Q&A Response

Q. What would the impact be of keeping residential rates at 2016 levels from 2017 through 2020?

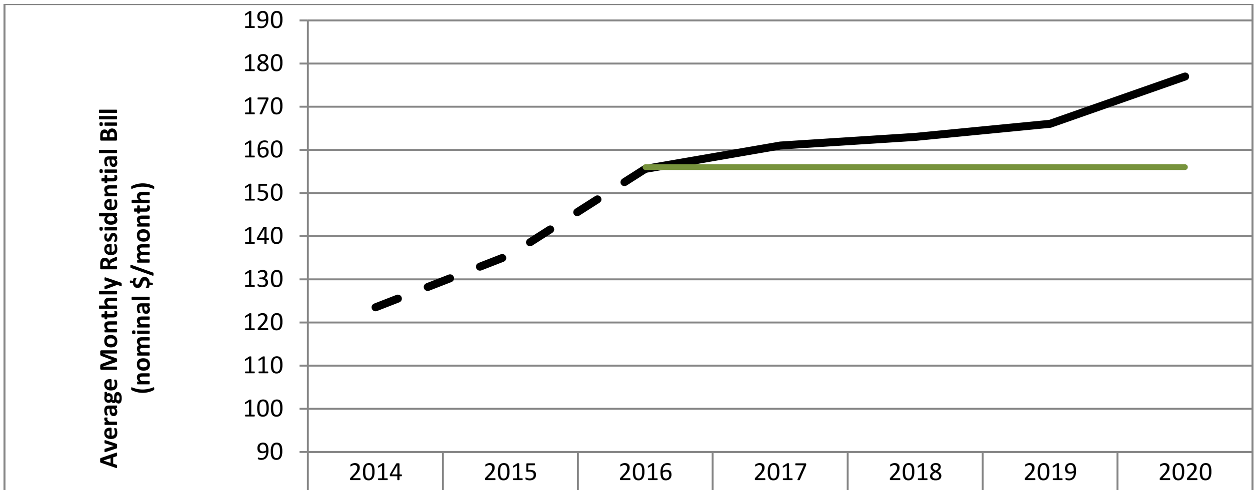
Residential bills are forecast to increase by 13% from 2016 to 2020 in nominal dollars. This represents a compound annual growth rate of 3.2%, substantially higher than assumed inflation of 2%.

Achieving a flat price through 2020 could be achieved through tax base funding or by financing a portion of the electricity charges.

This analysis assumes that electricity bills are kept flat for the typical residential consumer using 750 kWh, but that the program is available to all customers enrolled in the Regulated Price Plan (i.e., residences, small businesses and farms). **Note:** Consumers with different consumption patterns will see varying rate impacts due to their different load shapes and distribution charges.

	2017	2018	2019	2020
Average Monthly Residential Bill Impacts (Nominal $ / Month)	156	156	156	156
Percent Reduction for a Residential Consumer	3%	4%	6%	12%
Required Funding ($ Billion)	0.4	0.6	0.8	1.7

Figure 1: Residential Bill Impacts



	2014	2015	2016	2017	2018	2019	2020
Historical Values	124	136	156				
IESO Forecast			156	161	163	166	177
Proposed Bill			156	156	156	156	156

Figure 2: Percent Reduction for a Residential Consumer

	2017	2018	2019	2020
Percent Reduction	3%	4%	6%	12%

Figure 2: Required Funding