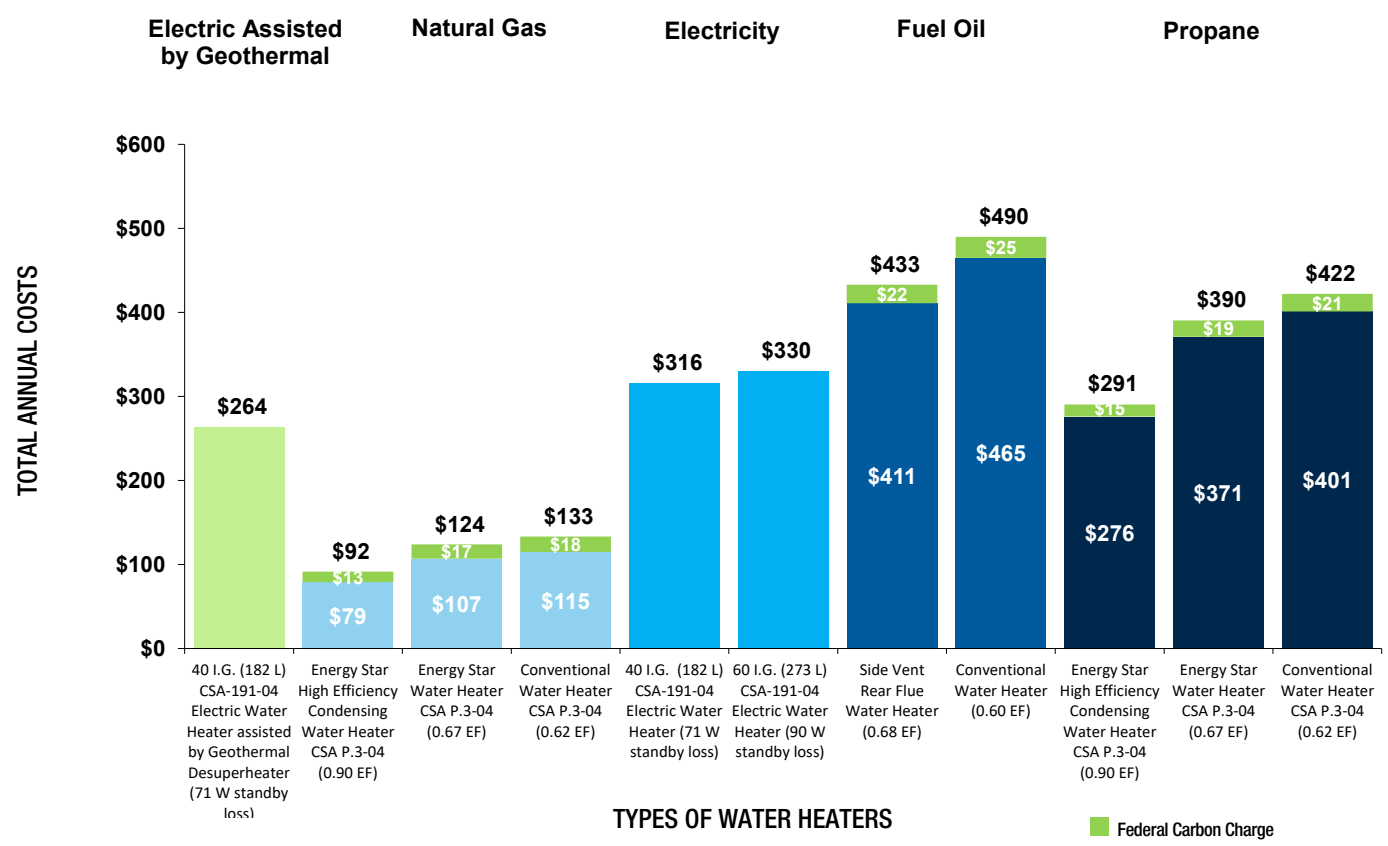


# Wondering about your energy options for water heating?

The chart below shows an example of water heating costs that are based on an average single family residence, at rates in effect August 1, 2019.

1. Consult the charts to identify the costs of your current water heating system.
2. Review the annual energy costs of other systems to see how your costs compare.
3. Consult the accompanying notes on pages 2 and 3 for guidance if you are thinking of switching water heating systems or building a new home.
4. Visit [hydro.mb.ca/water](http://hydro.mb.ca/water) and use the online calculator to get a customized estimate for your specific home's annual and total lifetime water heating costs based on different water heating systems and energy sources.

## Annual Water Heating Costs (Based on average annual hot water usage of 2.4 people per household)



### Energy rates

as of August 1, 2019.

Natural gas: **\$0.2475**/cubic metre

Electricity: **\$0.0874**/kilowatt-hour

Fuel oil: **\$1.000**/litre

Propane: **\$0.590**/litre

Federal carbon charge: **\$20**/tonne of greenhouse gas produced

Water heating annual costs shown in the chart above are based on "point-in-time" prices as noted.

The annual water heating costs presented in the chart exclude the cost of converting to a different heating system, which may be significant.

See page 3 if you are thinking of changing your water heating system.

Depending on your supplier, propane and fuel oil prices can fluctuate on a daily basis.



# Annual cost estimates

The water heating costs shown in the chart are based on Manitoba Hydro's average electric and natural gas water heating household of 2.4 people consuming about 140 litres per day. Your water heating costs may differ due to varying shower, bathing, clothing and dish washing usage patterns related to your lifestyle. If you think your hot water usage is higher or lower than this average, please factor up or down the operating costs of the various water heaters shown in the chart. The costs shown are relative, illustrative and for general comparison purposes only.

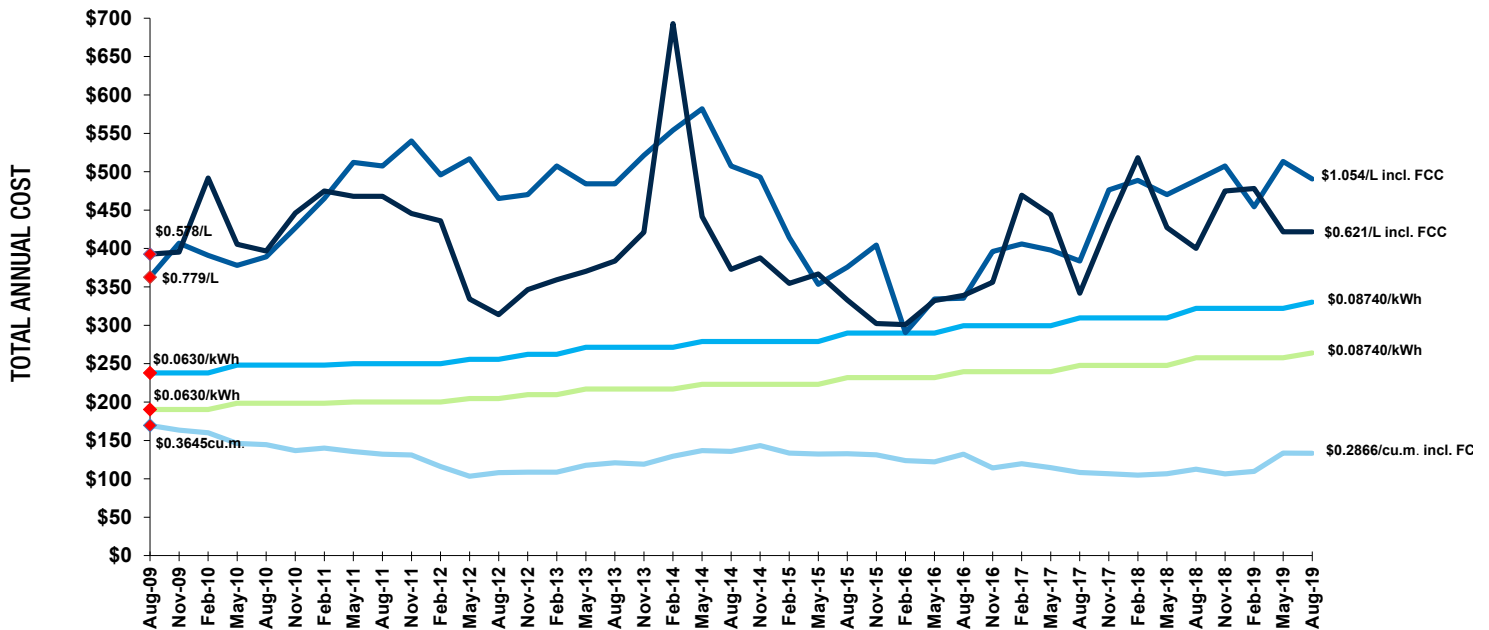
The chart on the first page presents annual costs as if all energy rates remained fixed for the coming year at the rates in effect on August 1, 2019.

Your actual annual energy costs will vary. Natural gas rates change four times per year, electricity rates typically change on an annual basis and depending on your supplier, propane and oil rates can change daily. With Manitoba Hydro's Quarterly Rate Service, the price you pay for Primary Gas is the same price we pay for the gas in the marketplace.

This rate changes every 3 months and is currently \$0.0852 per cubic metre. If you buy Primary Gas on a Fixed Rate Service contract from Manitoba Hydro or a Gas Broker, you will continue to pay Manitoba Hydro for Supplemental Gas as well as transportation and distribution charges. The figure of \$0.2475 per cubic metre of natural gas that we've used in the charts is known as a "re-bundled" effective rate. It includes charges for Primary and Supplemental gas, as well as for transportation and distribution of the gas on Manitoba Hydro's Quarterly Rate Service.

The chart below shows a 10 year annual operating cost history trend of various energy sources and water heating systems. The chart also shows the minimum and maximum energy prices for a given point in time by energy source over the 10 year period. The energy prices shown are provided as reference points to show the relationship between the energy price at a given point in time and the annual operating costs of a specific heating system.

### Example Water Heating 10 year Cost History



- Natural Gas Conventional Water Heater (0.62 EF)
- Electric Water Heater 60 I.G. (273 L) (90W standby loss)
- Fuel Oil Conventional Water Heater (0.60 EF)
- Propane Conventional Water Heater (EF = 0.62)
- Electric Water Heater assisted by Geothermal Desuperheater

## Key points if you are thinking of changing heating systems

### Is it economically feasible?

The cost of switching to another water heating system may be economically feasible only if your current system is at or near the end of its useful life, or if you are building a new home. Be sure to obtain quotations from at least three reputable heating contractors before you make your decision.

### Size of existing electrical service

Your electrical system may need to be upgraded if you want it to carry an electrical water heating load.

Depending on the capacity of the electrical appliances and equipment currently installed, and the size of your home, the Manitoba Electrical Code will allow a maximum of 8 to 10 kilowatts of electric heating on a standard 100-amp service. An electrician should perform an electrical code load calculation to advise whether your existing service is adequate to serve the water heating equipment required for your home. If you don't have space in your

existing electrical panel for the new circuit breaker you will require an electrician to install an electrical sub panel.

### Flue gas venting

When gas is burned, flue gases are produced which primarily contain carbon dioxide and water vapour which are not harmful to people. However, flue gases can also contain trace amounts of carbon monoxide and other gases that can present a health hazard.

If you replace your old conventional or mid-efficiency gas furnace with a high efficiency model you may need to modify the existing chimney to ensure proper venting of flue gases from your existing conventional gas water heater. Consult with a licensed and reputable contractor to determine if upgrades to your chimney are required. If costly chimney upgrades are required, consider installing a power-vented gas water heater or an electric water heater. To ensure you are getting best value when looking at a new water heater, consider the total lifetime cost, which is the cost to buy, install and operate the water heater over its useful life.

### Calculate your payback

Determining how many years it will take for a new water heating system to pay for itself may help you reach a decision.

### Determine the potential savings

Subtract the annual water heating cost of the new water heating system you are considering from the annual water heating cost of your current system (check the charts).

The difference is approximately what you can expect to save each year, at current energy rates.

### Determine the costs of the new system

Determine how much it will cost to buy and install the new system, along with any other adjustments required. Get quotations from three reputable contractors.

Factor in the cost of financing, if necessary.

### Determine the payback

Divide the estimated cost of switching your system, by the estimated annual savings.

The result is the number of years it will take for the new heating system to pay for itself.

## Explanation of technical information in the charts

- Water heating usage is based on Manitoba Hydro's average electric and natural gas water heating household of 2.4 people consuming about 140 litres per day that are heated up an average temperature rise of 50°C.
- The federal carbon charge was introduced April 1, 2019 and is applied to natural gas, fuel oil and propane consumption since these commodities produce greenhouse gases. This charge puts a price of \$20 on each tonne of greenhouse gas created by burning fossil fuels. The federal government plans to increase the carbon charge by \$10 a year until it reaches \$50 per tonne in 2022.

Heating with natural gas is still expected to be more cost-effective than heating with electricity, even after

### ENERGY RATES — in effect August 1, 2019

Commodity charge	Heating value
Natural gas \$0.2475/cubic metre	35,310 Btu/cubic metre
Electricity \$0.0874/kilowatt-hour	3,413 Btu/kilowatt-hour
Fuel oil \$1.000/litre	36,500 Btu/litre
Propane \$0.590/litre	24,200 Btu/litre

the federal carbon charge reaches \$50 per tonne.

- The Electric water heating assisted by geothermal desuperheater option is based on Manitoba Hydro's field monitoring of nine homes with geothermal heating and desuperheaters

where 80 per cent of the average water heating load was provided by the electric heating elements of the water tank and 20 per cent by the desuperheater.

- Energy Factor (EF) is an overall efficiency rating of the water heater. The higher the EF, the more efficient the model.

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- Note that the natural gas energy price reflected in the charts is a bundled price that includes primary and supplemental gas, and transportation and distribution charges. One of the major components of the bundled price is the price of Primary Gas, at \$0.0852 per cubic metre. Primary Gas currently comprises 69 per cent of the gas supplied (supplemental gas is 31 per cent.)
  - Taxes are not included in the examples.