

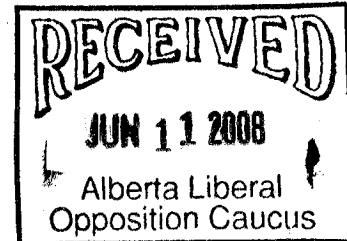


ALBERTA
SERVICE ALBERTA

Office of the Minister
MLA, Edmonton - Glenora

June 11, 2008

Ms. Laurie Blakeman
MLA, Edmonton-Center
201 Legislature Annex
9718 - 107 Street
Edmonton, AB T5K 1E4



Dear Ms. Blakeman: *Laurie*

My colleague, Honourable Yvonne Fritz, Minister of Housing and Urban Affairs, has asked that I respond to your May 28, 2008 questions in the Legislature regarding the introduction of cost allocation, or sub-metering, in Edmonton apartment buildings. Responses to each of your specific questions are provided below.

Question 1

Has the province set any standards to protect consumers and verify the accuracy of this system of measuring heat usage or any system of measuring hot water heating in individual rental units, especially when hot water heating is contiguous and runs in loops for the whole building?

Answer: Measurement Canada is responsible for regulating metering or other measurement devices such as electrical meters. Measurement Canada has been made aware of the use of these heat metering devices, and has advised it will take some time to develop standards for them.

Question 2

In the absence of regulation what incentives are there for building owners to make buildings more efficient rather than simply passing off to their tenants the cost of inefficient heating systems or leaky windows or poor insulation?

Answer: Owners of rental properties have a built-in incentive to try and minimize the costs of operating their buildings. They may also be able to access federal funding under the ecoENERGY Retrofit – Homes program, which provides home and property owners with non-taxable grants to offset the cost of making energy-efficient improvements. More information on the program is available at <http://www.servicecanada.gc.ca/en/goc/ecoenergy.shtml>.

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Question 3

What is the minister doing to ensure that future changes by rental companies to augment their income do not lead to housing becoming even more inaccessible and unaffordable for individuals?

Answer: Some landlords have asked their tenants to sign new leases where heat and/or electricity are sub-metered and billed to them separately from their rent. This can be a fairer way to allocate costs and allow tenants to control their own energy consumption and costs. For those tenants whose utility costs are currently included in their rent, any changes can only be implemented if agreed to by the tenant, as sub-metering may constitute a rent increase and rent increases are limited to once a year.

Tenants with questions about sub-metering are encouraged to call Service Alberta's Consumer Information Line at 1-877-427-4088.

I hope this information has been helpful.

Best Regards,

A handwritten signature in black ink that reads "Heather Klimchuk". The signature is written in a cursive, flowing style.

Heather Klimchuk
Minister

cc: Honourable Yvonne Fritz
Minister of Housing and Urban Affairs