
10% Rebate for All Electricity Consumers – Preliminary Cost Estimate / Analysis

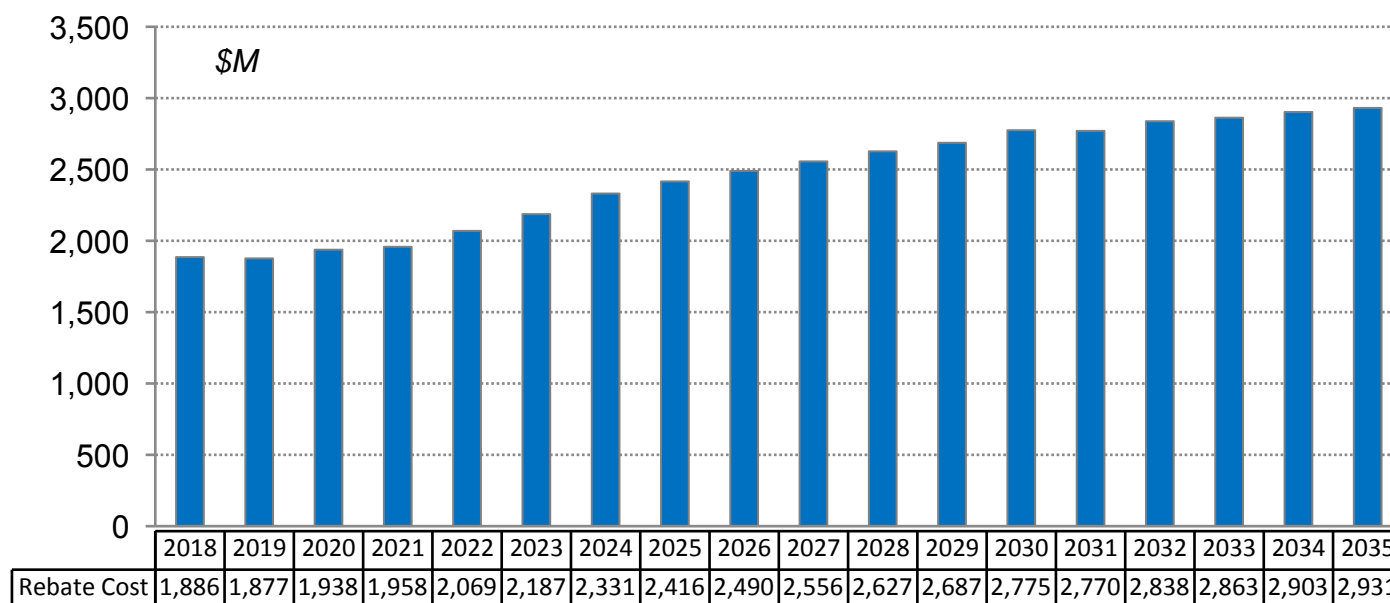
Working Draft

December 2017

10% Rebate for All Electricity Consumers – Cost Estimate

- The chart below shows the estimated annual cost of an across-the-board 10% electricity rebate, based on 2017 Long-Term Energy Plan (2017 LTEP) projects for the total cost of electricity service and adjusted for Global Adjustment (GA) refinancing.
 - It is expected that the annual cost to the tax-base of the rebate would range from less than \$2 billion in 2018 to nearly \$3 billion in 2035.
 - In present value terms (5% discount rate), the total cost would be \$27 billion from 2018-2035.

Cost of 10% Rebate for All Consumers

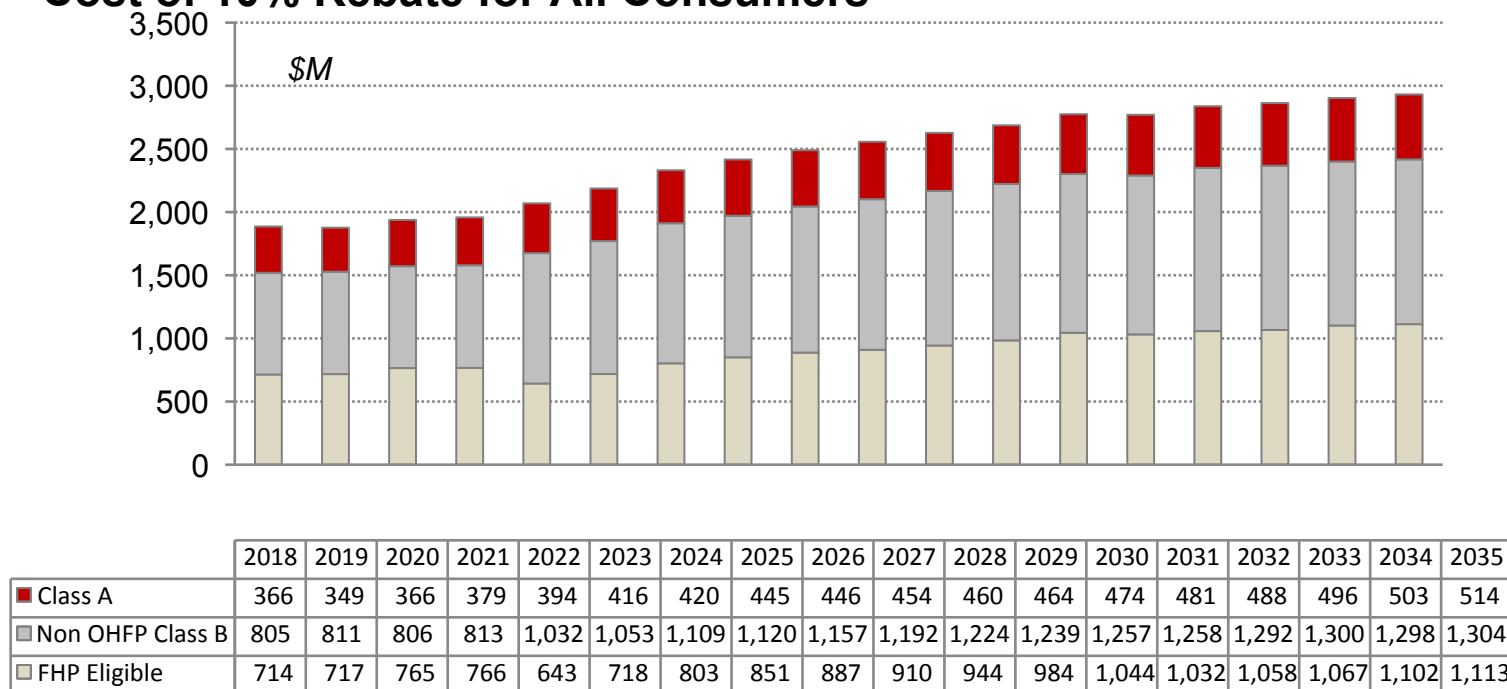


Note: Calculations exclude the impact of tax paid by residential consumers, which increases the estimated cost of the proposed 10% rebate.

10% Rebate for All Electricity Consumers – Cost Estimate (cont'd)

- The chart below shows the estimated annual cost of a 10% rebate broken out by electricity consumer class.
 - The largest share of the rebate would flow to Class B consumers. Note: Their share would be disproportionately larger than their consumption because they currently pay the highest rates.

Cost of 10% Rebate for All Consumers



10% Rebate for All Electricity Consumers – Cost Estimate (cont'd)

- The table below shows the rate impact of a 10% rebate on the three classes of electricity consumers.
 - Non-residential bills will decrease by an additional \$7/MWh in April 2018 due to the removal of the Debt Retirement Charge from bills.

	Current	Post 10% Rebate
FHP Eligible / Residential (\$/month)	121	109
Non FHP Class B (\$/MWh)	165	149
Class A (\$/MWh)	84	76

Note: Residential bill reflects the 750/month proxy consumer under Ontario's Fair Hydro Plan. Class B all-in prices vary by distributor. Class A figure reflects a transmission-connected market participant. Before and after costs would be different for a Class A distribution-connected consumer.