Ontario

MINISTRY OF
ENERGY

Electricity Invoices: Redesign Action Plan

July 2017

Overview: Redesign Action Plan (RAP)

- The Ministry recently introduced new invoicing requirements to support transparency and communication of the changes made under Ontario's Fair Hydro Plan (OFHP).
  - As of July 1, 2017, invoices are required to display standardized on-bill OFHP messaging, as well as include quarterly bill inserts to inform customers about OFHP initiatives.
  - The Ministry has also removed outdated messaging requirements from invoices (e.g., 8% provincial rebate, DRC exemption) in order to free-up space and avoid confusion.
- Despite these recent changes, there is an opportunity to further revise the regulatory framework on invoicing to improve the value of electricity bills to all consumers; ensuring they get the most out of their bills.
- In pursuit of this effort, the Ministry plans to launch a **Redesign Action Plan (RAP)** aimed at improving the appearance and comprehension of electricity invoices.
- To initiate this plan, the Ministry intends to convene a "RAP Working Group" in August 2017 to seek feedback on changes to bill presentment and invoicing regulations from the sector.
- The Ministry also plans to conduct research on bill redesign initiatives through Service Design methodologies, consulting with TBS's Behavioural Insights Unit, the Ontario Digital Service, and also through jurisdictional scans on best practices, as well as background on vendor billing systems.
- Based on these efforts, the Ministry aims to prepare new regulations for Fall 2017. These regulations would come into effect as of January 1, 2018, but require a transition period.

Background: Hydro One's Bill Redesign Initiative

- Since 2015, Hydro One has been investigating ways to improve the appearance and comprehension of its invoices. This Bill Redesign Initiative (see below) is expected to provide 1.1 million Hydro One customers with redesigned invoices by mid-2018.

Late 2015
Launch of Bill Redesign Initiative

- Hydro One begins planning initiatives to enhance its customers' experience, including a **Bill Redesign Initiative** to improve invoices.
- Hydro One hires behavioural consultants, **BEworks**, to conduct behavioural analysis and consumer research.

Early 2016
Research and Development

- Hydro One and BEworks hold in-person research sessions and consult with the OEB and IESO.
- Hydro One's Customer Service Team works with BEworks to **develop new invoices**.

Late 2016
Consumer Testing

- BEworks begins **testing its redesigned invoices with consumers**.
- Feedback obtained from ~3,600 customers (60% Hydro One) reveal the new bills increase: customer satisfaction, comprehension and attitudes towards Hydro One.

Early 2017
Revisions and Further Testing

- Hydro One continues to conduct **focus testing on its redesigned invoices**, including terminology, on-bill messaging and design.
- BEworks conducts blind trials across several demographics.

July 1, 2017
Hydro One Exemption

- **Hydro One exempted** from O. Reg. 275/04 and 196/17.
- Current invoice design maintained in the interim, but Hydro One to add dynamic OFHP messaging. Other conditions contained in H1-ENERGY MOU.

Aug. – Sept. 2017
Consumer Awareness Campaign

- **Hydro One to start informing consumers** of redesigned invoices 3 months before their release.
- Communications strategy to include bill inserts, social media and web content.

November 2017
Deployment of Redesigned Bills

- **Hydro One to begin issuing redesigned bills** to Hydro One Networks and Hydro One Remote Communities individual low volume consumer accounts.

Q2 2018
Complete Implementation

- **~1.1 million customers expected to receive redesigned invoices by end of Q2 2018**.
- Existing invoices to remain in place for all demand, summary and complex billed accounts.

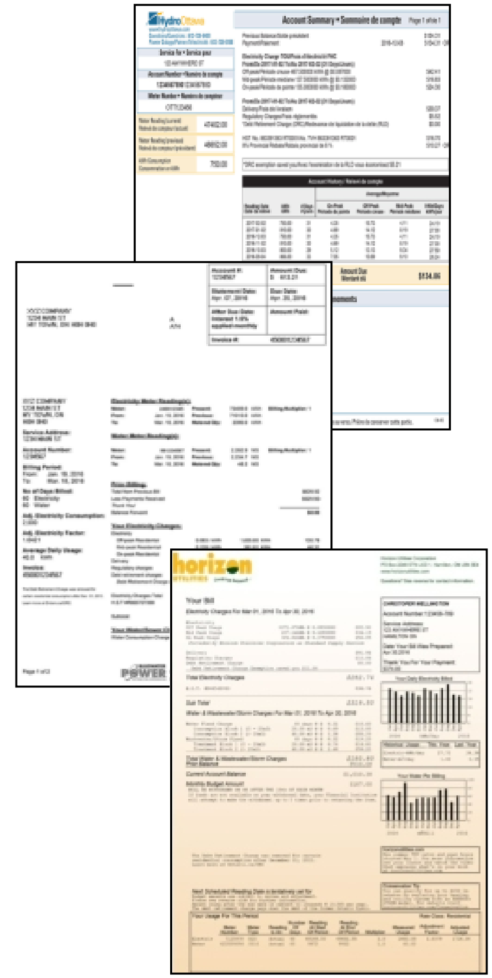
RAP: Policy Objectives

- Under the current regulatory framework, LDCs have the flexibility to present their bill in a way they consider best responds to the preferences of their customer base. Consequently, they have taken different approaches to the grouping, positioning and graphical representation of the required elements.

- Despite this flexibility, consumers report their bills are increasingly confusing and do not provide the desired information.

- In recognition of this growing customer service issue, the Ministry is undertaking the Redesign Action Plan, with the aim of improving electricity bills by achieving the following policy objectives:

  1. **Enhancing the customer experience** by:
     - Improving accessibility.
     - Providing more useful information.
     - Requiring LDCs to adopt more consumer-oriented invoicing processes (e.g., encourage electronic billing, issue mobile-compatible invoices, focus test bill designs).
  2. **Better communicating government initiatives and programs** in place to assist ratepayers;
  3. **Consolidating the regulatory framework** governing invoicing processes and bill presentment; and
  4. **Promoting greater understanding** of the contents of invoices across the province.



RAP: Options for Regulatory Framework

- In constructing a new bill presentment regulatory framework, the Ministry must consider what level of regulatory prescription best enables the achievement of the objectives in a cost-effective and timely manner.

- Potential approaches to developing a new regulatory framework include:

1. **Prescriptive Framework:** Maintain a similar level of regulatory prescription that exists today, but improve the requirements based on behavioural research and RAP Working Group feedback.

    - The Ministry would consolidate and centralize the invoicing regulations currently in operation.

    - Outdated and ineffective prescribed language would be revoked and replaced with more user-friendly descriptions and placement (to be informed by the RAP Working Group). This would maintain uniformity in terminology across the province.

    - The invoicing process followed by LDCs and other providers would go largely unchanged, and the appearance of invoices would still vary between distributors.

2. **Outcomes Framework:** Invoicing regulations would provide a list of prescribed outcomes, similar to the policy objectives identified above, and require invoices to deliver on these outcomes (e.g. improving accessibility). The regulations would empower the OEB to evaluate progress and approve the final invoice design.

    - Prescribed on-bill content would be kept to a minimum and revoked from existing regulations to unencumber LDCs, and other distributors, when redesigning their invoices.

    - Consequently, the government would have less control over invoice appearance and content. Prescribed messaging would be kept to a minimum, as invoice appearance would vary widely across the province.

    - The OEB would be required to participate and oversee the appearance of invoices, in accordance with the regulatory principles.

RAP: Options for Regulatory Framework

3. **Process Approach:** Regulations would not prescribe the same level of detail regarding the content of invoices, instead an "**invoice development process**" would be established for LDCs to follow in designing their bills.

   - The Ministry would develop recommended steps for this new process in consultation with the RAP Working Group. Feedback would be sought on cost and implementation feasibility.
   - Potential steps for inclusion in this new "invoicing process" could be modeled after the Hydro One process and could include:
     - i. Requiring LDCs to hold a "launch" meeting announcing a bill redesign initiative in 2018;
     - ii. Engaging a consumer behaviour expert to assist in developing bill "mock-ups"
     - iii. Requiring LDCs to convene consumer focus groups on proposed bill mock-ups and incorporating the feedback in the ultimate bill design;
     - iv. Posting redesigned bill "mock-ups" for consumer feedback on the LDC website;
     - v. Submitting the redesigned invoice to the Ministry or OEB for review, indicating how consumer feedback was incorporated and how the policy objectives were satisfied;
     - vi. Requiring OEB approval of the final invoice design, in accordance with the regulations.
   - The invoicing process would be designed to produce more user-friendly invoices; giving LDCs the freedom to design invoices that are responsive to their consumers' needs.
   - Smaller distributors – those with budgetary and operational constraints – could partner with larger LDCs, allowing them to pool their resources and reduce costs.

RAP: Proposed Framework – Considerations

	1. Prescriptive Framework	2. Outcomes Framework	3. Process Framework
Provincial Consistency in Appearance	Invoices would remain as, or more, uniform in appearance as they do today.	Invoice appearance would vary, though the Ministry could mandate consistency on core information while maintaining integrity of outcomes approach.	Invoice appearance would vary, though the Ministry could mandate consistency on core information (e.g., subheading names).
LDC Flexibility	LDCs would have the same, or less, flexibility over invoice content/appearance as they do today.	LDCs would have great flexibility to design a personalized bill that delivers on the prescribed outcomes for their customers.	LDCs would be required to undertake certain activities and follow a prescribed process in developing invoices, but would retain more input on their look.
OEB Role	The OEB's present role would continue, i.e., ensuring compliance with regulatory requirements.	The OEB would be asked to develop evaluation criteria to evaluated invoices and determine whether prescribed outcomes are met.	The OEB would have an expanded role in validating process requirements for redesigned invoices.
Ministry Role/RAP Scope	Ministry may need to undertake focus groups to ensure new regulations align with consumer interests.	Ministry would occupy a less intensive role; would consult with LDCs to ensure alignment on intended outcomes.	Ministry and RAP Working Group would research the effectiveness of the invoicing process requirements. Ministry could also review redesigned invoices.

Cost and time estimates for implementing the frameworks would be developed in consultation with the working group.

RAP: Proposed Framework – Considerations

- The Ministry recommends hiring a third party consultant that specializes in behavioural economics and service design to inform the development of a new invoicing process, and the accompanying regulatory framework.
    - Note, the Ministry is able to procure a third party from the Commissioned Research Vendors of Record.
- This third party consultant would be asked to provide consumer insights and identify which elements of the bill should maintain consistency across the province, as well as the elements that should be removed and/or revised to increase customer comprehension and satisfaction.
- Obtaining the services of a third party would introduce objectivity into the Ministry's RAP process. It would also ensure any proposed language and/or new invoicing requirements have been prototyped and tested with consumers.
- Potential on-bill elements to be consumer-tested include:
    - Improving the phrasing of the main sub-headings (e.g., finding ideal replacements for the terms “Electricity”, “Delivery”, “Regulatory charges” etc.);
    - Clarifying the definitions and terms that appear on invoices (e.g., whether to continue requiring a “Glossary of Terms”);
    - Revising prescribed elements of the invoice (e.g., improving the usefulness of historic and current consumption levels, determining where information is best placed on the bill);
    - Improving the reception of government messaging (e.g., Ontario’s Fair Hydro Plan messaging, OESP messaging); and
    - Increasing transparency and clarity of invoice calculations.
- Note, the use of a third party would likely extend the project’s timelines, however it would help to ensure the resulting invoice requirements are in keeping with the Ministry's objectives.

RAP: Working Group

- The Ministry intends to form a **RAP Working Group** to solicit feedback on the current state of electricity invoicing in the province. This group will be asked to identify areas for improvement and to assist with the development and implementation of a new regulatory framework.
- The working group will consist of Hydro One, the Electricity Distributors Association (EDA), the Coalition of Large Distributors (CLD), additional LDCs/USMPs (see table), the OEB and relevant industry associations.
- The proposed LDC and USMP participants have wide-ranging service territories and collectively bill ~75% of Ontario's electricity customers. These participants also use the various types of billing system software currently in operation (e.g., Northstar, CC&B, SAP and Daffron).
- In addition, some of these distributors serve Indigenous and First Nations customers in remote areas, and are responsible for providing the new First Nations Delivery Credit (e.g., Northern Ontario Wires, CNP Distributors). Select distributors also provide combined utility and electricity bills (e.g., Alectra Utilities, Toronto Hydro).
- The Ministry plans to organize a launch meeting in early August for representatives from these organizations to attend.
- Following the launch, the working group will continue to meet throughout the redesign process and include invited guests to speak on specific topics, such as behavioural economics.

PROPOSED LDC/USMP MEMBERSHIP
Hydro One (includes Hydro One Networks Inc., Hydro One Remote Communities Inc., Cat Lake Power Community)
Ontario Energy Association (OEA)
Electricity Distributors Association (EDA)
Coalition of Large Distributors (includes Toronto Hydro, Alectra Utilities, Hydro Ottawa, London Hydro)
CornerstonE Hydro Electric Concepts (CHEC, includes 15 LDCs)
Guelph Hydro
Thunder Bay Hydro
Northern Ontario Wires
Burlington Hydro
Canadian Niagara Power (CNP) Distributor Inc. (includes Cornwall Electric, Algoma Power Inc., Fort Erie, Cobourg)
Lakeland Power Distribution Ltd.
Bluewater Power
Enercare Connections Inc.
Niagara Peninsula Energy Inc.
Veridian Connections

RAP Working Group: Proposed Agenda

- The following is a proposed agenda for the launch meeting of the RAP Working Group, to be scheduled during the week of August 1-4, 2017. It is expected this initial meeting would require approximately two hours.

- **PROPOSED AGENDA:**

1. **Welcome – Chief of Staff**

2. **Introduction to the Redesign Action Plan (RAP) – Ministry of Energy**
   - Overview of the RAP initiative, including government objectives and timelines
   - Identify expected role for RAP Working Group

3. **Presentation – Hydro One's Bill Redesign Initiative**
   - Hydro One to provide an overview of their bill redesign initiative including: the research and development process, the time and resource requirements, and their planned roll-out of redesigned bills

4. **Presentation – BEworks**
   - BEworks to provide an overview of behavioural economics, and to discuss preliminary research findings on improving the usefulness of electricity invoices to consumers

5. **Group Discussion**
   - Ministry to reiterate RAP objectives, including the development of a new invoicing process and consolidation of the regulatory framework
   - Ministry to seek input from the sector (e.g., LDCs, USMPs) on:
     - key issues/obstacles with current invoice requirements
     - changes sought to invoice requirements and process
     - development of a new invoicing process designed to achieve RAP objectives
     - current obstacles (e.g., resource and time constraints) to undertake bill redesign
   - Ministry to inquire whether any LDCs, USMPs etc have already begun examining updates to their invoices

6. **Establishing Meeting Schedule**
   - Second meeting scheduled to occur in mid-to-late August, with a third to follow in early September

RAP: Additional Methodology

- **Hydro One Feedback:** As a condition of their regulatory exemption (specified in the MOU), Hydro One has agreed to share its findings from their bill redesign process, including insights and education on the design approach taken on key bill elements.
  - Hydro one has also offered to facilitate a meeting between Ministry staff and the vendors responsible for providing customer information and billing services to Ontario distributors, including Harris Utilities.
- **Ministry Research and Analysis:** Simultaneously, the Ministry is undertaking research that will provide Ontario-specific and cross jurisdictional insight on the design of electricity bills and the process of changing bills. The information is intended to complement the evidence presented by Hydro One, the OEB and the RAP Working Group.
  - Based on secondary and primary document analysis as well as select stakeholder interviews, the research will focus on:
    - evaluating the state of electricity billing systems in Ontario;
    - identifying the best practices for electricity bill design, by evaluating efforts in other jurisdictions and results from the behavioural insights literature; and
    - if needed and time permitting, conducting independent focus groups with stakeholders, including LDCs, CIS vendors and residential customers.
  - See Appendix B for preliminary findings on these topic areas.

RAP: Role of Communications

- RAP Communications plan currently under development. Will be designed to include:
  - strategy;
  - tactics;
  - stakeholder/industry engagement; and
  - future Ministerial event options.
- Communications to provide support and advice on development of engagement strategies for the RAP Working Group and public-facing communications activities with LDCs.
- Communications also to support the Ministry’s collaboration with:
  - TBS’ Behavioural Insights Unit
  - Ontario Digital Service
  - Procurement of a Service Design firm from the Commissioned Research Vendor of Record (VoR)

RAP: Proposed Timeline

- Given the target to have new invoicing regulations for January 1, 2018, Ministry staff recommends undertaking the Redesign Action Plan according to the following timeline:

RAP Working Group Kick-Off: Launch meeting held with LDC CEOs, industry assoc., sector reps. etc. in early August. BEworks invited to discuss findings (TBD).

RAP Working Group Meetings: RAP WG to meet three times in Aug. – Sept. to seek feedback on changes to bill presentment & regulatory framework.

RAP Working Group: Ministry develops recommendations based on the feedback received.

Regulations Completed: Regulatory drafting completed by early November.

Proposed regulations posted on Regulatory Registry for feedback mid -November (comment period of 45 days).

January 1, 2018: New regulations to become effective as of January 1, 2018.

Transition period to be included for LDCs to adopt new invoicing requirements (TBD).

July — August — September — October — November — December — January 2018

July 1, 2017: OFHP invoicing regulations come into force.

Hydro One exempted from invoicing requirements.

Ministry Research: Ministry to conduct additional research on Ontario's billing system, bill redesign efforts in other jurisdictions and consumer behavioural insights.

Drafting Regulations: Ministry uses RAP WG feedback and Ministry research to develop aa new regulatory framework.

Ministry works to with LSB and Leg. Counsel to draft new regulations throughout October.

LRC Approval: Ministry seeks LRC approval of new invoicing regulations/ framework.

Minister to sign sealed regulations, once approved by Cabinet.

Hydro One Redesigned Invoices: Hydro One's redesigned invoices expected to reach 1.1 million consumers by Q2 2018.

Next Steps

1. Execute Memorandum of Understanding (MOU) with Hydro One to clarify the terms of the regulatory exemption, which took effect July 1, 2017.
2. Set-up RAP Working Group kick-off meeting for early August with selected participants:
    - BEworks has agreed to present some of their behaviour research findings.
    - Formally invite selected participants to join the RAP Working Group.
    - Ensure objectives are articulated for the working group.
3. Include this initiative in the upcoming Long-Term Energy Plan (LTEP).
4. Continue Ministry research efforts into billing systems and invoice redesign.
5. Procure the services of a third party Service Design firm to help develop and test components of the bill with consumers.

Appendix A: Current Invoicing Framework

Government Authority – Legislation and Regulations

- The government's authority regarding the form of electricity bills for consumers is established by s. 79.17 of the *Ontario Energy Board Act*, 1998 (OEBA). Specifically:
  - (1) The Minister may require that invoices issued in respect of electricity to consumers who are members of a class of consumers prescribed by the regulations meet requirements to be prescribed by the regulations or be in a form approved by the Minister.
  - (2) The regulations may prescribe or the Minister may approve different requirements for invoices and may prescribe or specify the circumstances in which each requirement shall apply or be used and the Minister may approve different forms of invoices and the circumstances under which the forms are to be used.
- Several regulations under the OEBA, the *Electricity Act*, 1998 (EA), the *Ontario Rebate for Electricity Consumers Act*, 2016 (ORECA), the *Ontario Fair Hydro Plan Act*, 2017 (OFHPA) prescribe content, and where applicable, specific language that must appear on consumer bills. These include:
  - **O. Reg. 275/04**, made under OEBA s.79.17. Requirements for bills of low volume (residential and small business) customers include: the display of four line items ("Electricity", "Delivery", "Regulatory" and "Debt Retirement Charge"), a glossary explaining these items in prescribed language, historical consumption information and messaging related to government policy.
  - **O. Reg. 364/16**, made under ORECA s.15.2. Previously included requirements for LDCs with respect to bill, bill insert and envelope presentation of the 8% provincial rebate messaging for consumers.
  - **O. Reg. 429/04**, made under EA s.25.33. Requires Global Adjustment disclosure on bills issued to low-volume consumers with retailer contracts (~300K customers) and those not participating in the OEB's Regulated Price Plan (RPP) along with specific explanatory language for these consumers.
  - **O. Reg. 196/17**, made under OFHPA. Requires LDCs to include on-bill messaging relating to Ontario's Fair Hydro Plan (OFHP), as well as issue quarterly OFHP bill inserts (only semi-annually for seasonal rate class customers).

O. Reg. 275/04 (Information on Invoices to Low-Volume Consumers of Electricity)

- O. Reg. 275/04 is the main regulation which prescribes specific content and wording which must be included on residential and small business bills for electricity.
- Items mandated by O.Reg. 275/04 include:
  - The inclusion of the heading “Your Electricity Charges”
  - The inclusion of four sub-headings in the following order “Electricity”, “Delivery”, “Regulatory” and “Debt retirement charge” (DRC),
  - Specific requirements related to each of the sub-headings, for example:
    - Electricity: the invoice must indicate clearly and separately the amount of electricity consumed, the commodity price for the electricity and any other information related to the consumption of electricity that may be required as the result of other regulations or OEB requirements
    - Delivery: O.Reg. 275/04 specifies that the bill must indicate the total delivery charge and also lists the various charges which must be included in the calculation of the total delivery charge
    - Regulatory Charges: O.Reg. 275/04 specifies that the bill must indicate the total regulatory charge and also lists the various charges which must be included in the calculation of the total Regulatory charge
    - DRC: if the bill is for a residential consumer after December 31, 2015 then the DRC payable should be listed as zero. Otherwise the invoice must clearly indicate the amount of the debt retirement charge payable
  - The inclusion of:
    - The historical consumption of electricity by the consumer that enables the consumer to compare electricity consumption from the current billing period to electricity consumption from earlier billing periods.
    - Consumption information as measured by the meter.
    - Messaging related to Conservation, Renewable or Alternative Energy Sources and the Ontario Electricity Support Program (OESP) as appropriate. Actual messaging may be prescribed (content, form, location of the message on the bill) by the Minster.
    - A glossary explaining the four sub-heading items in prescribed language set out in O.Reg. 275/04.
    - Information on how to contact the LDC, including website and telephone number, in prescribed language.

O. Reg. 364/16 (Invoicing Requirements)

- O. Reg. 364/16, made under the *Ontario Rebate for Electricity Consumers Act*, 2016, stipulates requirements for LDCs with respect to displaying the 8% provincial rebate as of January 1, 2017.
- These invoicing requirements were recently amended in May 2017 to create room for new OFHP messaging and to avoid potential confusion amongst consumers.
- Following these amendments, this regulation only requires LDCs to include an "8% Provincial Rebate" line item on invoices displaying the associated savings. However, when it was first introduced in October 2016, the regulation formerly required:
    - On-bill messaging:
        - Must label the credit as "8% Provincial Rebate"
    - On-envelope messaging:
        - Required to set out the following statement in an appropriate location on the face of the envelope: "Ontario is helping reduce electricity costs for families, businesses and farms", and
        - include, in a reasonably prominent location on the face of the envelope, the words "8% Provincial Rebate".
    - Bill insert distribution:
        - Issue two bill inserts to consumers that contain the following wording:

            On January 1, 2017, your electricity costs went down 8%.

            Ontario's government is reducing electricity costs by rebating an amount equal to the provincial portion of the HST on your monthly hydro bill. That's an 8% rebate for Ontario families, and on average will mean $130 more in your pocket each year.

            This is part of Ontario's plan to help people with the costs of everyday living by reducing electricity costs. Across Ontario, about five million residential consumers, farms and small businesses will benefit from this rebate.

            [*Insert Electricity vendor or USMP name*] will implement these savings onto your bill by July 1, 2017. Applicable savings will be retroactive to January 1, 2017.
        - These bill inserts were also required to contain the Ontario government trillium logo in a reasonably prominent location on the face of the insert, as well as the words "8% Provincial Rebate".
- These requirements represent a prescriptive approach to program messaging. Without the regulatory amendment that occurred in May 2017, LDCs would still be complying with these invoicing requirements.

Bill Example – Bill Front

Toronto Hydro-Electric System Limited

YOUR ELECTRICITY BILL

TORONTO HYDRO

Account Number
30[redacted]
To be used for payments

Premise number
4[redacted]

Meter Number
10[redacted]
SCARBOROUGH ON [redacted]

Statement Date	Feb 13 2017
Amount Due	$92.32
Due Date	Mar 05 2017
Amount Paid	

416.542.8000 www.torontohydro.com

Interest will be charged on any amount not received by the due date at the rate of 1.5% compounded monthly (19.56 % per annum) from the due date until receipt of such amount and all accrued interest

Statement Date, Policy on Due Date
OEB Codes

Phone & Website Contact O. Reg. 275/04

Service Location: [redacted], SCARBOROUGH

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Heading
O. Reg. 275/04

Your Electricity Charges

Sub-headings
O. Reg. 275/04

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

Time of use - Winter

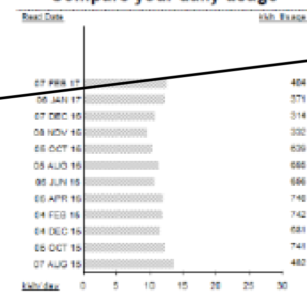
57.113 kWh On-peak (Highest Price) @ $0.18 / kWh	10.28
38.826 kWh Mid-peak (Mid Price) @ $0.132 / kWh	5.13
308.061 kWh Off-peak (Lowest Price) @ $0.087 / kWh	26.80
Delivery	42.59
Regulatory	3.12
Debt Retirement Charge[1]	0.00
Your Total Electricity Charges	87.92
H.S.T. (H.S.T. Registration 896718327RT0001)	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**

Price & Consumption Breakdown must follow "Electricity" Sub-heading
O. Reg. 275/04
Policy on Applicable TOU Price and Period
OEB Codes

8% Rebate
O.Reg. 364/16

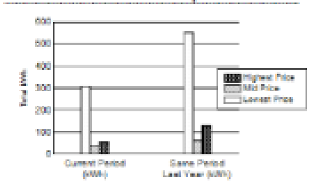
Policies on Late Charges, Balance Forward, Deposits, Total Amount Due, etc
OEB Codes

Compare your daily usage



Historical Use Comparison
O.Reg. 275/04
- *Not required in graphic form*
- *No specific requirements re: the length of historical comparison period*

Time of use Comparison



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

Actual Meter Read O. Reg. 275/04

Your electricity usage

Meter Number	Meter Reading Period	Number of Days	Read Type	Current Reading	Previous Reading	Billing Mult.	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

DRC Messaging O. Reg. 275/04

8% Rebate Messaging O.Reg. 364/16

[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.

Bill Example – Bill Back

Policies on Forms of Payment
OEB Codes

Explanation of Electricity Terms in Prescribed Language
O. Reg. 275/04

TOU Prices and Periods
OEB Codes

Website links for where to get more Information in Prescribed Language
O. Reg. 275/04

CONTACT US

BUSINESS HOURS
Monday to Friday
8:00 A.M. to 4:30 P.M.

TELEPHONE
416.542.8000

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POWER OUTAGE?
24-HOUR HOTLINE
416.542.8000

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IT'S THE LAW
1.800.400.2255

REPORT A STREETLIGHT OUT
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416.542.3195

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Conveniently manage your bill online–anytime, anywhere **torontohydro.com/ebills**

MAIL
Send cheque (including invoice stub) to: Toronto Hydro PO BOX 4490 STN A Toronto, Ontario M5W 4H3

ATM OR TELLER
Pay your bill in person

TELEPHONE OR ONLINE BANKING
Make a payment right through your bank!

GO GREEN, SAVE TREES
If you do not need a return envelope with your bill, please email us at **contactus@torontohydro.com**

PRE-AUTHORIZED PAYMENTS
Pay your bills automatically and on time, through your bank **torontohydro.com/pap**

My TorontoHydro® Access your account online–24 hours a day, 7 days a week

Moving made easier
Update your move information online in just minutes–quick & easy

Manage your accounts wherever you are
Log in from anywhere you have internet access, 24/7

Are you a landlord?
Track electricity consumption for units across the city

View account details with just one click
Current balances, due dates and payment methods

See your bills at-a-glance
Up to two years of payment history is available

Sign up for an online account at torontohydro.com/mytorontohydro

You can access our Privacy Policy at **torontohydro.com/privacypolicy** or you can call us at **416.542.8000** to request a copy of this policy. We are committed to protecting your privacy and would like to take this opportunity to inform you about the personal information we collect, how it is used, how we protect your confidentiality and your rights with respect to this information.

LEARN MORE ABOUT HOW YOUR ELECTRICITY DOLLARS ARE SPENT AT TORONTOHYDRO.COM/LEARNMORE

Explanation of Electricity Terms on Your Bill. For a detailed explanation of electricity terms, please visit: torontohydro.com/billing or ontarioenergyboard.ca

Electricity–This is the cost of the electricity supplied to you during this billing period and is the part of the bill that is subject to competition.

Delivery–These are the costs of delivering electricity from generating stations across the Province to Toronto Hydro then to your home or business. This includes the costs to build and maintain the transmission and distribution lines, towers and poles and operate provincial and local electricity systems.

A portion of these charges are fixed and do not change from month to month. The rest are variable and increase or decrease depending on the amount of electricity that you use.

The delivery charge also includes costs relating to electricity lost through distributing electricity to your home or business.* Toronto Hydro collects this money and pays this amount directly to our suppliers.

*When electricity is delivered over a power line, it is normal for a small amount of power to be consumed or lost as heat. Equipment, such as wires and transformers, consumes power before it gets to your home or business.

Regulatory Charges–Regulatory charges are the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid and include the costs associated with funding Ministry of Energy conservation and renewable energy programs.

Debt Retirement Charge–The debt retirement charge pays down the debt of the former Ontario Hydro.

Global Adjustment–Electricity generators in Ontario receive a combination of payments from the operation of the wholesale market, payments set by regulation, and payments under contract. Your portion of the net adjustments arising from these and other authorized payments is included on your bill as the Global Adjustment.

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OEB Authority – Codes

- The Ontario Energy Board (OEB), the electricity sector's independent regulator, sets out rules and guidelines in its various Codes that electricity LDCs must abide by as a condition of their licence.
- A number of OEB Codes include high level requirements with respect to customer billing, however these requirements largely relate to policies such as billing accuracy and frequency, as opposed to including specific requirements on how these matters should appear on the bill.
  - **Distribution System Code (DSC):** includes the requirement for disclosure of the date of bill issuance, stipulations related to billing accuracy, monthly billing frequency for non seasonal customers, provisions for a minimum payment period and instructions on how to determine the related timings, guidelines on late payment charges, the hierarchy of application of customer payments to respective charges when payment amounts are insufficient to cover the entire amount payable and rules on arrears management.
  - **Standard Supply Service (SSS) Code:** outlines requirements related to the provision of equalized monthly payment/billing plan options to customers, specifies the form of pricing structure to be charged for electricity commodity for various customer types e.g. spot market versus the OEB's regulated price plan (RPP) i.e. time-of-use (TOU) pricing and requirements for LDCs to notify customers of changes to TOU rates/periods on their website and by means of bill messages or bill inserts. The SSS mandates that bills must comply with applicable legislation, regulations and codes.
  - **Retail Settlement Code (RSC):** prescribes rules for transactions and responsibilities between LDCs and retailers, including specific obligations between LDCs and retailers with respect to 'retailer-consolidated' billing by LDCs for customers with retail contracts.

Appendix B: Preliminary Research Findings

Electricity Billing Systems in Ontario

Billing System Vendors:

- As of 2012, over 40 Ontario utilities used Harris Utilities to provide customer information and billing services.
  - Other providers include Oracle (provider for Powerstream, now Alectra) and SAP (provider for Hydro One and London Hydro).
- Harris Utilities is an agglomeration of multiple different services including:
  - NorthStar customer information systems (CIS)
  - MeterSense meter data management (MDM)
  - CustomerConnect customer engagement solutions (CES)
- The Ontario utilities that use Harris Utilities participate in frequent Ontario Harris User Group meetings.

Billing Services in Rate Filing Applications:

- Bill preparation and mailing, costs for recording revenue from a normal payment, and other costs associated with collecting, are recorded in rate application accounts 5315, 5320 and 5340.
- Utilities with Cost of Service (COS) applications average the costs across different customer groups including Residential, General Service, and Streetlights.
- Utilities with price Cap IR applications quote the charge per month per customer, and amounts differ depending on the type of customer.

Best Practices for Electricity Bill Design

- Consumer analysis research has identified behavioural intervention points for effective bill design:
  - Time-of-Use (TOU) visuals should be intuitive to lessen cognitive load associated with understanding consumption data. This includes using vertical bar graphs for historical feedback and single-bar graphs for comparative feedback.
  - Price per kilowatt hour (kWh) should be displayed in cents, to improve fluency, and in a consistent manner across all presentations of TOU information. Simplified pricing can help consumers better understand and alter energy consumption patterns.
  - Consumers are more likely to modify consumption behaviour when their current usage is compared to past usage (historical benchmarking) or to that of others (social benchmarking).
  - Effective feedback on energy use is most effective when delivered:
    - regularly, interactively and digitally,
    - tailored to the householder,
    - capable of providing information by appliance,
    - accompanied by advice for limiting energy use, and
    - associated with a challenging goal.

- Some preliminary jurisdictional insights:
  - Sweden: Infrequent bill receipt (4-12 times per year) limited feedback, impeding effective changes in consumption behaviour.
  - California: In 2011, smart-billing was mandated to ensure customers have access to detailed energy use data. Rules include presentation of energy data online (updated daily), tier alerts that show customers when they move into higher pricing tiers, and data-access to third party services to support energy efficiency, demand response, and energy advice.