

ODSP MANAGERS AND STAFF
ONTARIO WORKS DELIVERY PARTNERS
(FOR INTERNAL USE ONLY)

February 2, 2018

Redesigned Electricity Bills and Social Assistance

1. What is the Ontario Fair Hydro Plan?

The Ontario Fair Hydro Plan (OFHP) reduces electricity bills by an average of 25% for a typical residential consumer through a combination of on-bill credits and pricing adjustments.

In addition to the 25% average savings, low-income Ontarians may also benefit from additional targeted credits such as the Ontario Electricity Support Program (OESP) and First Nations On-Reserve Delivery Credit (FNDC). This means that eligible low-income households, including individuals on social assistance, may be saving as much as 40-50% on their bill.

2. What are redesigned electricity bills?

New regulatory requirements require electricity providers or local distribution companies (LDCs) to provide a customer-specific calculation of Ontario Fair Hydro Plan (OFHP) savings on their invoices by no later than March 31, 2018. LDCs are required to include the following statement on their invoices: "Ontario's Fair Hydro Plan saved you [insert specified amount] on your bill. This includes the 8% Provincial Rebate." The redesigned bills will continue to show the amount of individual credits, but will also now indicate the "total savings" under OFHP (which includes the impact of pricing adjustments that were not previously identifiable on the bill).

Each local distribution company (LDC) is amending its own bills to comply with provincial information requirements. This means that the layout may vary between utility service areas. All redesigned bills will, however, contain consistent wording related to OFHP savings, and line item names.

3. How are current bills different from redesigned electricity bills?

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Commented [MSL2]: Correct – the 8% rebate, OESP (if applicable) & FNDC credits (if applicable) will still be listed as individual lines items on the bill.

Only the 8% rebate and the FNDC (as well as other elements under OFHP) are included in the total savings calculation. As previously mentioned, OESP credits are NOT included in that savings total.



Current bills only identify the itemized credits and benefits like the 8% Rebate, OESP and FNDC. They do not, however, identify the **total** OFHP savings, which also include pricing adjustments (e.g. lower time-of-use rates, regulatory and delivery charges) on the bill.

The redesigned bills will continue to show the amount of individual credits, but will also now indicate the “total savings” under Ontario’s Fair Hydro Plan.

4. Why are electricity bills being redesigned?

Electricity bills are being redesigned to meet a commitment made under the 2017 Long Term Energy Plan to increase consumers’ understanding of their electricity charges.

5. How are on-bill credits and OFHP savings treated under social assistance?

The value of on-bill credits related to affordability initiatives (such the 8% Rebate, OESP, and FNDC) and OFHP pricing adjustments are exempt as income under social assistance. These credits and savings amounts should not reduce the amount of shelter allowance.

6. How are shelter costs calculated for consumers on social assistance receiving the redesigned electricity bills?

For social assistance purposes, the key feature of the redesigned bill is the total Ontario Fair Hydro Plan savings amount. Please see the sample bill attached.

Identify the Total OFHP Savings Amount

Beginning February 2018, caseworkers will need to review the electricity bill to determine whether or not it includes a total OFHP savings amount. Each LDC will determine *where* this amount will appear on their redesigned bill, but the amount will be presented as:

“Ontario’s Fair Hydro Plan saved you \$XXX.XX on your bill”.

In the sample bill from Hydro One (see attached), the total savings amount appears on the right side of a “dashboard” section on page one, in a box titled: “What do I need to know?”

Identify the OESP Credit Amount (if applicable)

The OESP credit is not included in the total OFHP savings amount.

As such, caseworkers will need to review the electricity bill to determine whether or not it includes an OESP Credit amount. The OESP Credit amount will continue to appear as a separate line item on the bill.

Add the Total OFHP Savings Amount and the OESP Credit Amount to the Total Electricity Charges on the Bill



The sample Hydro One bill (attached) contains both a total OFHP savings amount, and an OESP Credit amount. Both of these amounts should be added back into the total electricity charges to determine electricity costs for the benefit unit, as part of the calculation of shelter costs.

Example (based on the attached sample bill):

Step One: Identify OFHP Savings and any OESP Credit

OFHP Savings Amount = \$26.43

- On the sample bill this amount appears in the “What do I need to know?” box in the dashboard area of page one. It may appear in a different location for other LDC bills.

Tip: look for the following wording which will be the same on all redesigned bills: “Ontario’s Fair Hydro Plan saved you \$XXX.XX on your bill.”

OESP Credit Amount = \$45.00

- On the sample bill this amount is one of the line items on page two.

Tip: review the line item section of the bill and look for “Ontario Electricity Support Program”.

Step Two: Identify the Final Bill Total

Total Electricity Charges = \$47.31

- On the sample bill this amount appears at the bottom of the line item section on page two.

Tip: review the line item section of the bill and look for “Total of your electricity charges”.

Step Three: Calculate Electricity Costs

Add the OFHP savings and any OESP Credit amounts back into the total electricity charges as part of the calculation of shelter costs for the benefit unit:

Items	Amount
Total Electricity Charges (as shown on the bill)	\$47.31
+ OFHP savings amount	\$26.43
+ OESP Credit	\$45.00
Total Electricity Costs for Social Assistance purposes	\$118.74

Note: When calculating shelter costs using the OFHP savings amount, caseworkers will no longer need to identify and add-in the 8% Rebate or FNDC individually.



7. How are shelter costs calculated for consumers on social assistance receiving bills without total OFHP savings identified?

Where consumers are still receiving bills without the total OFHP savings printed, caseworkers should continue with the current practice of adding back all itemized credits and benefits (e.g. 8% Rebate, OESP, FNDC) printed on the bill to total electricity charges and calculating shelter costs accordingly.

Once these bills are replaced by the new redesigned ones (by March 2018), caseworkers should start using the calculation for redesigned bills described above (see Q6 for calculating electricity costs).

8. When do these changes take place?

Some LDCs have already begun introducing redesigned bills. However, LDCs are not required to have redesigned bills in place until March 2018, to allow time for billing system changes.

For social assistance recipients, the change to calculation of electricity costs is effective in February or later with the introduction of redesigned bills in their utility service area.

9. Will there be retroactive calculation of shelter costs where consumers receive the redesigned bill at a later date?

The change in calculation of electricity costs applies on a “go forward” basis, beginning in February 2018. There will be no retroactive calculation of shelter costs where consumers received a redesigned bill in January, or where they begin receiving the redesigned bills in March or at a later date.

Note for Hydro One customers: As part of a pilot testing initiative, Hydro One residential electricity bills may have contained information about total OFHP savings on monthly bills in 2017. During this period, caseworkers would have identified and added back in only the identifiable credits and benefits on the bill. There will be no retroactive calculation of shelter costs for these customers for the period prior to February 2018.