AMENDMENTS TO O. REG. 442/01 RURAL OR REMOTE ELECTRICITY RATE PROTECTION

1. **Amend the Rural or Remote Electricity Rate Protection regulation under the *Ontario Energy Board Act, 1998*, O. Reg. 442/01. The amendment will come into force on January 1st, 2017.**

Current Regulation	Proposed Amendment	Rationale for Change
N/A	**S.1(1)** "base distribution rate" consists of the monthly fixed distribution charge and the distribution volumetric rate, excluding any fixed or variable rate riders or adders;	The regulation is amended by adding the definition of base distribution rate to the definitions section. The term is an integral part of the rate adjustment mechanism described in s. 4(1.1)(a).
S. 1(1) "rural area" means those parts of Ontario connected to the IESO-controlled grid that, before March 31, 1999, received electricity from Ontario Hydro and, at the time subsection 26 (1) of the Electricity Act, 1998 comes into force, are receiving electricity from Hydro One Networks Inc. O. Reg. 442/01, s. 1 (1); O. Reg. 383/04, s. 1 (1); O. Reg. 391/09, s. 1; O. Reg. 273/16, s. 1.	"rural area" means those parts of Ontario connected to the IESO-controlled grid that, before March 31, 1999, received electricity from Ontario Hydro and, at the time subsection 26 (1) of the Electricity Act, 1998 ~~comes~~ came into force, are receiving electricity from Hydro One Networks Inc. O. Reg. 442/01, s. 1 (1); O. Reg. 383/04, s. 1 (1); O. Reg. 391/09, s. 1; O. Reg. 273/16, s. 1.	The change reflects a housekeeping item to align the definition with the current state of the *Electricity Act, 1998*.
S. 4. (1) The total amount of rate protection available for eligible consumers in each year after 2005 shall not exceed $127 million plus the amounts calculated under subsections (2) and (3.1) based on the amount of rate protection provided by the distributor to eligible consumers for the previous year. O. Reg. 273/16, s. 3 (1). (1.1) Revoked: O. Reg. 273/16, s. 3 (1).	**S. 4 Amount of rate protection** (1) The total amount of rate protection available for eligible consumers in 2017 and for each year thereafter shall not exceed the sum of, (a) $243.4 million, plus any annual adjustments calculated under subsection (1.1) for the year and for any previous years; and (b) the amounts calculated under subsections (2) and (3.1) based on the	The purpose of the amended s. 4(1) is to increase the amount of rate subsidy that eligible rural customers receive. Subsection (1)(a) increases the previous lump sum total by $116.4 million. Subsection (1.1) directs the OEB to adjust the subsidy in 2018 and thereafter by the average percentage change in base distribution rates of residential and general service consumers with an average monthly maximum demand of less than 50 kW approved by the OEB for all distributors in the previous year.

Current Regulation	**Proposed Amendment**	**Rationale for Change**
	amount of rate protection provided by the distributor to eligible consumers for the previous year. (1.1) For 2018 and for each year thereafter, the Board shall calculate the total amount referred to in clause (1) (a) for the year by, (a) calculating the simple arithmetic average of the percentage changes to the base distribution rates for residential consumers, and for non-residential consumers with an average monthly maximum demand of less than 50 kW, that were approved by the Board for all distributors for the previous year; and (b) increasing or decreasing the total amount calculated for the previous year by that percentage.	
S. 4 (4) For each year, the Board shall calculate the amount of rate protection for individual consumers referred to in subsection 79 (2) of the Act and in section 2 of this Regulation in a manner that ensures that the total amount of rate protection for those consumers is equal to the total amount of rate protection available for the year under subsection (1) or (1.1), according to the following rules:	**S. 4** (4) For each year, the Board shall calculate the amount of rate protection for individual consumers referred to in subsection 79 (2) of the Act and in section 2 of this Regulation in a manner that ensures that the total amount of rate protection for those consumers is equal to the total amount of rate protection available for the year under subsection (1) ~~or (1.1)~~, according to the following rules:	The amendment is consequential and meant to reflect the amendment to s. 4(1). The amendment carves out the former subsection (1.1) as a housekeeping matter.
S. 5 12) If the amount collected under subsection (5) in a year exceeds the total amount of rate protection available for	**S. 5** (12) If the amount collected under subsection (5) in a year exceeds the total amount of rate protection available for	The amendment aligns s. 5(12) and (13) with the amendment above to s. 4(1) by eliminating any reference to s. 4(1.1) and replacing it with 4(1).

Current Regulation	Proposed Amendment	Rationale for Change
eligible consumers under subsection 4 (1.1) for that year plus any rate protection interest costs incurred in that year, the excess shall be applied against the amount necessary to compensate distributors who are entitled to compensation under subsection 79 (3) of the Act for the following year. O. Reg. 52/16, s. 1 (4). (13) If the amount collected under subsection (5) in a year is less than the total amount of rate protection available for eligible consumers under subsection 4 (1.1) for that year plus any rate protection interest costs incurred in that year, the difference shall be added to the amount necessary to compensate distributors who are entitled to compensation under subsection 79 (3) of the Act for the following year. O. Reg. 52/16, s. 1 (4).	eligible consumers under subsection 4 (1~~.1~~) for that year plus any rate protection interest costs incurred in that year, the excess shall be applied against the amount necessary to compensate distributors who are entitled to compensation under subsection 79 (3) of the Act for the following year. O. Reg. 52/16, s. 1 (4). (13) If the amount collected under subsection (5) in a year is less than the total amount of rate protection available for eligible consumers under subsection 4 (1~~.1~~) for that year plus any rate protection interest costs incurred in that year, the difference shall be added to the amount necessary to compensate distributors who are entitled to compensation under subsection 79 (3) of the Act for the following year. O. Reg. 52/16, s. 1 (4).	
6. Revoked: O. Reg. 383/04, s. 6.	**Invoice statement** **6. (1)** Consumers who are described by paragraph 2 of section 2 are prescribed as a class for the purposes of section 79.17 of the Act. (2) Subject to subsection (3), an invoice that a distributor issues to a consumer referred to in subsection (1) shall include the statement "Your delivery charge is reduced through Rural or Remote Rate Protection by", followed by the amount of monthly rate protection approved by the Board for the year, followed by "per	The amendment adds section 6(1) to the regulation. The purpose of the amendment is to prescribe messaging for consumers named in subsection (1) that will appear on the bill and require that an additional paragraph, describing the benefits that consumers are entitled to under the expanded RRRP, be included in the bill insert that must accompany the first invoice a bill issuer issues that includes the OREC 8% rebate on the invoice. Distributors may meet the obligation by providing the equivalent information in French (e.g. for its French-speaking

Current Regulation	Proposed Amendment	Rationale for Change
	month”. (3) Where the invoice is [presented in French, the requirement in subsection (2) may be met by using the equivalent wording in French. (4) Subject to subsection (5), if a distributor is required to send a bill insert referred to in paragraph 6 of subsection 2 (1) of Ontario Regulation **/16 (Invoicing Requirements) along with the invoice of a consumer referred to in subsection (1) of this section, the distributor shall add the following statement to the insert: You will also receive additional relief that will decrease total electricity bills by an average of $540 a year or $45 a month, inclusive of your 8% rebate. This decrease will be reflected in the delivery charge, as a result of the enhanced Rural or Remote Rate Protection (RRRP). (5) Where the bill insert is presented in French, the requirement in subsection (4) shall be met by using the equivalent wording in French.	customers). Subsection (2) comes into force on January 1st, 2018, one year after the commencement of the rest of the regulation, to revoke the spent provision relating to the bill insert requirements.

2. (1) Subject to subsection (2), this Regulation comes into force on January 1, 2017.

(2) Subsection 6 (2) comes into force on January 1, 2018.