
Ontario's Fair Hydro Plan (OFHP)

Bill Presentment Update

May 23, 2017

Context

- On May 12, 2017, the Ministry's proposal to amend existing regulations and introduce new ones related to electricity invoicing was posted on the Regulatory Registry. No comments have been received to date.
- Local Distribution Companies (LDCs) participating in the LDC Working Group have been briefed by the Ministry on the proposed approach to OFHP bill messaging, most recently on May 17th, and are comfortable with the requirements.
- As part of this approach, LDCs have been asked to voluntarily distribute a bill insert in June 2017, ahead of regulatory requirements, explaining OFHP initiatives and savings to consumers.
 - To date, 33 LDCs have requested the Ministry provide printed versions of these bill inserts. The Ministry has ordered a print run of 4.6 million bill inserts and expects to ship these to LDCs by the end of May.
 - The Ministry has also provided digital copies of the bill insert to the Electricity Distributors Association (EDA).
- As we work toward finalizing the proposed OFHP billing regulations, a few decisions remain outstanding.

Considerations

1. Static On-Bill Messaging – All Consumers or Restrict to Residential

- As drafted, the proposed regulations require all electricity vendors and unit sub-meter providers (USMPs) to include the following OFHP messaging on all invoices as of July 1, 2017:

Ontario's Fair Hydro Plan substantially lowers electricity bills for typical residential consumers. This includes the eight per cent rebate introduced in January 2017, and builds on previous initiatives to deliver broad-based relief on all electricity bills.

- Under the new regulations LDCs would be required to include it on all invoices, including those of commercial-only customers.
- LDCs prefer to include this messaging on all invoices, as it is easier to implement from a billing perspective.
- The Ministry would like confirmation to proceed with regulations that require this message, as drafted, to appear on the bills of all consumers.

Considerations

2. Seasonal Bill Inserts

- The proposed regulations require all electricity vendors/USMPs to include an OFHP bill insert on a quarterly basis for a 12-month period, beginning with the first invoice issued on or after July 1, 2017, until the first invoice issued on or after July 1, 2018.
- LDCs are amenable to this requirement, and are planning to incorporate the wording on the Regulatory Registry for the July 2017 insert.
- However, LDCs raised concerns with including these inserts on a quarterly basis for seasonal customers who only receive four bills per year. These seasonal bills are already required to include additional OEB-mandated materials, making them cumbersome for LDCs to deliver and consumers to digest.
- Consequently, the Ministry recommends adjusting the OFHP bill insert requirement for seasonal consumers, requiring them to be provided on a semi-annual basis (i.e., two bill inserts in the 12-month period).

3. 8% Messaging Repeal

- The necessary amendments to O. Reg. 364/16 to remove the 8% messaging and envelope requirements have been prepared by Legislative Counsel and are in the process of being formally drawn up.
- As it is a Minister's Regulation, this can be enacted at any time. The Ministry could bring forward for approval ahead of July 1st.

Hydro One

- In the regulatory posting, the Ministry signalled its plan to exempt Hydro One from current billing regulations (O. Reg. 275/04) as of July 1, 2017, so that they may proceed with an unconstrained redesign of their bill.
- The Ministry met with Hydro One on May 18, 2017 to discuss this proposed exemption, as well as their planned bill redesign.
- Hydro one confirmed its intention to utilize this exemption, but signalled they would not be in a position to introduce a redesigned bill until November 2017.
 - The bill redesign effort requires a significant amount of consumer testing, as well as a three-month rollout period designed to notify consumers to the billing changes.
- In the interim, Hydro One would maintain their current bill design, but incorporate the required and Ministry-agreed upon elements of OFHP messaging for July 1, 2017. These elements include:
 - Incorporating a "First Nations Delivery Credit" line item with the associated savings displayed under the current "Delivery" line.
 - Inserting dynamic OFHP on-bill messaging indicating the amount of savings on a per customer basis. Hydro One agreed to the Ministry's request to include the 8% provincial rebate in this calculation.
- Hydro One and the Ministry have discussed entering into a memorandum of understanding to document expectations during this period of exemption. It was also communicated to Hydro One that following the outcomes of this Ministry Redesign Action Plan, the regulatory requirements may change and they may be required to adopt further changes to their bill.

APPENDIX: OFHP Messaging – Proposed Timeline

- Based on feedback received from LDCs, the Ministry recommends introducing OFHP messaging requirements in the following stages:

