

Ontario's Fair Hydro Plan

Update, Customer Billing and Implementation

Caucus Presentation

May 2, 2017

Ontario's Fair Hydro Plan

- On March 2, 2017, the government announced Ontario's Fair Hydro Plan (OFHP), which will lower electricity rates for households and small businesses by an average of **25%** starting in the summer of 2017. About half a million small businesses and farms are also expected to benefit.
- The plan is part of a significant system restructuring that will address long-standing policy challenges and ensure greater fairness.
- These measures include the 8% rebate introduced in January and build on previously announced initiatives to deliver broad-based rate relief on all electricity bills.
- Any rate increases for residential consumers over the next four years would be held to the rate of inflation.
- The Fair Hydro Plan includes the following major components:
 - 1. Refinancing the Global Adjustment (GA)**
 - 2. Helping vulnerable electricity consumers**



1. Refinancing the Global Adjustment

- The OFHP proposes to refinance the Global Adjustment (GA), which would provide significant and immediate rate relief by spreading the cost of electricity investments over a longer period of time.
 - In the early years, a portion of the costs covered by the GA would be refinanced to reduce pressure on electricity ratepayers. In later years, when system costs are expected to be reduced due to the continued operation of existing assets, the cost of refinancing would be recovered from ratepayers.
- Electricity consumers that are eligible for the Regulated Price Plan (RPP) would benefit from GA refinancing.
 - In order to be eligible for the RPP, annual consumption must be below 250,000 kilowatt hours (kWh) per year or peak demand must be below 50 kilowatts (kW). Up to 500,000 small businesses and farms are expected to benefit, such as dry cleaners, convenience stores, small restaurants and small retail stores.
- Actual ratepayer savings would vary depending on distribution company and consumption patterns. For example, a typical Toronto Hydro consumer, using 750 kWh per month, would see an immediate savings of 25% when combined with other rate mitigation measures.

1. Refinancing the Global Adjustment

- Effective May 1, new RPP rates released by the OEB will include 50% of the estimated reduction in GA. This reduction in RPP rates, along with the removal of the OESP charge and the existing 8% rebate, will mean that May bills will be 17% lower than they would otherwise have been for an average consumer (15% lower for the typical Toronto Hydro consumer).

TOU Price Periods	Existing TOU Prices	Forecast TOU Prices without consideration of the proposed Fair Hydro Plan	May 1, 2017 TOU Prices including a portion of the proposed Fair Hydro Plan
Off-Peak	8.7¢/kWh	9.1¢/kWh	7.7 ¢/kWh
Mid-Peak	13.2 ¢/kWh	13.3 ¢/kWh	11.3 ¢/kWh
On-Peak	18.0 ¢/kWh	18.5 ¢/kWh	15.7 ¢/kWh

Source: OEB

- Once the legislation and regulations for GA refinancing are complete, the OEB is expected to make a further rate adjustment for RPP consumers (TBC July 1, 2017) to achieve the full 25% for a typical consumer.

1. Refinancing the Global Adjustment

- To enable GA Refinancing, the proposed *Ontario Fair Hydro Plan Act, 2017* would, if passed, include the following features:
 - **Eligibility:** Consumers impacted by GA Refinancing will be all electricity consumers that received the 8% rebate under the Ontario Rebate for Electricity Consumers Act, 2016;
 - **Fair Allocation Amount:** The framework under which GA Refinancing will proceed (i.e., is a calculation that will show shortfall in Global Adjustment (GA) in the near term with recovery of amounts over the long term);
 - **Financing Plan:** OPG's plan to fund and recover amounts related to GA Refinancing in a manner that is consistent with the Fair Allocation Amount;
 - **Roles and Responsibilities:** For OPG, IESO and OEB in GA Refinancing;
 - **Adjustments:** To be made to RPP and eligible non-RPP consumers' bills in the near-term; and
 - **Amendments:** To other acts (i.e., Electricity Act and Ontario Energy Board).
- Details such as adjustments to RPP and eligible non-RPP consumers' bills after the initial reduction (i.e., increases to the Consumer Price Index (CPI) for four years) would be reflected in regulation as opposed to legislation.
- The Ministry has worked closely with key ministries (i.e., Treasury Board, Finance, Attorney General, Cabinet Office), agencies (i.e., OEB, IESO, OPG) and third party financial advisors to help ensure financial, accounting and legal considerations are reflected in legislation and regulations as relevant.
 - The proposed legislation must ensure that GA Refinancing is financeable by a third party and satisfies accounting treatment and constitutional law requirements.
- Legislation is tentatively scheduled for Introduction and First Reading on May 11, 2017

2. Helping Vulnerable Electricity Consumers

- Under the OFHP, costs associated with the Ontario Electricity Support Program (OESP) and the Rural or Remote Rate Protection (RRRP) program will be shifted from the ratebase to the taxbase.
- The province is also launching a new Affordability Fund, enhancing the existing OESP and providing on-reserve First Nations with a delivery credit. Combined, these new measures would cost the government up to \$2.5 billion over the next three years.
- The following programs will be established or enhanced under the OFHP to help vulnerable electricity consumers:

Broadening Rural Remote Rate Protection (RRRP):

- RRRP is a legacy program of Ontario Hydro and has existed in its current form since 2001. Presently, it benefits approximately 350,000 customers by mitigating some of the high costs of electricity distribution in rural or remote areas of the province.
- OFHP would expand the RRRP to provide delivery charge relief for customers served by the LDCs with the highest delivery charges in the province (top ~1/8th of distribution rate classes). About 800,000 residential consumers would benefit from the enhanced RRRP program, up from 350,000.
 - This enhancement would also include Hydro One “R1” residential rate class customers (medium density) as well as the following LDCs: Northern Ontario Wires, Lakeland Parry Sound, Chapleau, Sioux Lookout, InnPower, Atikokan and Algoma.
- The Ministry has been meeting with LDCs and with the OEB to develop the implementation processes for this program, which will be captured in legislation/regulation.

2. Helping Vulnerable Electricity Consumers

Expanding the Ontario Electricity Support Program (OESP):

- The OESP is an income-tested, application-based program that lowers electricity costs for the most vulnerable consumers, such as low-income households and seniors living on a fixed income, through on-bill rebates.
- Several activities are already underway to implement OFHP commitments and ensure there is greater uptake of OESP:
 - On March 23, 2017, the OEB issued a Decision and Order to cancel the OESP charge on all customer bills on May 1 (i.e., immediately lowering costs for residential customers).
 - On April 11, 2017, amendments to the OESP regulation (O.Reg. 314/15) were filed. These amendments include expanding the credits amounts by 50% and introducing new eligibility categories so that more Ontarians are eligible for the program.
 - ENERGY, OEB, and MCSS are working together on ways to automate the enrolment of social assistance clients into the OESP. A strategy is being designed, and ENERGY is looking at legislative and regulatory changes to support implementation.
 - The Canada Revenue Agency has shared the technical requirements for supplementing a 'wet signature' consent with an electronic signature. The OEB is working with its service provider to design and implement this solution.



2. Helping Vulnerable Electricity Consumers

Expanding the OESP (continued):

- The tables below outline the existing OESP benefit scales and the enhanced if increased benefits and additional eligibility categories (circled benefit amounts). The changes come into effect on May 1, 2017.

Existing OESP Benefit Scales

Sliding Scale #1		Household Size						
		1	2	3	4	5	6	7 +
Income Bracket	< \$28,000	\$30	\$30	\$34	\$38	\$42	\$50	\$50
	\$28,001 - \$39,000	-	-	\$30	\$34	\$38	\$42	\$50
	\$39,001 - \$48,000	-	-	-	-	\$30	\$34	\$38
	\$48,001 - \$52,000	-	-	-	-	-	-	\$30

Sliding Scale #2		Household Size						
		1	2	3	4	5	6	7 +
Income Bracket	< \$28,000	\$45	\$45	\$50	\$55	\$60	\$75	\$75
	\$28,001 - \$39,000	-	-	\$45	\$50	\$55	\$60	\$75
	\$39,001 - \$48,000	-	-	-	-	\$45	\$50	\$55
	\$48,001 - \$52,000	-	-	-	-	-	-	\$45

Proposed +50% OESP Benefit Increase*

Sliding Scale #1		Household Size						
		1	2	3	4	5	6	7 +
Income Bracket	< \$28,000	\$45	\$45	\$51	\$57	\$63	\$75	\$75
	\$28,001 - \$39,000	-	\$40	\$45	\$51	\$57	\$63	\$75
	\$39,001 - \$48,000	-	-	\$35	\$40	\$45	\$51	\$57
	\$48,001 - \$52,000	-	-	-	-	\$35	\$40	\$45

Sliding Scale #2		Household Size						
		1	2	3	4	5	6	7 +
Income Bracket	< \$28,000	\$68	\$68	\$75	\$83	\$90	\$113	\$113
	\$28,001 - \$39,000	-	\$60	\$68	\$75	\$83	\$90	\$113
	\$39,001 - \$48,000	-	-	\$52	\$60	\$68	\$75	\$83
	\$48,001 - \$52,000	-	-	-	-	\$52	\$60	\$68

2. Helping Vulnerable Electricity Consumers

First Nation On-Reserve Delivery Credit:

- On August 24, 2015, the Chiefs of Ontario (COO) and Ontario signed a Political Accord to guide their relationship that sets a path for reconciliation between First Nations and Ontario. The Accord commits the parties to identify and address common priorities and issues and to work to resolve key challenges and impasses that impact the parties.
- As part of the discussions with COO regarding First Nation participation in the broadening of ownership of Hydro One, then Minister Chiarelli committed to establish a Grievance Table to keep the issue of historical energy-related grievances separate from the commercial discussions on Hydro One shares.
 - COO agreed not to oppose the Hydro One IPO given that the Province had entered into commercial discussions for a First Nations equity position and established a Grievance Table process as a forum for First Nations to have enhanced discussions to address historical energy sector grievances.
 - The high cost of electricity and delivery charges were identified as the prevailing grievance at the First Nation-Ontario Energy Table meeting and through the LTEP engagement process.—

2. Helping Vulnerable Electricity Consumers

First Nation On-Reserve Delivery Credit:

- Minister Thibeault directed the OEB to work with First Nation Communities to develop recommendations to address the high costs of electricity for on-reserve First Nation customers. The OEB provided its report on December 29, 2016 which included the recommendation for the removal of delivery costs for on-reserve First Nation customers.
- Acting on recommendations from the OEB, the government proposes to eliminate the delivery charge for all on-reserve First Nations residential customers and eliminate the monthly service charge for customers of licensed distributors which charge a bundled rate. This was part of the March 2 Fair Hydro Plan announcement.
 - At the March 10, 2017 First Nations-Ontario Energy Table meeting in Garden River First Nation, the Minister committed to moving quickly to implement the Credit. The Ministry is targeting July 1st 2017 for its implementation.
- The Ministry has been meeting with LDCs and the OEB to discuss implementation considerations which will be captured in legislation/regulation. The Ministry is also working with the COO to discuss program eligibility and opportunities to build awareness.
- There are 11 LDCs that service on-reserve customers and who will be affected by the program. These LDCs include: Algoma Power Inc., Attawapiskat Power Corporation, Bluewater Power Distribution Corporation, Cat Lake Power Utility Ltd., Cornwall Electric Distribution, Fort Albany Corporation, Kashechewan Power Corporation, Hydro One Networks Inc. (both R1 and R2 Rate Classes), PUC Distribution Inc. (Sault Ste. Marie), Thunder Bay Hydro Electricity Distribution.

2. Helping Vulnerable Electricity Consumers

Affordability Fund:

- As part of the OFHP, Ontario is establishing an Affordability Fund that will provide energy efficiency measures to Ontarians who are not eligible for low-income conservation programs, and who are otherwise unable to make energy efficiency improvements without financial assistance.
- Electricity distributors are best positioned to identify their customers who are in need of assistance, such as those that are in bill arrears, on repayment plans, facing service disconnection, or who are otherwise in frequent contact with a distributor's customer care centre regarding difficulty keeping up with their electricity bills.
- The Affordability Fund will be administered by an independent Trust, which will provide oversight of funds and facilitate efficient distribution of funds to electricity distributors.
- Trustees will include three electricity distributor representatives, two social service agency representatives, and one government observer.
- It is expected that electricity distributors will be able to begin applying to the Affordability Fund Trust in Summer 2017.

Electricity Bill Authority & OFHP Messaging

Electricity Bill Requirements – Authority Overview

- In Ontario, most electricity customers receive bills for their consumption of electricity from their LDC.
- The government has the authority to stipulate requirements in relation to the form and content of electricity bills, including the ability to prescribe messaging related to government programs directly on bill invoices, inserts and envelopes.
- These requirements have been criticized as a patchwork of measures that limit the invoice's readability and usefulness to consumers. Customer advocates have called for more flexibility to design a more consumer-responsive invoice.
- The government obtains its authority to mandate specific content with respect to bills from the *Ontario Energy Board Act, 1998*, as well as a number of regulations, including:
 - O. Reg. 275/04**, which requires bills to display specific line items, as well as a glossary of terms, consumption information and government messaging.
 - O. Reg. 364/16**, which requires LDCs to include the 8% provincial rebate for consumers on bills, bill inserts and envelopes.
 - O. Reg. 429/04**, which requires the GA to be disclosed on electricity bills for specified customers.
- The OEB has also established policies related to bill frequency and accuracy, which LDCs are required to follow.
- Hydro bill appearance varies widely across Ontario's approximately 70 LDCs.



Electricity Bill Example – Front

Toronto Hydro-Electric System Limited
YOUR ELECTRICITY BILL

Account Number: 30 [REDACTED] Premise number: 4 [REDACTED] Bill Print Date: 02/14/17

To be used for payments

Meter Number: 10 [REDACTED]

SCARBOROUGH ON [REDACTED]

TORONTO HYDRO

Statement Date	Feb 13 2017
Amount Due	\$92.32
Due Date	Mar 05 2017
Amount Paid	

416.542.8000 www.torontohydro.com

Interest will be charged on any amount not received by the due date at the rate of 1.6% compounded monthly (18.66 % per annum) from the due date until receipt of such amount and all accrued interest.

Statement Date, Policy on Due Date
OEB Codes

Phone & Website Contact
O. Reg. 275/04

Heading
O. Reg. 275/04

Sub-headings
O. Reg. 275/04

8% Rebate
O.Reg. 364/16

Policies on Late Charges, Balance Forward, Deposits, Total Amount Due, etc
OEB Codes

DRC Messaging
O. Reg. 275/04

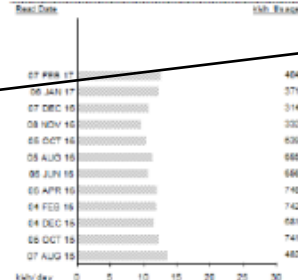
8% Rebate Messaging O.Reg. 364/16

Service Location: [REDACTED] SCARBOROUGH
Your Electricity Charges

Electricity
****Electricity supplied by Toronto Hydro through Standard Supply Service.
Billing Inquiries: (416) 542-8000

Time of use - Winter	
57,113 kWh On-peak (Highest Price) @ \$0.16 / kWh	10.28
38,826 kWh Mid-peak (Mid Price) @ \$0.132 / kWh	5.13
308,061 kWh Off-peak (Lowest Price) @ \$0.067 / kWh	26.80
Delivery	42.59
Regulatory	3.12
Debt Retirement Charge¹	0.00
Your Total Electricity Charges	87.92
H.S.T. (H.S.T. Registration 896718327RT0001)	11.43
8% Provincial Rebate	7.03 CR
Your Previous Charges	
Amount of last bill	89.59
Payment Received Jan 16 2017 - Thank You	89.59 CR
Balance Forward	0.00
Total Amount Due by Mar 05 2017	\$92.32

Page 1 / 1
Compare your daily usage

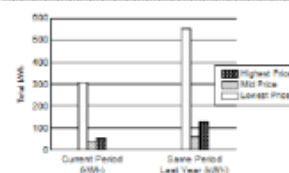


Price & Consumption Breakdown must follow "Electricity" Sub-heading
O. Reg. 275/04
Policy on Applicable TOU Price and Period
OEB Codes

Historical Use Comparison

O.Reg. 275/04
- Not required in graphic form
- No specific requirements re: the length of historical comparison period

Time of use Comparison



Our Conditions of Service document is changing.
Learn more at torontohydro.com/conditions/service

Actual Meter Read O. Reg. 275/04

Your electricity usage

Meter Number	Meter Reading Period	Number of Days	Read Type	Current Reading	Previous Reading	Billing Multi.	kWh Used	Loss Factor Adjustment	Adjusted kWh Used
1 [REDACTED]	JAN 06 2017 TO FEB 07 2017	32	Act.	96142	95738	1	404	1.0376	419.189

¹ The Debt Retirement Charge was removed for certain residential consumption after Dec. 31, 2015.
Learn more at Ontario.ca/DRC.
Debt Retirement Charge exemption saved you \$2.63

The Ontario government is providing a rebate on your electricity costs equal to the provincial portion of HST.

Electricity Bill Example – Back

**Policies on Forms of Payment
OEB Codes**

**Explanation of Electricity Terms in Prescribed Language
O. Reg. 275/04**

**TOU Prices and Periods
OEB Codes**

CONTACT US

BUSINESS HOURS
Monday to Friday
8:00 A.M. to 4:30 P.M.

TELEPHONE
416.542.8000

WEBSITE
torontohydro.com

BILLING & PAYMENT OPTIONS

GO PAPERLESS WITH EBILLS
Conveniently manage your bill online - anytime, anywhere torontohydro.com/ebills

MAIL
Send cheque (including invoice stub) to:
Toronto Hydro PO BOX 4490 STN A
Toronto, Ontario M5W 4H3

ATM OR TELLER
Pay your bill in person

TELEPHONE OR ONLINE BANKING
Make a payment right through your bank!

GO GREEN, SAVE TREES
If you do not need a return envelope with your bill, please email us at contactus@torontohydro.com

PRE-AUTHORIZED PAYMENTS
Pay your bills automatically and on time, through your bank torontohydro.com/pap

SAFETY FIRST

POWER OUTAGE?
24-HOUR HOTLINE
416.542.8000

CALL BEFORE YOU DIG
IT'S THE LAW
1.800.400.2255

REPORT A STREETLIGHT OUT
24-HOUR HOTLINE
416.542.3195

myTorontoHydro® Access your account online - 24 hours a day, 7 days a week

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Update your move information online in just minutes - quick & easy

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Log in from anywhere you have internet access, 24/7

Are you a landlord?
Track electricity consumption for units across the city

View account details with just one click
Current balances, due dates and payment methods

See your bills at-a-glance
Up to two years of payment history is available

Sign up for an online account at torontohydro.com/mytorontohydro

You can access our Privacy Policy at torontohydro.com/privacypolicy or you can call us at 416.542.8000 to request a copy of this policy. We are committed to protecting your privacy and would like to take this opportunity to inform you about the personal information we collect, how it is used, how we protect your confidentiality and your rights with respect to this information.

LEARN MORE ABOUT HOW YOUR ELECTRICITY DOLLARS ARE SPENT AT TORONTOHYDRO.COM/LEARNMORE

Explanation of Electricity Terms on Your Bill. For a detailed explanation of electricity terms, please visit: torontohydro.com/billing or ontarioenergyboard.ca

Electricity - This is the cost of the electricity supplied to you during this billing period and is the part of the bill that is subject to competition.

Delivery - These are the costs of delivering electricity from generating stations across the Province to Toronto Hydro then to your home or business. This includes the costs to build and maintain the transmission and distribution lines, towers and poles and operate provincial and local electricity systems.

A portion of these charges are fixed and do not change from month to month. The rest are variable and increase or decrease depending on the amount of electricity that you use.

The delivery charge also includes costs relating to electricity lost through distributing electricity to your home or business. Toronto Hydro collects this money and pays this amount directly to our suppliers.

When electricity is delivered over a power line, it is normal for a small amount of power to be consumed or lost as heat. Equipment, such as wires and transformers, consumes power before it gets to your home or business.

Regulatory Charges - Regulatory charges are the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid and include the costs associated with funding Ministry of Energy conservation and renewable energy programs.

Debt Retirement Charge - The debt retirement charge pays down the debt of the former Ontario Hydro.

Global Adjustment - Electricity generators in Ontario receive a combination of payments from the operation of the wholesale market, payments set by regulation, and payments under contract. Your portion of the net adjustments arising from these and other authorized payments is included on your bill as the Global Adjustment.

REBATES, TIPS & TOOLS TO HELP YOU SAVE We make it easy to save energy at home

FIND OUT about programs and incentives to help you save energy and better manage your costs.
torontohydro.com/conservation

LEARN why conservation matters to you, our city and our planet.

GET REWARDED with incentives to help you improve your energy efficiency and save.
1.800.393.6000

OUR COMMITMENT TO ACCESSIBILITY

Toronto Hydro is committed to providing quality service that is accessible to everyone. It is our goal to ensure that all customers, employees and members of the public receive the same type and quality of service from Toronto Hydro, regardless of any barriers that may exist. To learn more, visit torontohydro.com/accessibility

SHIFT AND SAVE WITH TIME-OF-USE RATES

Evenings and weekends are always the lowest priced periods. Learn more at torontohydro.com/TOU

SUMMER WEEKDAYS
May 1 - October 31

WINTER WEEKDAYS
November 1 - April 30

OFF-PEAK YEAR-ROUND
Weekends and Statutory Holidays

Legend:
■ Off-peak
■ Mid-peak
■ On-peak

PAY YOUR BILL AUTOMATICALLY
torontohydro.com/pap

- Pre-authorized payment is secure and reliable
- Never miss a payment - just set it and forget it!
- Save time, postage, late fees

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**Website links for where to get more Information in Prescribed Language
O. Reg. 275/04**

OFHP Implementation

- Implementing new programs are IT projects for LDCs – they require time and resources in order to meet deadlines.
- The government is asking LDCs to undertake aggressive rollouts of these programs so that recipients can benefit in summer 2017. LDCs have provided feedback that extensive bill presentment changes will not be possible at this time.
- The table below summarizes the work LDCs must do to provide the OFHP programs.

OFHP Initiative	Implementation Date	# of LDCs Affected	Required Actions
GA Refinancing	May 1, 2017 (partial implementation for RPP consumers); July 1, 2017 (full implementation for all eligible consumers)	All LDCs	• OEB sets the Time-of-Use (TOU) rates which the LDCs use for RPP consumers. • OEB (TBC) sets GA reduction rate for eligible non-RPP consumers which LDCs pass on to consumers.
Increased Ontario Electricity Support Program (OESP) Credits	May 1, 2017	All LDCs	• LDCs will need to update credit amounts in their systems and ensure they report into the OEB/IESO as needed. • OEB to work with Central Service Providers and LDCs to ensure their systems are updated and reflect the new credit amounts.
Rural or Remote Rate Protection (RRRP)	July 1, 2017	8 LDCs	• LDCs will need to identify eligible residential consumers and ensure they report into the OEB/IESO as required.
First Nations Delivery Credit (FNDC)	July 1, 2017	11 LDCs	• LDCs will need to identify on-reserve residential consumers and ensure they report into the OEB/IESO as required.
Tax Basing Social Programs	May 1, 2017 (OESP); July 1, 2017 (RRRP)	All LDCs	• LDCs will need to remove/reduce these tariffs, which will require more effort as these rates are typically updated annually.

OFHP Near-Term Messaging

- To ensure LDCs can provide Ontario Fair Hydro Plan programs on-time, only minimal near-term messaging is possible.
- In the upcoming months, LDCs will provide the following messaging updates:

Date	Bill Messaging
May 2017	LDCs required to provide an OEB bill insert indicating changes to Time-of-Use (TOU) pricing.
June 2017	- LDCs, where willing, to issue OFHP bill inserts ahead of finalized OFHP regulations. - Ministry will work with LDCs to provide messaging, artwork and translation of the June bill inserts.
July 2017	- OFHP regulations will be introduced in June 2017, which will require that as of July 1, 2017 LDCs provide: - General invoice messaging to explain the existence of the Ontario Fair Hydro Plan. - Bill insert explaining OFHP programs in greater detail using prescribed language.

TAKE CHARGE
New electricity prices for households and small businesses start May 1, 2016

Off-Peak 9.7¢ / kWh (hour 00:00)
Mid-Peak 12.2¢ / kWh
On-Peak 16.0¢ / kWh

These are the prices that appear on the electricity line of your bill and are only for the electricity you use. They do not include other charges like delivery.

Summer (May 1-Oct 31) time-of-use hours

WEEKDAYS (MAY 1 - OCT 31)
WEEKENDS AND HOLIDAYS

OFF-PEAK 11 PM - 6 AM
MID-PEAK 6 AM - 7 PM
ON-PEAK 7 PM - 11 PM

YOU MAY QUALIFY TO GET \$30-\$50 OFF PER MONTH ON YOUR ELECTRICITY BILL

The Ontario Electricity Support Program offers monthly on-bill credits to help households ranging in size from one or two people earning \$28,000 or less to seven or more people earning \$52,000 or less. The credit amount depends on how many people live in your home and your combined income.

Apply online at OntarioElectricitySupport.ca
Questions? 1-855-831-8151 (toll-free)

Sample: OEB May 2016
TOU Bill Insert

OFHP Bill Insert: Potential Design Options

Note: Graphic treatments are for discussion only

 ONTARIO'S FAIR HYDRO PLAN Bringing electricity prices down	Ontario's Fair Hydro Plan would lower electricity bills by 25 per cent, with rates also held to inflation for the next four years, for typical residential consumers. As many as half a million small businesses and farms would also benefit under the Plan. The benefit would vary for individual consumers depending on consumption and service territory. Lower-income Ontarians and those living in eligible rural communities would receive even greater reductions, as much as a 40 to 50 per cent cut. These measures include the eight per cent rebate introduced in January and builds on previous initiatives to deliver broad-based relief on all electricity bills. To find out more, visit Ontario.ca/FairHydroPlan. 
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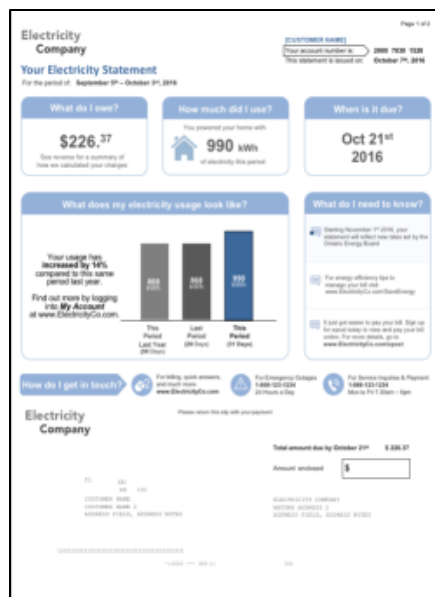
Updating Electricity Bills: Redesign Action Plan (RAP)

- The Ministry and LDCs have often received feedback that the current electricity bill is confusing and does not provide the desired information.
- In recognition of this growing customer service issue, Hydro One is investigating ways to improve the appearance and comprehension of its bill, which has remained unchanged for over a decade (see below).
- As part of this undertaking, they have enlisted the services of a behavioural research firm, “BEworks”, and engaged an online panel of 4,000 customers. They have also held in-person research sessions and consulted with the OEB and the IESO on the redesign of their bill.
- Key feedback received from customers regarding Hydro One’s current bill includes:
 - a lack of transparency;
 - use of over-complicated language;
 - poor understanding of charges;
 - overcrowded text;
 - a lack of visual aids;
 - formal tone and manner;
 - confusion from history usage; and
 - too numerical.

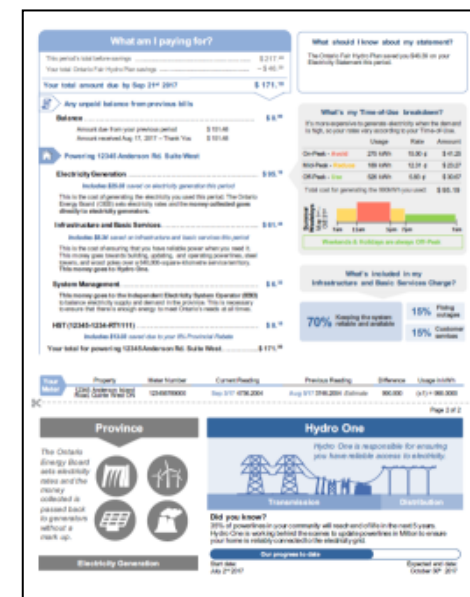
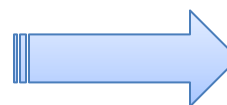
Hydro One: Current Bill

Redesign Action Plan

- Utilizing this feedback, Hydro One is prototyping alternative bill presentations within the constraints of the current regulatory requirements, their technical system and operating budget.
- The redesigned bill has been observed to improve customer satisfaction and comprehension. It also promotes a higher ease of understanding, greater satisfaction with the amount of information on the bill and improved attitudes towards the LDC and electricity sector (see below left).
- Hydro One is also developing an “ideal” revised bill which is not restricted by regulatory requirements (e.g., O. Reg. 275/04). This prototype replaces the second page of the bill with a version that uses more plain language.



Hydro One: Redesigned Bill



Hydro One: Ideal Revised Bill

Redesign Action Plan: Proposed Timeline

- The Ministry believes there is opportunity for redesign of the electricity bill this summer, with a goal to refresh the regulatory framework to improve the value of the bill to the consumer across all LDCs.

