

Active Shell

General Information		
Name of Shell/File	Electricity distribution(Subject = Distribution charges)	
Prepared by WSU Writer	Chris Millson	Date:March 6, 2017
Reference Case Number	Lead ministry is ENG	
Approvals		
Policy Specialist		Date:
PO	Adam Hochberg	Date: March xx, 2017
Personal Signature		Date:

Additional Background:
Aspect of March 2, 2017 announcement.

Thank you for your correspondence regarding Ontario's Fair Hydro Plan. I appreciate hearing from you.

On March 2, we announced that starting this summer, electricity bills will be reduced by 25 per cent on average for households across Ontario. And this is relief that is designed to last. Your bill won't increase beyond the rate of inflation for at least 4 years. It is the single largest cut to electricity rates in the history of Ontario.

These structural changes were necessary because, for too long, governments of all stripes had neglected the electricity system. And by the early 2000s, it caught up with us. Brownouts, blackouts and dirty coal plants endangered our economy and our health.

The project of rebuilding the system began about 15 years ago. And our government has invested in rebuilding and modernizing infrastructure to ensure that the power you need gets to your home or business. A total of \$50 billion of investment has made our system safe and reliable.

But the terms we set to finance these necessary renovations weren't fair. We asked one generation – today's generation – to unfairly shoulder the burden of nearly all of those costs. So we're refinancing the system and setting a new term that stretches over a longer period, more in line with the lifespan of the energy assets themselves. The burden will now be shared more evenly and more appropriately.

Delivering electricity from generating stations to homes and businesses requires a massive network of transmission and distribution lines that span the province. And the delivery charge on your bill varies depending on where you live. There are people living in rural and remote parts of Ontario who have been paying much higher distribution costs, compared to people who live in urban areas. Ontario's Fair Hydro Plan will provide more relief for those families.

The Rural or Remote Rate Protection (RRRP) program will now lower delivery charges for about 800,000 homes – up from 350,000 homes today — so everyone in Ontario will pay roughly the same amount for delivery. Again, it's about making the system fairer.

The RRRP program and the Ontario Electricity Support Program, which helps those on low-incomes afford hydro will also be moved off hydro bills and paid for through the provincial budget.

Of course, these substantial and lasting structural fixes aren't free. It will cost us all a little more over the long-term. But this is absolutely the fairer way forward. We can afford this because our economy is the fastest growing in Canada, which is helping us eliminate the deficit this spring. I can think of no better way to use the province's newfound fiscal strength than giving everyone the break they need on their hydro bill.

This is just the right thing to do — policy wise and for families across the province.

For more information on Ontario's Fair Hydro Plan, please visit:

<https://www.ontario.ca/page/ontarios-fair-hydro-plan>

Thank you again for writing to me. Please accept my best wishes.

Kathleen Wynne
Premier of Ontario