

Ontario's Fair Hydro Plan (OFHP) Electricity Bill Requirements

Letter -> content -> new letter -> upon introduction -
-> to all MPPs ->
-> this at side legislation

April 2017

Letter to all LDCs ->
Voluntary for June ->
->

Context

- On March 2, 2017, the government announced Ontario's Fair Hydro Plan (OFHP), which will lower electricity rates for households and small businesses by an average of 25 percent.
- Local Distribution Companies (LDCs) must implement backend system changes to ensure that eligible residential customers receive the applicable OFHP rebates/lower charges by the mandated deadlines (May 1, 2017; July 1, 2017).
- LDCs will also need to update the messaging on their electricity bills to reflect the OFHP initiatives and inform customers about the resultant bill impacts.
- Based on feedback received from LDCs, the Ministry recommends introducing OFHP bill messaging requirements in the following stages:
 - **Pre-July:**
 - LDCs, where willing, to issue OFHP bill inserts in June 2017, ahead of finalized OFHP regulations.
 - Ministry to provide LDCs with bill insert messaging, artwork and translation as soon as possible (second week of May) (provision of printed copies is TBD).
 - **July 1, 2017:**
 - OFHP regulations will be introduced in May/June 2017, which will require that by July 1, 2017 LDCs have:
 - commenced providing OFHP bill inserts using prescribed language;
 - included standardized on-bill messaging related to OFHP; and
 - removed outdated line items and messaging from electricity bills.
 - **Post-July:**
 - Ministry to consult with LDCs regarding broader bill enhancement opportunities, including the introduction of more dynamic OFHP bill messaging (this initiative has not been discussed with LDCs yet).

Pre-July 1, 2017

Near-Term Messaging Requirements

- The Ministry convened an LDC working group in March and April 2017 to address the implementation of the OFHP, as well as to discuss its near- and long-term messaging requirements.
- As a result of these consultations, the Ministry is proposing minimal near-term OFHP messaging to ensure LDCs can provide OFHP programs on-time for consumers.
- LDCs will be asked to distribute a bill insert in June 2017 to explain OFHP initiatives and savings to consumers. Distribution of this insert will be done on a voluntary basis as OFHP regulations will not come into force until July 1, 2017.
 - In the April 19th meeting, all LDCs in attendance indicated an openness to work with the Ministry to provide this insert. LDCs expressed great interest in communicating OFHP programs to their customers.
- Following discussion with LDCs, ministry staff are proposing that the Ministry provide printed inserts to LDCs a week in advance of their desired mail-out date for June bills (~late May).

Bill Insert Messaging & Considerations

- The following messaging is proposed for the June 2017 bill insert:

Ontario's Fair Hydro Plan would lower electricity bills by 25 per cent, with rates also held to inflation for the next four years, for typical residential consumers. As many as half a million small businesses and farms would also benefit under the Plan. The benefit would vary for individual consumers depending on consumption and service territory. 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. These measures include the eight per cent rebate introduced in January and builds on previous initiatives to deliver broad-based relief on all electricity bills.

To find out more, visit Ontario.ca/FairHydroPlan.

Messaging Considerations:

- LDCs are required to deliver the Ontario Energy Board's (OEB) mandated price insert in May, which LDCs advise could delay the distribution of the OFHP bill insert until late June.
- LDCs have requested additional messaging for customers that are eligible for OFHP's social programs. For these customers, bill impacts could be substantial and vary considerably. As a result, some LDCs have indicated they would consider including their own bill inserts to explain the additional changes to their customers.
 - In response to this concern, the Ministry proposes providing additional messaging for LDCs to use with customers impacted by OFHP social programs.
- The Ministry also recommends having legislative council review the proposed language for the June 2017 bill insert before it issued. This will help ensure that the language used in June is altered minimally to comply with language mandated by regulation in July.

OFHP Bill Insert: Potential Design Options

Note: Graphic treatments are for discussion only



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ONTARIO'S FAIR HYDRO PLAN

Bringing electricity prices down

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Communications Strategy with LDCs

Strategy

- To complement the broader communications strategy around OFHP, and in recognition that LDCs will be the first point of contact for customers once bills are reduced through the Plan, the Ministry is proposing a series of supports for LDCs.

Tactics

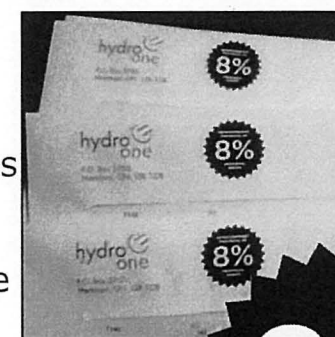
- Products for LDCs will include:
 - FAQ for front line staff
 - Backgrounders on FHP initiatives
 - Relevant news releases
 - Status updates on the progress of FHP initiatives
- Products for LDC customers will include:
 - Optional and legislated bill inserts
 - Approximate cost to print and distribute bill inserts \$65K
 - Optional FHP matte content for local media, customer newsletters and websites
 - Optional Digital assets for sharing – social, online creative
- Development and distribution of FHP initiatives will align with the proposed implementation schedule
- Leverage EDA for distribution of products

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July 1, 2017

Regulatory Review of On-Bill Requirements

- Before new OFHP on-bill messaging is introduced on July 1, 2017, outdated line items and messaging must be removed from current electricity bills to free-up space and reduce potential confusion amongst consumers.
- LDCs are in favour of a regulatory “clean-up” to remove outdated messaging and line items, indicating they have “maxed out” the available space on electricity bills.
- The Ministry recommends repealing the following bill requirements as part of its May 2017 regulatory posting:
 - Remove 8% provincial rebate messaging (O. Reg. 364/16) while retaining the 8% line item.
 - Eliminate on-envelope 8% provincial rebate messaging (O. Reg. 364/16)
 - Remove Debt Retirement Charge (DRC) messaging (while retaining the DRC line item)
 - Remove Hydro One Rural or Remote Electricity Rate Protection (RRRP) messaging, which will no longer be accurate once the program is broadened.



On-Bill Items to be Removed

Toronto Hydro-Electric System Limited
YOUR ELECTRICITY BILL

Account Number: 30 [REDACTED]
Premise number: 4 [REDACTED]
Meter Number: 10 [REDACTED]
SCARBOROUGH ON [REDACTED]

Service Location: [REDACTED], SCARBOROUGH

Your Electricity Charges

Electricity
***Electricity supplied by Toronto Hydro through Standard Supply Service.
Billing Inquiries: (416) 542-8000

Time of use - Winter
57,113 kWh On-peak (Highest Price) @ \$0.18 / kWh 10.28
38,826 kWh Mid-peak (Mid Price) @ \$0.132 / kWh 5.13
308,061 kWh Off-peak (Lowest Price) @ \$0.087 / kWh 26.80

Delivery 42.59
Regulatory 3.12
Debt Retirement Charge¹ 0.00

Your Total Electricity Charges 87.92

H.S.T. (H.S.T. Registration 896718327RT0001) 11.43
8% Provincial Rebate 7.03 CR

Your Previous Charges
Amount of last bill 89.59
Payment Received Jan 16 2017 - Thank You 89.59 CR
Balance Forward 0.00

Total Amount Due by Mar 05 2017 \$92.32

TORONTO HYDRO

Statement Date: Feb 13 2017
Amount Due: \$92.32
Due Date: Mar 05 2017
Amount Paid: [REDACTED]
416.542.8000 www.torontohydro.com

Interest will be charged on any amount not received by the due date at the rate of 1.6% compounded monthly (19.68 % per annum) from the due date until receipt of such amount and all accrued interest.

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Compare your daily usage

Time of use Comparison

Our Conditions of Service document is changing.
Learn more at torontohydro.com/conditionservice

Your electricity usage

Meter Number	Meter Reading Period	Number of Days	Read Type	Current Reading	Previous Reading	Billing Unit	kWh Used	Loss Factor Adjustment	Adjusted kWh Used
10 [REDACTED]	JAN 06 2017 TO FEB 07 2017	32	Act.	96142	95738	1	404	1.0376	419.189

¹ The Debt Retirement Charge was removed for certain residential consumption after Dec. 31, 2015.
Learn more at Ontario.ca/DRC.
Debt Retirement Charge exemption saved you \$2.83

The Ontario government is providing a rebate on your electricity costs equal to the provincial portion of HST.

DRC Messaging
O. Reg. 275/04

8% Rebate
Messaging O.Reg.
364/16

OFHP On-Bill Messaging

- The Ministry is proposing that standardized messaging appear on all electricity bills as of July 1, 2017 to explain the existence of the OFHP. This messaging could include a specific number (e.g., 25% reduction) or none at all (e.g., bills are being substantially lowered).
- LDCs have indicated that including generic OFHP on-bill messaging for July 1, 2017 does not pose a problem, so long as adjustments to the 8% rebate messaging and other existing messaging are made where required.
- The Ministry intends to include the prescribed on-bill messaging in its May 2017 regulatory posting, which should provide adequate notice for LDCs to implement the necessary billing system changes (LDCs indicate they can receive the exact wording up to two weeks beforehand).
- The following text is proposed for the on-bill message:

Ontario's Fair Hydro Plan lowers electricity bills by 25 per cent for typical residential consumers. This includes the eight per cent rebate introduced in January and builds on previous initiatives to deliver broad-based relief on all electricity bills.

or

Ontario's Fair Hydro Plan substantially lowers electricity bills for typical residential consumers. This includes the eight per cent rebate introduced in January²⁰¹⁷ and builds on previous initiatives to deliver broad-based relief on all electricity bills. ✓

- Note, similar to the provisions incorporated under ORECA, the OFHP regulations will allow LDCs to petition the Minister for an exemption to these messaging requirements.
- The Ministry will engage its LDC Working Group to get feedback on this proposed language.

Hydro One: Dynamic OFHP Messaging

- Unlike most LDCs, Hydro One has informed the Ministry that they are capable of including dynamic on-bill messaging for July 1, 2017. This messaging would indicate how much (\$) each customer has saved as a result of the OHFP in the bottom portion of the bill.
 - Hydro One wants to proactively communicate OFHP savings to their customer base in order to limit telephone inquiries and provide better customer service.
- Hydro One is proposing (see mock-up) an "Ontario Fair Hydro Plan" saving number that would include savings from
 - Global Adjustment Refinancing
 - Distribution Rate Protection
 - First Nations Delivery Credit
 - Regulatory charge reductions
- It would not include OESP enhancements or the 8% rebate.
- The Ministry indicated that the calculation of OFHP savings (i.e., which programs/savings are attributable to OFHP) has not yet been finalized. Hydro One was agreeable to amending their calculation based on Ministry direction.
- Hydro One is requesting that regulations grant the flexibility to provide dynamic messaging to those capable of doing so for July 1st, with the static message as default for those that cannot.

 Your Electricity Charges			
Meter Number: 123456789000		Residential Medium Density	
Electricity	Usage	Rate	Amount
On-Peak	275.0 kWh	14.25 ¢	\$ 39.08
Mid-Peak	189.0 kWh	10.45 ¢	\$ 19.79
Off-Peak	526.0 kWh	6.89 ¢	\$ 36.26
Delivery			\$ 61.44
Regulatory Charges			\$ 6.32
8% Provincial Rebate			-\$ 13.03
HST (12345-1234-RT1111)			\$ 19.48
Total of your electricity charges++			\$ 169.35
++ Ontario's Fair Hydro Plan saved you \$46.50.			

Regulated OFHP Bill Insert

- While some LDCs may begin providing inserts in June, all LDCs will be required by regulation to provide inserts beginning in July.
- Unlike the proposed June 2017 bill insert, LDCs would be required to comply with this second bill insert as per regulation. As with ORECA, this insert would be required for two billing cycles (July and August).



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Post-July 1, 2017

Long-Term Messaging Improvements

- The Ministry believes there is opportunity for a consultation on the design of the bill, with a goal to refresh the regulatory framework to improve the value of the bill to the consumer across all LDCs.
 - Changes of this nature will require more in-depth consultation with LDCs, as well as broader regulatory amendments to simplify the requirements, necessitating a longer period to implement.
 - This refresh would also include opportunities to communicate OFHP savings in a more personalized and comprehensive manner.
- The Ministry proposes to convene with LDCs in July, once they've had sufficient time to make the backend changes necessary to implement the OFHP initiatives and general OFHP messaging, to discuss the changes they would like to see to bill presentment. We would also seek their feedback on how to improve the associated regulations.
- Consultation will also involve consumers, consumer advocates and other interested parties.
- Based on this feedback, the Ministry would aim to introduce regulatory amendments to simplify bill presentment in the Fall 2017.

