

Ministry of Energy

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MC-2017-837

[Letter to MPPs – OFHP legislation]

[Name]
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[Address]
[City] ON [Postal Code]

Dear [Name]:

I am writing to you regarding the *Ontario Fair Hydro Act, 2017* which was introduced today. As I wrote in my letter of April 6, 2017, this legislation would, if passed, create the appropriate and lasting structures to sustain Ontario's Fair Hydro Plan for the years ahead.

As you know, if the legislation passes, starting this summer Ontario's Fair Hydro Plan will reduce electricity bills by 25 per cent for a typical residential customer. Up to half a million small businesses and farms are also expected to benefit. Furthermore, any increases over four years would be held to the rate of inflation. These measures include the eight per cent rebate introduced in January and build on previously announced initiatives to deliver broad-based rate relief on all electricity bills.

The actions taken by the Government of Ontario to achieve a clean, modern and reliable electricity system have resulted in significant costs. The burden of financing the electricity system improvements and funding key programs has unfairly fallen on the shoulders of today's consumers. The Government of Ontario is committed to ensuring that the costs of financing these investments are allocated fairly among present and future generations of consumers.

On April 20, 2017, the Ontario Energy Board (OEB) announced new Regulated Price Plan (RPP) rates effective May 1 that include a portion of the bill reduction proposed under Ontario's Fair Hydro Plan. These rates are as follows:

TOU Price Periods	Prices Before May 1	Forecasted Prices Without Fair Hydro Plan	Announced Prices with Fair Hydro Plan Reduction
Off-Peak	8.7 ¢/kWh	9.1 ¢/kWh	7.7 ¢/kWh
Mid-Peak	13.2 ¢/kWh	13.3 ¢/kWh	11.3 ¢/kWh
On-Peak	18 ¢/kWh	18.5 ¢/kWh	15.7 ¢/kWh

This means that Ontarians are already seeing significant and real relief on their electricity bills as promised by Premier Wynne this March.

If the introduced legislation is passed, the OEB is expected to make a further rate adjustment no later than 15 business days after the legislation receives Royal Assent for RPP consumers to achieve the full 25 per cent for a typical residential consumer, small business, and farms.

I look forward to debate on the *Ontario Fair Hydro Act, 2017* as it is considered by the Legislative Assembly, and will continue to update you about the implementation of our government's Fair Hydro Plan.

Please accept my best wishes.

Sincerely,

Glenn Thibeault
Minister