
Electricity Rate Mitigation Bill Presentment

October 2016

Bill Presentment

- The bill presentment related requirements will be set out in a **Minister's regulation** under the *Ontario Rebate for Electricity Consumers Act, 2016* (ORECA).
 - The Minister's Regulation does not need to go through the LRC process but does need to be filed with the Registrar.
- The Regulation will include the exact language which distributors and other bill issuers must use when reflecting the 8% rebate on consumers' bills.
 - This will include the line item and any on-bill messaging, envelope messaging, and the form of any required bill insert.
 - The Regulation will allow for the Minister to issue exemptions and alternatives to LDCs unable to comply for technical or operational reasons, as may be identified by LDCs.
- As part of the Ministry's Working Group on implementation issues, discussions will be held with LDCs and sub-meter providers to determine the approach to adding bill lines/messages to reflect the 8% rebate and the increased RRRP subsidy.
 - ENERGY staff are proposing to convene the working group on October 6th.
 - The discussion will also include other communications opportunities such as envelope messages, and how utilities unable to meet the January start date (and therefore required to provide retroactive payments) will advise consumers.
 - Any line item or messaging related to the increased RRRP subsidy will be set out in an amendment to the existing low-volume consumer bill presentment regulation (O. Reg. 442/01) since RRRP is unrelated to ORECA.

Proposed Language for Bills and Envelopes

- Current proposal for messaging on bills (see next slide for mockups):
 - RPP only customers:

Line item: Rebate equal to Ontario's portion of HST (8%) (\$xx.xx)

Envelope: 8% off your electricity charges. See your bill or visit Ontario.ca/energy
 - RRRP customers:

On-bill message: Delivery cost is reduced by \$xx.xx through the Rural or Remote Rate Protection program.

Envelope: Ontario is making electricity more affordable! Charges for eligible rural consumers now reduced by an average of 20%. See your bill or visit Ontario.ca/energy (*alternative: Hydro One webpage.*)

Bill Presentment – Sample bill messaging

SAMPLE MONTHLY BILL STATEMENT Toronto Hydro-Electric System Limited - Main	
Account Number: 000 000 000 000 0000	
Meter Number: 00000000	
Your Electricity Charges	
Electricity	
Off-Peak @ 8.700 ¢/kWh	41.20
Mid-Peak @ 13.200 ¢/kWh	16.35
On-Peak @ 18.00 ¢/kWh	23.60
Delivery	53.07
Regulatory Charges	4.79
Debt Retirement Charge	0.00
Total Electricity Charges	\$139.00
HST	18.07
Rebate equal to Ontario's portion of HST (8%)	(11.12)
Total Amount	\$145.95

SAMPLE MONTHLY BILL STATEMENT	
Hydro One Networks Inc. - Residential - Low Density (R2)	
Account Number: 000 000 000 000 0000	IMPORTANT THINGS YOU SHOULD KNOW **Delivery is already reduced by \$60.50 through the Rural or Remote Rate Protection program.
Meter Number: 00000000	
Your Electricity Charges	
Electricity	
Off-Peak @ 8.700 ¢/kWh	56.55
Mid-Peak @ 13.200 ¢/kWh	22.44
On-Peak @ 18.00 ¢/kWh	32.40
Delivery**	81.77
Regulatory Charges	6.88
Debt Retirement Charge	0.00
Total Electricity Charges	\$200.04
HST	26.01
Rebate equal to Ontario's portion of HST (8%) (16.00)	
Total Amount	\$210.05

8% Rebate Considerations

- While compliance issues will be identified in greater detail at the working group session, initial discussions and past experience suggest certain implementation considerations will be of importance to LDCs:
 - Not all billing systems are the same and as the technical specifications can differ so too will the costs of complying with the Regulation.
 - There may be maximum character requirements imposed by the technology (ie. Burlington LDC has max 45 character limit for line items).
 - Several LDCs have a large French community, such as Cornwall, and will require additional space to provide the information in both official languages.
 - There may be concerns over the timing of implementation as the program commences on January 1st, 2017, however, electricity vendors under the Act have until July 2017 to fully transition to the new invoicing system
 - For those that are active on January 1, LDCs will seek direction on communication requirements for initial bills that include consumption prior to January 1. In these cases, the rebate will not equal a full 8% and may be confusing for customers.
- LDCs will also seek clarity on the length of time they are expected to provide on-envelope messaging, and requirements for communicating the program if they are not fully operational during the 6-month compliance period.
- ENERGY staff expect that LDCs can substantially comply with the proposed Regulation, and those that cannot can be effectively managed through the exemption process.

RRRP Specific Considerations

- ENERGY staff have consulted with Hydro One on its capacity to deliver on the desired messaging and it has noted some compliance considerations:
 - **Envelope Messaging:** Hydro One does not believe it has the capacity to target specific envelopes for its R2 customer class. Hydro One has contracted bill stuffing to a 3rd party vendor; creating a new envelope product solely for R2 customers would require the 3rd party to design a new inventory management system. This may not be technically feasible or costs may be prohibitive and may not be allowable based on the contracted arrangement.
 - If bill envelope messaging is required, there is risk it could be mistakenly delivered to R1 and urban rate class customers.
 - ENERGY staff foresee this could be an issue raised in the context of the 8% rebate as well, especially in terms of identifying eligible customers.
 - **On-Bill Messaging:** Would need to be evaluated in conjunction with 8% messaging to account for available space on the Bill. Preference would be to include in the standard messaging space as opposed to any new positioning on the Hydro One bill.
 - **Bill Re-Design:** Hydro One is currently in the process of re-designing its bill, slated for an August 2017 launch. Hydro One needs clarity on the requirements in the near term so as to incorporate into the new design and not delay the launch.

APPENDIX: Proposed Working Group Membership

Proposed Working Group Membership	
Bluewater Power	Hydro One
Brantford Power	IESO & OEB
Burlington Hydro	London Hydro
Electricity Distributors Association	Oakville Hydro
Enercare Connections (sub-meter provider)	Powerstream
Enwin	Thunder Bay Hydro
Essex Powerlines	Toronto Hydro
Goderich Hydro	Veridian Connections
Horizon Utilities	Waterloo North Hydro

- ENERGY intends to use the recent OESP working group as a starting-point for membership in a working group established to facilitate the implementation of the 8% rebate and the ICI.
- ENERGY sent invitations on September 30th for a consultation session on October 6th, and are awaiting confirmation from invitees on their participation.