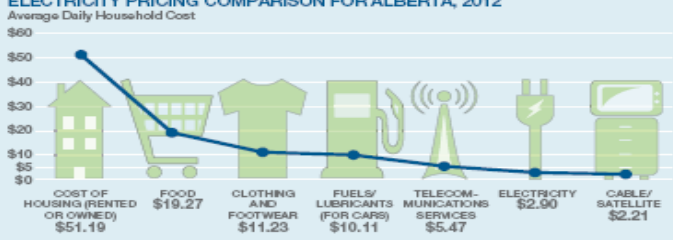
The control rooms of electricity operators are complex and require a substantial degree of precision to control the flow of power. Someone has to determine how much power to generate and distribute at just the right time. Operating and maintaining all of this requires thousands of skilled people.

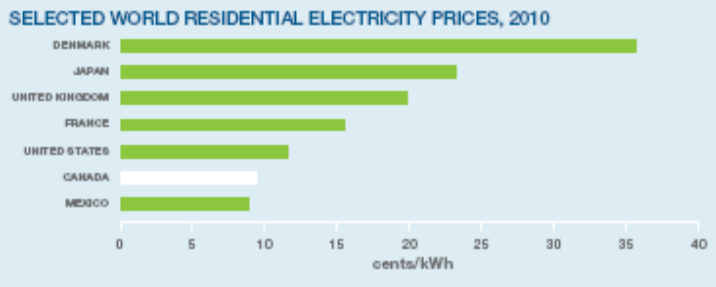
It takes major investments and long-term planning to ensure this infrastructure is in place where and when we need it. Parts wear out and equipment needs to be replaced or upgraded. Weather plays havoc with lines and towers. But from time to time, the system requires bigger investments.

The competitive Alberta electricity market is unique. For years we have benefited from the decisions and investments made by previous generations—in coal and natural gas power plants.

But as many assets near the end of their productive lives, we need to decide how we will repair, renew or replace infrastructure so that our investments ensure we have a modern grid that meets the electricity demands of Alberta's growing economy and population. We need to leave a functioning and reliable system to our children as part of our legacy to them.

ELECTRICITY PRICING COMPARISON FOR ALBERTA, 2012





THE FUTURE

Looking forward, we have an opportunity to use new technologies to support conservation and increase efficiency of both production of electricity and its use by consumers. We can improve environmental impact by diversifying the sources of power generation to reduce existing emissions and include more renewable technology. With our growing national population driving demand for electricity, and a need to ensure our country remains competitive,



we need to plan ahead and invest in electricity infrastructure so we can leave a reliable, safe electricity system for the next generation.

SO BACK TO THE ORIGINAL QUESTION:

ARE WE GETTING VALUE FOR THE MONEY WE PAY FOR ELECTRICITY?

THE NEED

- The indispensable necessity of electricity.

THE COST

- The comparative daily cost of electricity to other household expenditures and the relative rate of increase in the price of electricity.

THE SYSTEM

- The complexity of the system, with extensive infrastructure and supported by thousands of skilled workers, designed to deliver a crucial necessity.
- The cost of ongoing replacement and maintenance, keeping the integrity of the system whole

and its performance reliable for Alberta's growing economy and population.

THE FUTURE

- The cost of planning ahead and building new facilities to leave our children a grid as good or better than the one we inherited.



FOR MORE INFORMATION, VISIT:

www.powerforthefuture.ca