Q&A Response – Hydro One Rate Application

1. **Under Ontario's Fair Hydro Plan (OFHP), any rate increase granted to Hydro One R1 and R2 would be ~~nullified~~ offset by the OFHP, since they are within the 8 most expensive LDC jurisdictions.**

   Yes, distribution costs for R1 and R2 costs, under Ontario's Fair Hydro Plan (OFHP), would be limited to the maximum distribution charge as set by the Ontario Energy Board (OEB). Monthly costs in excess of this maximum would be covered by the tax-base.

   Hydro One is still coming forward with its request for rate increases as OFHP does not stop the application process – utilities still need to apply for an adjustment to their rates when needed. This application for Hydro One is for five years (i.e., 2018 – 2022).

2. **What about Hydro One urban customers?**

   Hydro One Urban customers are not covered by the enhanced RRRP program and therefore would pay the full amount of OEB-approved distribution rates.

3. **Is it possible a rate increase would affect the savings that eligible electricity consumers will receive they will receive from the FHP? Or will government cover any increases to guarantee they do not rise beyond inflation?**

   Only the 8 LDCs designated to receive enhanced RRRP will receive savings on the Delivery line of bills. All other consumers must pay OEB-approved distribution rates ~~for these costs~~. Under Ontario's Fair Hydro Plan (OFHP), the inflationary increases will be calculated based on a typical consumer connected to Toronto Hydro, consuming 750kWh per month. Actual increases will be slightly above or below this level, depending on consumption and LDC.