

Frequently asked questions

NOTE: THE LEGISLATION WAS PASSED ON MAY 31, 2017.

What is the Fair Hydro Plan?

The Fair Hydro Plan will:

- Reduce electricity bills by 31 per cent on average for customers with a residential medium or low density service type
- Rate increases would be held to inflation for four years.
- As many as half a million small businesses and farms would also benefit from this reduction.
- Lower-income Ontarians and those living in eligible rural communities would receive even greater reductions, as much as a 40 to 50 per cent cut.

The benefit would vary depending on how much electricity you use and your service type. These measures include the eight per cent rebate introduced in January 2017 and build on previous initiatives to deliver broad-based relief on all electricity bills.

What reductions will I see on my bill this summer?

For residential customers with a medium or low service type

You will see the following reductions to your bill:

- Lower Time-of-Use or Tiered prices as of July 1, 2017
- A \$36.43 per month cap to the distribution portion of your Delivery charges
- A reduction to the Rural or Remote Rate Protection Charge included under the Regulatory Charges line on your bill of 0.18 cents per kWh. This is in addition to the removal of the Ontario Electricity Support Program charge of 0.11 cents per kWh, from bills on May 1.

For residential customers with an urban high or seasonal service type

You will see the following reductions to your bill:

- Lower Time-of-Use or Tiered prices as of July 1, 2017
 - A reduction to the Rural or Remote Rate Protection Charge included under the Regulatory Charges line on your bill of 0.18 cents per kWh. This is in addition to the removal of the Ontario Electricity Support Program charge of 0.11 cents per kWh, from bills on May 1.
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What are the new RPP TOU prices?

The Ontario Energy Board has set new Time-of Use electricity prices. As of July 1, 2017, Time-of-Use prices are further decreasing:

- On-peak: **13.2 cents** per kWh (a reduction of 2.5 cents)
 - Mid-peak: **9.5 cents** per kWh (a reduction of 1.8 cents)
 - Off-peak: **6.5 cents** per kWh (a reduction of 1.2 cents)
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What are the new RPP Tiered prices?

The Ontario Energy Board has set new Tiered prices. As of July 1, 2017, Tiered prices are further decreasing:

- 7.7 cents per kWh for first tier
 - 9.0 cents per kWh for second tier
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What is the Global Adjustment credit?

The Ontario Energy Board has set a Global Adjustment credit of \$32.90 per MWh, which translates to about 3.3 cents per kWh. The Global Adjustment credit will be in effect from July 1, 2017 to April 30, 2018.

What would TOU prices be without electricity relief?

According to the Ontario Energy Board, the forecast prices for electricity, without the Fair Hydro Plan included would have been:

- On-peak: 18.5 cents per kWh
 - Mid-peak: 13.3 cents per kWh
 - Off-peak: 9.1 cents per kWh
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What line items of the bill does Time-of-Use electricity prices impact?

Time-of-Use prices only apply to the Electricity line item of your bill.

Why are RPP prices changing?

The Ontario Energy Board has set new lower Time-of-Use/Tiered electricity prices to give effect to reductions that flow from the government's Fair Hydro Plan. These build on the reduction in prices that came into effect when the Ontario Energy Board set Time-of-Use/Tiered prices effective May 1, 2017. The Ontario Energy Board has also set a new credit for customers who are eligible for electricity bill reductions under the *Fair Hydro Act, 2017* but are not paying Time-of-Use or Tiered prices. This credit will reduce the Global Adjustment charges paid by these customers by about 3.3 cents per kWh.

The new Time-of-Use/Tiered prices and Global Adjustment credit will apply to electricity used between July 1, 2017 and April 30, 2018.

What will happen to RPP prices and/or the Global Adjustment credit after April 30, 2018?

For May 1, 2018, the Ontario Energy Board will reset Time-of-Use/Tiered prices and the Global Adjustment credit in a way that holds increases to the rate of inflation.

Who is eligible for the lower electricity prices?

When the Ontario Energy Board sets electricity prices, the changes usually affect only residential and small business customers that buy their electricity from their utility and are covered by the Regulated Price Plan (Time-of-Use or Tiered prices).

This time, a larger number of customers will be affected. The Global Adjustment credit that has been set by the Ontario Energy Board for July 1 will apply to:

- Customers who are eligible for the Time-of-Use or Tiered prices but have chosen a contract with an energy retailer or spot market pricing; and
- Customers who are not eligible for the Time-of-Use or Tiered prices but are eligible for the 8 per cent rebate that came into effect on January 1, 2017.

These customers are eligible for bill reductions under the *Fair Hydro Act, 2017*. They will see their bills lowered through the use of the Global Adjustment credit that will reduce the amount of the Global Adjustment on their bills.

Will my Delivery charge be reduced?

It is expected residential customers with a low or medium density service type will have the distribution portion of their Delivery charge capped to \$36.43 a month. This will result in significant savings for customers.

I thought the Delivery charge was going to be capped. Am I being overcharged?

If a customer qualifies for Delivery Charge cap:

This Delivery cap only applies to the distribution service charge and volumetric charge. You are still being billed for the retail transmission rates, line loss charges and the smart meter entity charge that are also included under the Delivery charge on your bill. This is the reason your Delivery charge is more than \$36.43.

For a bill crossing over July 1:

I understand how it may appear that you are being overcharged. This bill covers electricity usage in both June and July, so the part from June did not have any cap applied. That is why the Delivery charge line is more than \$36.43. Starting on your next bill, the distribution portion of your Delivery charge will be capped at \$36.43. However, please note, you will still be billed for retail transmission rates, line loss charges and the smart meter entity charge that are also included under the Delivery Charge on your bill.

I am a residential urban high density/seasonal customer. Will my Delivery charge be reduced?

Unfortunately, your Delivery charge will remain unchanged as it was not a component of the government's Fair Hydro Plan.

I am a First Nations residential customer living on a reserve. Will my Delivery charge be reduced?

The Delivery charge for eligible customers will be fully offset by a First Nations Delivery Credit, effective July 1, 2017. The Ontario Energy Board estimates this credit will provide an average monthly savings on the Delivery line of more than \$85 for a typical residential customer using 1,115 kWh a month. If we do not have sufficient information on the account, the customer will need to complete the First Nations Delivery Credit and/or HST exemption form. Eligible Cat Lake customers will receive an \$8 service charge credit.

I live on a reserve but I am not a Status Indian. Do I qualify for the First Nations Delivery Credit?

Unfortunately, the credit only applies to Status Indians who are using electricity on a reserve.

For a bill crossing over July 1:

I live on a First Nations reserve. The line on my bill for 'First Nations Delivery Credit' is less than the Delivery line. Am I being overcharged?

I understand how it may appear that you are being overcharged on the bill. This bill covers electricity use in June and July. The 'First Nations Delivery Credit' is only applicable to the portion of your bill that is based on July consumption. Starting on your next bill, the 'First Nations Delivery Credit' will fully-offset the delivery line on your bill, so the total for delivery will be \$0.

Why are First Nations people getting free delivery and no one else?

Based on the Ontario Energy Board engagement process, they recommended eliminating the delivery charge for all on-reserve First Nations residential customers. The First Nations Delivery Credit will be funded by provincial revenues.

Are there any other changes to my bill?

The Rural or Remote Rate protection charge of 0.21 cents per kWh will be reduced to 0.03 cents per kWh. This lowers the amount that customers will pay for Regulatory Charges by 0.18 cents per kWh. For a typical customer using 750 kWh a month will see a savings of \$1.35 per month.

What is the Rural or Remote Rate Protection charge?

All customers currently pay the Rural or Remote Rate protection charge, which is included under the Regulatory Charges line on the bill. This charge is collected by the IESO to pay Hydro One and other distributors who provide electricity service in rural and remote areas. It helps to offset the higher cost of providing service to customers in those areas.

Will my OESP credit increase?

If you have enrolled for the Ontario Electricity Support Program, the amount of your credit will increase by 50 per cent starting on May 1, 2017. For example, if your current credit is \$30 a month, it will increase to \$45. You will see the new credit on your first bill issued with May usage.

What is the OESP?

This program provides eligible low-income households with a reduction on their electricity bill. We encourage customers to check to see if they are eligible to receive a credit. First Nations and Métis customers are eligible for an enhanced credit. Eligibility requirements will change on May 1, 2017 and more customers will qualify for a credit. Please visit www.ontarioelectricitysupport.ca or call 1-855-831-8151 for details.

What are the amounts of the new OESP credits?

The amount of the credit depends on your household income and how many people live in your home. The new credits will increase by 50 per cent on May 1 and they range from \$35 a month to \$75 per month.

If your home is electrically heated, or you rely on certain medical devices requiring a lot of power, or you are a low-income First Nations customer, the OESP offers an enhanced level of assistance with credits ranging from \$52 a month to \$113 per month.

What is the affordability fund?

This fund will help customers make their home more energy efficient if they:

- Cannot afford to make energy efficiency improvements
- Do not qualify for the Save on Energy Home Assistance Program

We will be administering the fund. We will share more information and how to apply in the coming months.

Who is going to pay for these savings?

The government has passed legislation enables the Independent Electricity System Operator (IESO) and Ontario Power Generation (OPG) to work together to refinance the electricity prices and the Global Adjustment over a longer period of time. The other measures will be funded through tax revenues.
