

# Towngas Basic Tariff Adjustment

Presentation to  
Panel on Economic Development

25 February 2013

# Basic Tariff Adjustment

---

- Basic tariff increase of 1.0 cent per MJ
- No change in residential monthly maintenance charge
- Effective from 1 April 2013

	2012	New	Change	%
Average Basic Tariff (cent per MJ)	¢ 21.85	¢ 22.85	+¢ 1.00	+ 4.6%
Avg. Effective Tariff (cent per MJ)	¢ 27.86	¢ 28.86	+¢ 1.00	+ 3.6%



# About 80% of residential customers will pay less than \$10 per month extra (average increase is \$7.5 per month)

---

Monthly Consumption (MJ)	% of Customer	Monthly Increase HK\$/month
Less than 500	42%	< \$5.0
501 – 1,000	36%	< \$10.0
1,001 – 1,500	18%	< \$15.0
Average	-	\$7.5

(Based on average monthly consumption of residential customers in 2012)



# Impact on Commercial & Industrial Customers

**55% of C&I customers will pay less than \$300 per month extra  
(Average monthly increase will be \$692 per C&I customer)**

Monthly Consumption (MJ/month)	% of Customers	Monthly Increase HK\$/month
Below 3,000	22%	< \$30
3,001-30,000	33%	< \$300
30,001-100,000	32%	< \$1,000
Average	-	\$692

*(Based on average monthly consumption of C&I customers in 2012)*



# Rising Operating Costs

---

(2010 – 2013)

Steel pipes	+28%
Polyethylene pipes	+17%
Salary increase	+18%
Rental expenses	+16%
Vehicle fuel	+19%
Rate and rent	+14%

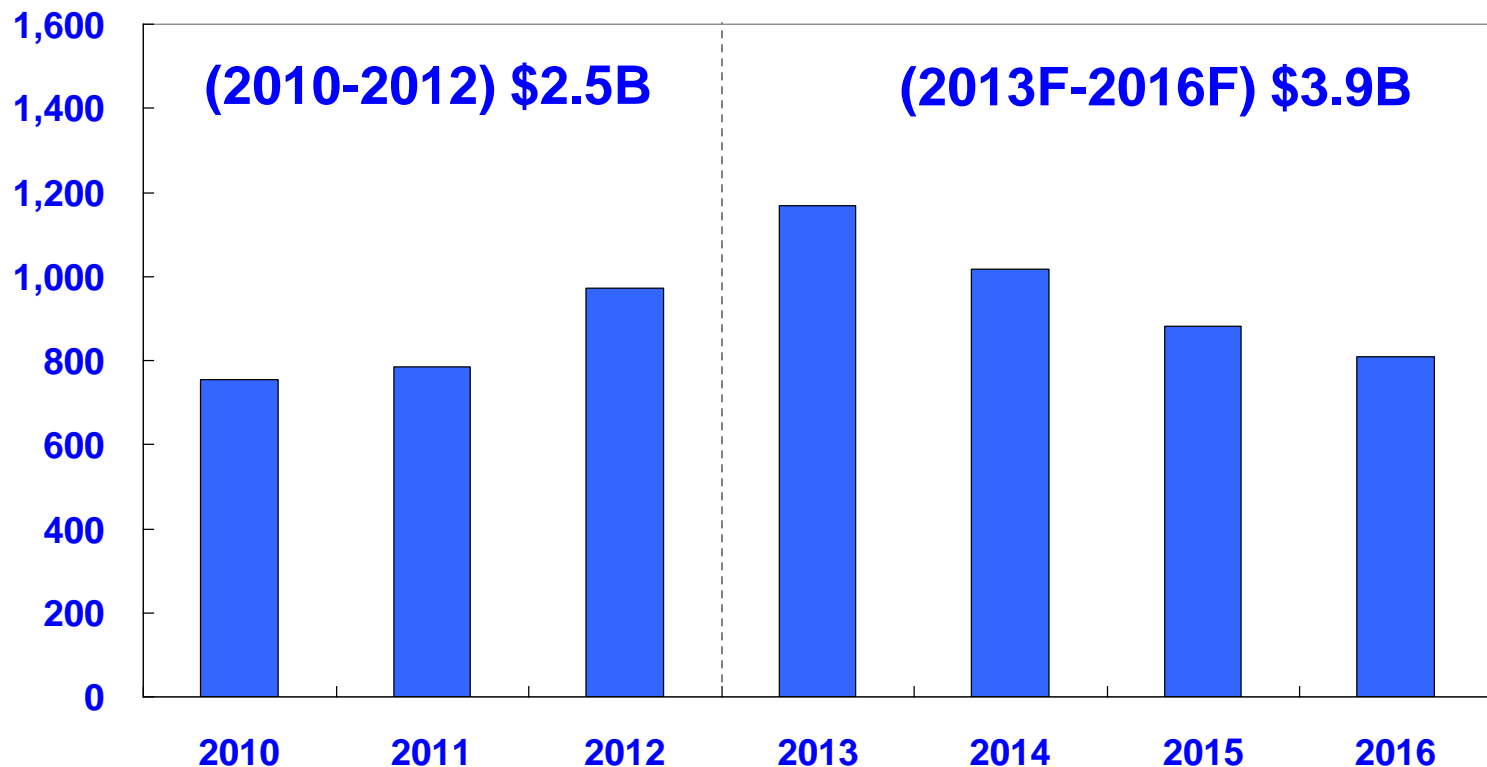


# Continuing CAPEX investment to support the City's development

---

## Infrastructure investment (2010 – 2016F)

HK\$M



# Introducing natural gas as feedstock for town gas production has saved customers' fuel cost by HK\$9.5B since Oct-06

	Sep 2006 (Before NG)	2012 (After NG)	Change
Town Gas Charge* (cents/MJ)	28.1	27.9	↓ -1%
Inflation (index)	100	120	↑ +20%
Brent Crude Oil (US\$/BBL)	74	112	↑ +51%

(\*1,000MJ/month)



# Renewable Energy Sources

- Utilize of landfill gas for town gas production
- Reduce the use of naphtha
- Reduce GHG (CO<sub>2</sub>) emission
- Gas production emits less than 1% of total amount of CO<sub>2</sub> in Hong Kong





# Concession Schemes Benefit 90,000 Customers

## Not Affected by This Tariff Adjustment

---



(Elderly)



(People with disabilities)



(Single parent families)



(Low income families)

- 50% discount on the first 500MJ of gas consumed
- Waiver of monthly maintenance charge, monthly initial charge and security deposit
- Free appliances maintenance service and spare parts charge



# Towngas always faces keen competition from electricity, LPG and other fuels



# High Safety Performance

---

## Fatal Gas Accidents

Year	2008	2009	2010	2011	2012
Numbers	0	0	0	0	0



# Excellent Customer Services

Pledge Items	Results in year		
	2010	2011	2012
<b>Uninterrupted Gas Supply (&gt;99.99%)</b>	99.99%	99.99%	99.99%
<b>Appointments</b> <ul style="list-style-type: none"> <li>Availability of maintenance and installation services (within 2 working days)</li> </ul>	1.07	1.03	1.05
<b>Speed and Convenience</b> <ul style="list-style-type: none"> <li>Customer Service Hotline (call answered within 4 rings)</li> </ul>	95.20%	95.33%	94.53%
<b>Service Quality*</b> <ul style="list-style-type: none"> <li>Efficiency (&gt;8)</li> <li>Courteous and friendly attitude (&gt;8)</li> </ul>	8.69 8.69	8.77 8.79	8.79 8.80



\* The result was based on monthly surveys conducted by an independent research company.

# Energy Saving Initiatives

- Pilotless water heaters
- Temperature modulation
- Energy efficiency label







低碳 減排 綠色生活



高效能煤氣蒸爐

# 環保快涼廚 節能20%食肆熱捧

聘珍樓執行董事李秉達表示，安裝高效能煤氣蒸爐後，更能體驗明火美食的好處。

福南大廚主理譚國榮亦表示，環境亦得以改善。

近  
節省戶  
節省

聯邦

能源成本  
減低20%

耗成經營。

同種類的菜  
同機，現時  
為保持利。

高效能爐具，其中位於環自田的775及776號新設計蒸爐系列後，節省超過20%的煤氣，節省能源方案，既環保，又有經濟，可更免費提供所有煤氣爐具費用，根本無由。

他又指，惟有明火煮食，才能容易易順的心頭好。而煤氣公司會定期與集團了解客戶需要，並會共同研究新爐具設計。

御苑酒家安裝高效能煤氣蒸爐

## 節省能源近二成 體驗涼廚效果

錦福樓集團服務香港38年，身為集團第二代傳人，現任執行董事黃傑龍可謂肩負重任。這位由工程界轉戰飲食業的新星，幾年來從多方面着手改革，取得理想成績，最近還從煤氣公司引入高效能煤氣蒸爐系列，節能效果顯著，不但減輕營運成本，更有助支持環保，值得業界效倣。

資料：客戶提供

煤氣快涼廚 高效節能源 業界心聲

錦福樓高級副總裁兼執行董事張秉堯

「提倡明火煮食，對食物有更美的食譜，更加講究火力的控制。」張錦福集團的分店，能源成本每年節省約20%。

聯邦酒樓集團總經理譚國榮

「換用新爐具，不僅省煤氣，經濟效益亦更豐。」譚國榮表示，更換後的粵式點心店，能源消耗量較去年減省約20%。

錦福樓集團執行董事黃傑龍

「讓工程、做工程讓我們環保有轉變。」黃傑龍設計管理樓宇時，「樓宇中的能源消耗，無論煤氣或電力消耗均減少20%，其中新一代煤氣爐具的效率更大大提升超過30%。

福南大廚主理譚國榮

御苑酒家集團主席李卓林

「新爐具與舊爐具價格相若，使用後不但省錢又可為員工提供較舒適的環境，無須由新機。」大龍灣分店，每個月的能源開支平均節省二萬多元，能源用量減少近30%。

# Conclusion

---

- **Proposed increase is mild**
- **Town gas price is similar to that of 6 years ago**
- **Excellent customer service and high safety performance**
- **Competitive and environmentally friendly energy**



**Thank you**



煤氣  
Towngas