

RE: MO Question - RRRP on rate base

From: "Imbrogno, Serge (ENERGY)" <"o=govon/ou=ontario public sector - iserv
ems/cn=recipients/cn=imbrogno">
To: "Chatterjee, Jeet (ENERGY)" <jeet.chatterjee@ontario.ca>
Cc: "Schlaepfer, Martin (ENERGY)" <martin.schlaepfer@ontario.ca>
Date: Tue, 07 Nov 2017 17:27:05 -0500

Ok. Thanks

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From: Chatterjee, Jeet (ENERGY) <Jeet.Chatterjee@ontario.ca>
Date: Tuesday, Nov 07, 2017, 3:42 PM
To: Imbrogno, Serge (ENERGY) <Serge.Imbrogno@ontario.ca>
Cc: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Subject: MO Question - RRRP on rate base

Deputy,

MO had asked for a QnA on how there is a portion of RRRP that remains on the rate base. Below is staff's response. OK to share?

Q: Why am I still being charged for Rural or Remote Rate Protection? I thought the cost of this program was being moved off of electricity bills .

A: Ontario is reducing electricity bills for all customers by moving costs of social relief programs from ratepayers to the provincial taxbase. This includes the majority (~85%) of the cost of the Rural or Remote Rate Protection (RRRP) program, as well as the full cost of the Ontario Electricity Support Program (OESP).

Ontario's Fair Hydro Plan has also broadened RRRP to provide distribution rate protection to up to 800,000 customers of some of the highest cost Local Distribution Companies. The full cost of the expanded program is funded through the taxbase.

A small portion of pre-existing RRRP costs – used to support customers of Algoma Power and First Nations communities served by Hydro One Remotes - remains supported by ratepayers. The rate assistance provided to these communities is determined by the Ontario Energy Board, Ontario's independent energy regulator, when it sets distribution rates for these communities. Moving the substantial majority of RRRP costs to the taxbase has reduced RRRP costs for the average customer from \$1.58/month to \$0.23/month.