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Spring/Summer 2008

Ontario Energy Board

Electricity Prices for May 1, 2008

The Ontario Energy Board (OEB) has updated electricity prices for Regulated Price Plan (RPP) consumers who have their electricity supplied by a utility. If your electricity is supplied by a retailer, you will continue to pay your contract price.

New RPP prices remain unchanged

- 5.0 cents per kilowatt hour (kWh) for energy use up to 600 kWh per month
- 5.9 cents per kWh above that threshold

The threshold for non-residential consumers who are eligible for the price plan stays at 750 kWh throughout the year.

Prices reviewed every six months – May 1 and November 1

Helps ensure you pay closer to the actual cost to generate the electricity you use while continuing to smooth electricity prices, so you are protected from day-to-day price volatility.



“Time-Of-Use” Prices

The Board has also set out “time-of-use” (TOU) RPP prices for those few utilities that have both systems and meters capable of tracking and billing based on hourly electricity use and have implemented TOU pricing for consumers who purchase their electricity from a utility. Unlike RPP tiered pricing, TOU prices have changed slightly (see below). However, overall, TOU prices are structured in a way that costs to the average consumer more or less equal the same amount as RPP tiered pricing.

Most consumers who have smart meters are not yet charged TOU prices. Your utility must notify you at least a month before you are placed on TOU prices.

On-peak price = 9.3 cents per kWh (+ 0.6 cents)

Mid-peak price = 7.3 cents per kWh (+ 0.3 cents)

Off-peak price = 2.7 cents per kWh (– 0.3 cents)

Distribution Rates

You may also see a change to the distribution rates you pay under the “Delivery” line of your bill. Distribution rate changes may come into effect at different times for each utility because rate applications are not all processed at the same time by the OEB.

Electricity distribution rates vary from utility to utility. They are designed to cover your utility's costs to provide electricity services to homes and businesses within its service territory.

There are two methods being used to set electricity distribution rates for 2008: a cost of service proceeding, which is a detailed public review, or by way of the Board's incentive regulation guidelines. In a cost of service proceeding, the utility applies for rates based on the costs it forecasts will be incurred to deliver electricity. Under the Board's incentive regulation guidelines, distribution rates are set using a standard rate adjustment that accounts for inflation and productivity improvements.

Need more information on your distribution rates? Please contact your local utility.

The “Delivery” portion of your electricity bill includes:

1. **Transmission Charge** – Pass through costs for transmitting electricity from the power grid to your local utility.
2. **Distribution Charges** that include costs:
 - to design, build and maintain overhead and underground distribution lines, poles, stations and local transformers
 - to deliver electricity to your home or business
 - for administration, meter reading, billing and basic connection costs

Options

As an electricity consumer in Ontario, you can choose to stay on the Regulated Price Plan and have your power supplied by your local utility OR to have your power supplied by an electricity retailer. For more information, visit the OEB website or talk with your local utility or a retailer. Whatever you choose, don't feel rushed. Make the right choice for you.

Considering an Electricity Contract?

It's important that you know your rights and responsibilities when reviewing your options for electricity supply – whether you want to buy at the RPP price or at the retailer's price.

That includes knowing what to expect when approached by sales agents at your home as well as understanding the steps and obligations involved in signing and reaffirming an energy contract.

Understand your current energy situation.

That means first knowing if your electricity is supplied through your local utility or through a contract with a retailer. If you do have a contract, you should know details like who your retailer company is and what price you're paying. Your supplier should be identified on your electricity bill unless you recently, within the last 2-4 months, signed a contract.

Know your rights when approached by sales agents at your home.

- Agents must identify themselves. They do not represent your local utility or the government.
- Agents must also show ID with their name, the company they represent and their licence number.
- If they don't identify themselves, you should ask.
- Agents must always leave you with their business card and, if you ask, a copy of materials presented at the door.
- You don't need to show your bill until you are ready to sign a contract.
- Don't rush or feel pressured into making a decision. It's up to you how your electricity is supplied.
- If you sign nothing, you are automatically supplied electricity by your local utility.
- You don't need to sign anything for the agent to leave information.
- **The OEB website (www.oeb.gov.on.ca) has a list of the licensed electricity retailers.**



Compare prices.

- Prices charged for the electricity are set by the OEB and can change every six months under the Regulated Price Plan.
- When you are supplied by an electricity retailer, the price is stated in your contract and is usually fixed for a number of years. The OEB licenses these companies but does not regulate the prices they offer.
- You can access a list of retailers and marketers offering contracts from "The Energy Choice is Yours" page of the OEB's website (www.oeb.gov.on.ca).
- You can also access historic utility electricity prices from "The Energy Choice is Yours" page.

Read any contract and before agreeing to it, make sure you understand it.

Know key terms and conditions such as the price offered, exit conditions and renewal options. Also make sure to read the fine print.

Keep a paper trail.

Keep copies of all your correspondence with utilities, retailers or marketers.

Be informed.

If you're considering an energy contract or simply reviewing your supply options, you can find out more by clicking on "The Energy Choice is Yours" icon on the Board's website at www.oeb.gov.on.ca.

CONTACTING THE ONTARIO ENERGY BOARD

If you have questions about the electricity or natural gas sector or have a concern with an electricity retailer or utility, you can contact the Board for more information.

Keep this information handy:

Toll free: 1-877-632-2727 **Toronto local:** (416) 314-2455

If you prefer regular mail, please **write us at:**

Ontario Energy Board, P.O. Box 2319, 2300 Yonge Street, Suite 2701,
Toronto ON M4P 1E4

Website: www.oeb.gov.on.ca.

