Ontario

MINISTRY OF
ENERGY

Ontario Fair Hydro Plan (OFHP) Electricity Bill Requirements

March 2017

Context/Summary

- Local Distribution Companies will need to update messaging on their electricity bills to reflect the Fair Ontario Hydro Plan initiatives.

- LDCs will need to undertake two distinct activities in order to implement the various components of the Ontario Fair Hydro Plan (OFHP) and inform their customers about the resultant bill impacts

1. Implement backend system changes to ensure that eligible residential customers receive the applicable rebates/lower charges by the mandated deadline. This includes:

   - GA Refinancing: all LDCs are affected – implementation by May 1st. OEB sets the TOU rates which the LDCs use and very little upgrades will need to be done from the LDC's end

   - RRRP: 8 LDCs are affected by this program – implementation by July 1st. LDCs will need to identify residential consumers and ensure they report into the OEB/IESO as required

   - FNDC: 11 LDCs are affected by this program – implementation by July 1st. LDCs will need to identify on -reserve residential consumers and ensure they report into the OEB/IESO as required

   - Increased OESP Credits: all LDCs affected – implementation by May 1st. LDCs will need to ensure they report into the OEB/IESO as needed. OEB working with LDCs to ensure LDCs and Central Service Provider's systems are updated and reflect new credit amounts

   - Tax Basing Social Programs: all LDCs affected – implementation by May 1 for OESP and July 1 for RRRP (H1 R2 only). LDCS will need to remove/reduce these tariffs, requires little effort as LDCs update rates annually

2. Implement billing system changes such that the electricity bill (and likely bill inserts and envelopes) are altered to include the relevant messaging related to the OFHP and various aspects thereof:

   - Implementation timing for billing changes will depend on the complexity of the messaging requirements stipulated by Government – however LDC readiness to make bill appearance changes should not impact the deadlines for customers to start receiving OFHP benefits.

Potential Pathways

- LDCs have cited challenges on meeting timelines for system upgrades and doing bill presentment and messaging at the same time.
- The LDCs as a first step should focus on ensuring implementation of rebates is done quickly and accurately to ensure individuals are receiving the rebates
- July 1st
  - LDCs to upgrade systems to implement savings and ensure Ontarians are receiving the rebates
  - Reporting to IESO commences via Portal
  - Include simple generic messaging on the bill or a bill insert. This could include a specific number (e.g., 25%) or none at all (just that bills are being substantially lowered).
- Post July
  - Ministry to work with LDCs to determine what more dynamic or complex messaging could look like
    - Could mean that each customer receives a ‘personalized’ messaging related to various aspects of OFHP which may also include data on how much the specific customer has saved, for example, ‘You have saved $X due to the Fair Hydro Plan’
    - This will require LDCs to ensure in the backend the system is upgraded to calculate what the savings are for each customer (e.g. GA, RRRP, FNDC, OESP)
  - The Ministry could also considering doing more substantial changes to bill messaging and presenement (e.g. Hydro One is changing their bills significantly anticipated for Fall 2017)

Messaging Considerations

- There are various degrees of specificity in communicating the benefits of OFHP programs, varying from general informational messaging to the display of the dynamic level of savings on a per customer basis. Requirements for LDCs to calculate and display savings levels add time and cost.
- Different customers will get different bill reductions as a result of the OFHP. Therefore communicating a single figure (e.g., 25%) on <u>all</u> envelopes, bills, etc. could result in confusion when actual reductions vary considerably.
    - As customer eligibility for OFHP programs will vary and impacts will be dependent on consumption, explaining program savings in a manner that is clearly understood by customers could be challenging.
- Messaging should consider whether individual programs are communicated separately or rolled together as part of a broader OFHP package.
    - Some existing programs already have messaging/line items that may need to be adjusted e.g. 8% rebate.
    - Number of LDCs have indicated they have 'maxed' space on their bill and have asked for DRC to be removed as a separate line item.
- Bill changes are IT projects for LDCs. LDC implementation timelines will depend on complexity of messaging requirements stipulated by Government through regulation.
    - LDCs are hesitant to undertake billing system changes without finalized regulations creating an additional time pressure. Timing could also vary by LDC based on their individual circumstances i.e. some billing systems are more flexible that others

Options for Display of Savings

- Display of dollar savings from various OFHP components on a per customer basis would require LDCs to run a series of additional calculations in the production of the monthly bill based on customer's individual usage and circumstances i.e. whether or not they qualify for OESP or the broadened RRRP
- Display of savings could be itemised or aggregated under a OFHP 'total savings' umbrella
- Itemisation of savings could involve amending numerous bill line items and elements:

OFHP Component	Line Item Impact
RPP (GA Refinancing)	• Impact the 'Electricity' line • Display of savings would require the calculation of the difference between pre and post refinanced RPP rates based on each customer's individual usage
RRRP and/or First Nations Delivery Credit	• Impact the 'Delivery' line • Only for eligible customers • For broadened RRRP, display of savings would require calculating the actual distribution charges based on unique kWh minus the threshold amount • For the FN credit, the savings would be the full 'Delivery' charge
Taxbasing Social Programs	• Impact the 'Regulatory Charges' line • Display of savings would require calculating the difference between the old regulatory charges related to OESP and RRRP and the newly reduced charges
Increased OESP Credits	• Only for eligible customers • Question as to whether to display savings related to the full OESP credit or just the additional amount of credit provided by OFHP • Question as to whether OESP should continue as its own line item
8% Rebate	• Other programs reduce the 8% rebate amount • Question as to whether 8% rebate should continue as its own line item • Existing bill messaging focuses on 8% rebate and may require adjustment

Broad Communications Considerations

- Under current regulation and legislation, LDCs are required to include on-envelope, bill insert, and on -bill messaging related to the 8% rebate.
- With the upcoming implementation of the OFHP, and given the already in-market advertising, announcements and other promotion of the OFHP, the existing 8% language has the potential to cause confusion. CO and PO have indicated a desire to change to OFHP-specific bill language as soon as possible.
- Regulatory, and potentially legislative, changes are required for LDCs to change from using bills to promote the 8% to using them to promote the broader OFHP. The accompanying lag in implementation means that, while government moves to advertise and promote the OFHP through other communications avenues, billing messaging will likely continue to be referring to just one, smaller, component of the OFHP.
- The Ministry has initiated meetings with LDCs and staff has asked for timelines from LDCs to determine how long billing system upgrades will take. It is expected that this will depend~~ing~~ on the complexity of the messaging.

LDC Feedback

- The Ministry has asked LDCs to report back with feedback and suggested timelines for implementing OFHP bill messaging (assuming a dynamic messaging/individual line item approach)
- General feedback on OFHP bill messaging received to date from stakeholders has included:
  - **Invoice:** Simple messaging can be done quickly (~45 days), though bill has existing messaging that limits space (LDCs recommend removal of Debt Retirement Charge exemption). Personalized messaging/line items require more time and are more expensive (compliance costs passed on to ratepayers)
    - Chiefs of Ontario have expressed desire for First Nations Delivery Credit to be visible on the bill
    - LDCs have indicated that customer feedback on messaging can be negative (see slides on Hydro One behavioural research). Hence, it may be prudent to limit near-term messaging with more detailed invoice messaging delayed for a full assessment of its impact
  - **Envelope:** For ORECA, LDCs were given a six-month compliance timeline to use up existing paper stock. Changes to requirement may result in write-off of ORECA -specific envelopes
  - **Bill Insert:** Printing and mailing of inserts requires two months following completion of regulation with required language

Options and Next Steps

Options

- As indicated in the preceding slides, the approach to bill presentment for OFHP programs could range from simple to complex.
- Given the timing constraints, an option for the Government to move forward on bill presentment could include a hybrid approach:
  - Requiring LDCs to implement simple/minimal bill presentment requirements for July 1st (e.g. static/general invoice messaging with adjustments to the 8% messaging where required or limit bill messaging to bill inserts/envelopes only), and
  - Implementing at a later date, broader and more complex bill appearance changes after consultation with LDCs.

Next Steps

- The Ministry is in the process of obtaining feedback from LDCs
- Once a preferred approach to bill presentment is determined, Ministry staff will test the proposal with the LDC working group
- LDCs will need messaging soon as possible to initiate changes to their billing systems

Appendix

Authority Overview

- In Ontario, most electricity customers receive bills for their consumption of electricity from their LDC
- The government has authority through regulation to stipulate requirements in relation to the form and content of electricity bills
  - The Ministry has legislative and regulatory authority, within limits, to prescribe messaging related to government programs directly on the electricity bill, on bill inserts, and on the envelope. Additional legislative authority will be provided in OFHP legislation.
  - The Ministry most recently exercised this authority with regards to the 8% rebate and other measures from the 2016 Speech from the Throne. Without regulatory amendment, these requirements will continue and LDCs will comply.
- The Ontario Energy Board (OEB) has established policies related to billing, for example bill frequency and accuracy, which LDCs are required to follow
- Outside of these requirements, LDCs enjoy the flexibility to construct and present their bills in a manner which they believe best meets the needs and preferences of their customers
  - As a result, bill appearance varies widely across Ontario’s ~70 LDCs

Government Authority – Legislation and Regulations

- The government's authority regarding the form of electricity bills for consumers is established by s. 79.17 of the Ontario Energy Board Act, 1998. Specifically:
  - (1) '*The Minister may require that invoices issued in respect of electricity to consumers who are members of a class of consumers prescribed by the regulations meet requirements to be prescribed by the regulations or be in a form approved by the Minister'*
  - (2) '*The regulations may prescribe or the Minister may approve different requirements for invoices and may prescribe or specify the circumstances in which each requirement shall apply or be used and the Minister may approve different forms of invoices and the circumstances under which the forms are to be used'*
- Several regulations under the OEB Act, 1998 (OEBA) the Electricity Act, 1998 (EA) and the Ontario Rebate for Electricity Consumers Act, 2016 (ORECA), prescribe content, and where applicable, specific language that must appear on consumer bills (See Appendix). These include:
  - **O. Reg. 275/04** made under OEBA s.79.17. Requirements for bills of low volume (residential and small business) customers include: the display of 4 line items ("Electricity", "Delivery", "Regulatory" and "Debt Retirement Charge"), a glossary explaining these items in prescribed language, historical consumption information and messaging related to government policy
  - **O. Reg 364/16** made under ORECA s.15.2. Stipulates requirements for LDCs with respect to bill, bill insert and envelope presentation of the 8% rebate for electricity consumers as of Jan 1 2017
  - **O. Reg. 429/04** made under EA s.25.33. Requires Global Adjustment disclosure on bills issued to low-volume consumers with retailer contracts (~300K customers) and those not participating in the OEB's Regulated Price Plan (RPP) along with specific explanatory language for these consumers

Bill Example – Bill Front

Toronto Hydro-Electric System Limited

YOUR ELECTRICITY BILL

TORONTO HYDRO

Account Number
30[redacted]
To be used for payments

Premise number
4[redacted]

Bill Print Date 021417

Meter Number
10[redacted]
SCARBOROUGH ON [redacted]

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 1.5% compounded monthly (19.56 % 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

Service Location: [redacted], SCARBOROUGH

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Heading
O. Reg. 275/04

Your Electricity Charges

Sub-headings
O. Reg. 275/04

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

Time of use - Winter

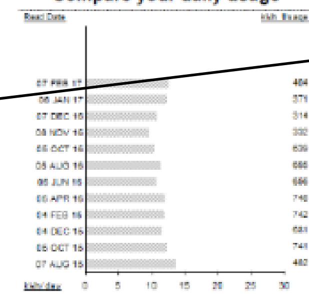
57.113 kWh On-peak (Highest Price) @ $0.18 / kWh	10.28
38.826 kWh Mid-peak (Mid Price) @ $0.132 / kWh	5.13
308.061 kWh Off-peak (Lowest Price) @ $0.087 / kWh	26.80
Delivery	42.59
Regulatory	3.12
Debt Retirement Charge[1]	0.00
Your Total Electricity Charges	87.92
H.S.T. (H.S.T. Registration 896718327RT0001)	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**

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

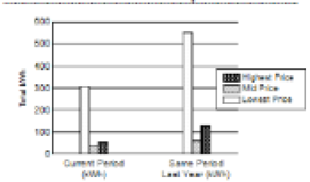
8% Rebate
O.Reg. 364/16

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

Compare your daily usage



Time of use Comparison



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

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

Actual Meter Read O. Reg. 275/04

DRC Messaging
O. Reg. 275/04

8% Rebate Messaging O.Reg. 364/16

Your electricity usage

Meter Number	Meter Reading Period	Number of Days	Read Type	Current Reading	Previous Reading	Billing Mult.	kWh Used	Loss Factor Adjustment	Adjusted kWh Used
10[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 $2.83

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

Bill Example – Bill 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

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

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

My TorontoHydro® Access your account online–24 hours a day, 7 days a week

Moving made easier
Update your move information online in just minutes–quick & easy

Manage your accounts wherever you are
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

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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.

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

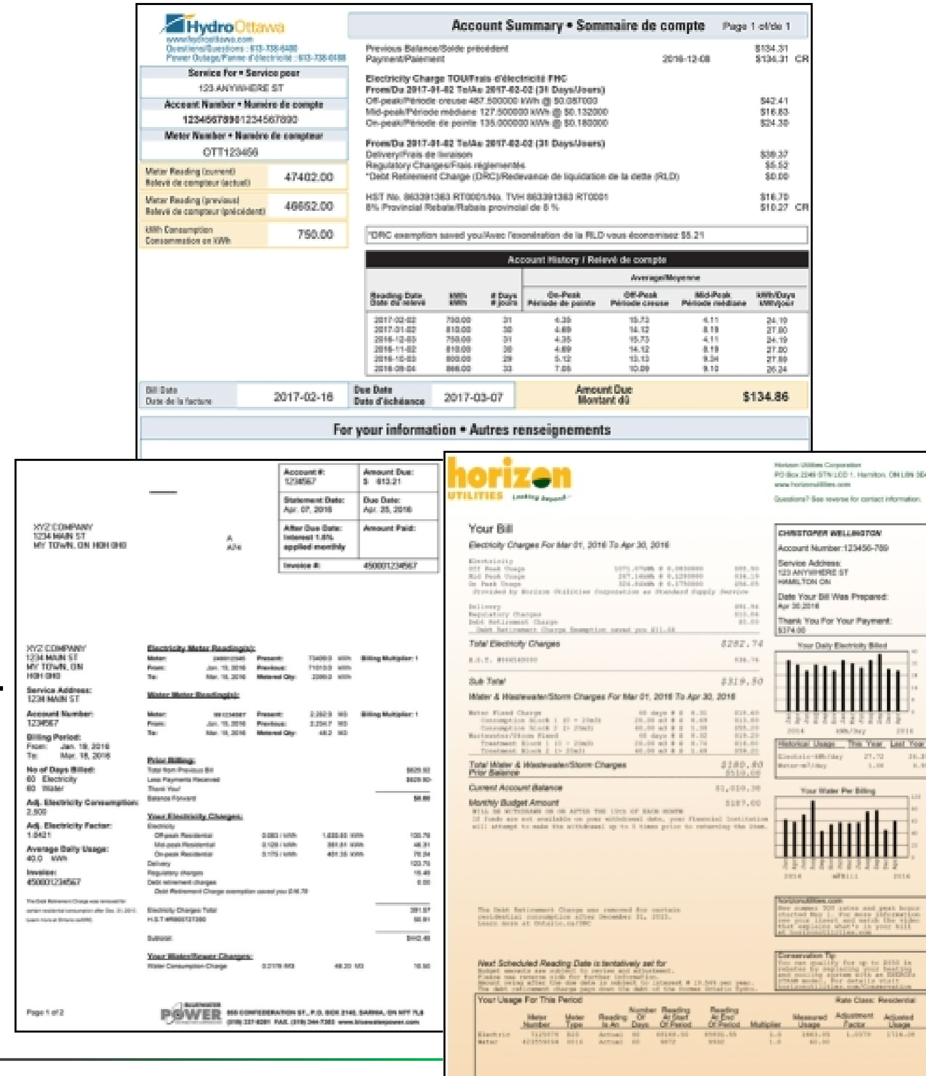
Evenings and weekends are always the lowest priced periods.
Learn more at **torontohydro.com/TOU**

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

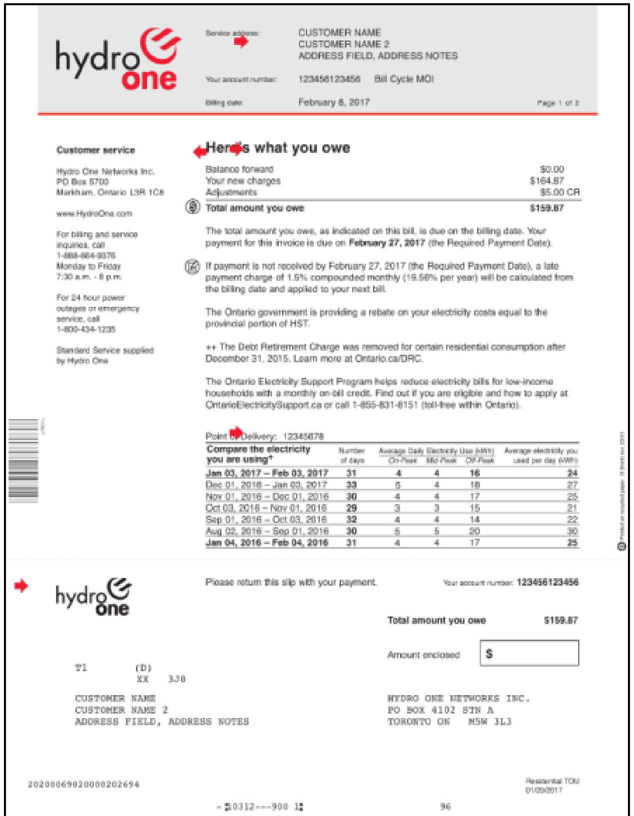
Differences in Bill Appearance Across Ontario

- While the government has mandated the inclusion of specific content and wording with respect to certain elements of electricity bills, the overall appearance of bills varies by LDC for a number of reasons:
  - LDCs have flexibility to present bills in a way which they consider best responds to the preferences of their customer base
  - LDCs have taken different approaches to the grouping, positioning and graphical representation of required elements
  - Some LDCs issue bilingual bills e.g. Hydro Ottawa
  - Some LDCs bill for other utilities (water, waste water, gas) on the same invoice e.g. Utilities Kingston
  - Bills issued by LDCs for customers on the spot market or with retailer contracts have special requirements e.g. additional language on the Global Adjustment
  - Billing system restrictions



Bill Improvement Activity – Hydro One Example

- Hydro One has retained 'BEworks', a behavioural science firm, to assist in a project to improve the appearance and comprehension of its customer bills
    - As part of this undertaking, Hydro One/BEworks has engaged an online panel of 4,000 customers, held in-person research sessions and consulted with the OEB and the IESO



Service address: CUSTOMER NAME
CUSTOMER NAME 2
ADDRESS FIELD, ADDRESS NOTES

Your account number: 123456123456 Bill Cycle MOI

Billing date: February 8, 2017

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Customer service

Hydro One Networks Inc.
PO Box 5700
Markham, Ontario L3R 1C8

www.HydroOne.com

For billing and service inquiries, call 1-888-664-9376 Monday to Friday 7:30 a.m. - 8 p.m.

For 24 hour power outages or emergency service, call 1-800-434-1235

Standard Service supplied by Hydro One

Her s what you owe

Balance forward	$0.00
Your new charges	$164.87
Adjustments	$5.00 CR
Total amount you owe	**$159.87**

The total amount you owe, as indicated on this bill, is due on the billing date. Your payment for this invoice is due on **February 27, 2017** (the Required Payment Date).

If payment is not received by February 27, 2017 (the Required Payment Date), a late payment charge of 1.5% compounded monthly (19.56% per year) will be calculated from the billing date and applied to your next bill.

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

++ The Debt Retirement Charge was removed for certain residential consumption after December 31, 2015. Learn more at Ontario.ca/DRC.

The Ontario Electricity Support Program helps reduce electricity bills for low-income households with a monthly on-bill credit. Find out if you are eligible and how to apply at OntarioElectricitySupport.ca or call 1-855-831-8151 (toll-free within Ontario).

Point Delivery: 12345678

Compare the electricity you are using*	Number of days	Average Daily Electricity Use (kWh) On-Peak	Mid-Peak	Off-Peak	Average electricity you used per day (kWh)
Jan 03, 2017 – Feb 03, 2017	31	4	4	16	24
Dec 01, 2016 – Jan 03, 2017	33	5	4	18	27
Nov 01, 2016 – Dec 01, 2016	30	4	4	17	25
Oct 03, 2016 – Nov 01, 2016	29	3	3	15	21
Sep 01, 2016 – Oct 03, 2016	32	4	4	14	22
Aug 02, 2016 – Sep 01, 2016	30	5	5	20	30
Jan 04, 2016 – Feb 04, 2016	31	4	4	17	25

Please return this slip with your payment.

Your account number: **123456123456**

Total amount you owe **$159.87**

Amount enclosed $

T1 (D)
XX 3J0

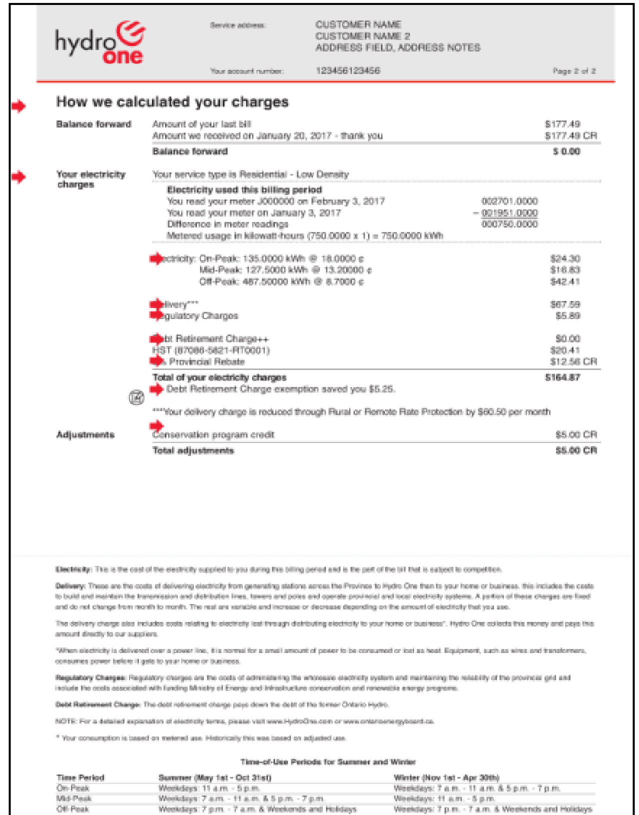
CUSTOMER NAME
CUSTOMER NAME 2
ADDRESS FIELD, ADDRESS NOTES

HYDRO ONE NETWORKS INC.
PO BOX 4102 STN A
TORONTO ON M5W 3L3

20200069020000202694

Residential TOU
01/20/2017

- 10312---900 1 96



Service address: CUSTOMER NAME
CUSTOMER NAME 2
ADDRESS FIELD, ADDRESS NOTES

Your account number: 123456123456

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How we calculated your charges

Balance forward	Amount of your last bill		$177.49
	Amount we received on January 20, 2017 - thank you		$177.49 CR
	Balance forward		**$ 0.00**
Your electricity charges	Your service type is Residential - Low Density		
	Electricity used this billing period		
	You read your meter J000000 on February 3, 2017	002701.0000	
	You read your meter on January 3, 2017	– 001951.0000	
	Difference in meter readings	000750.0000	
	Metered usage in kilowatt-hours (750.0000 x 1) = 750.0000 kWh		
	ectricity: On-Peak: 135.0000 kWh @ 18.0000 ¢		$24.30
	Mid-Peak: 127.5000 kWh @ 13.20000 ¢		$16.83
	Off-Peak: 487.50000 kWh @ 8.7000 ¢		$42.41
	livery***		$67.59
	gulatory Charges		$5.89
	bt Retirement Charge++		$0.00
	HST (87086-5821-RT0001)		$20.41
	s Provincial Rebate		$12.56 CR
	Total of your electricity charges		**$164.87**
	Debt Retirement Charge exemption saved you $5.25.		
	***Your delivery charge is reduced through Rural or Remote Rate Protection by $60.50 per month		
Adjustments	onservation program credit		$5.00 CR
	Total adjustments		**$5.00 CR**

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 Hydro One 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*. Hydro One 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 and Infrastructure conservation and renewable energy programs.

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

NOTE: For a detailed explanation of electricity terms, please visit www.HydroOne.com or www.ontarioenergyboard.ca.

* Your consumption is based on metered use. Historically this was based on adjusted use.

Time-of-Use Periods for Summer and Winter

Time Period	Summer (May 1st - Oct 31st)	Winter (Nov 1st - Apr 30th)
On-Peak	Weekdays: 11 a.m. - 5 p.m.	Weekdays: 7 a.m. - 11 a.m. & 5 p.m. - 7 p.m.
Mid-Peak	Weekdays: 7 a.m. - 11 a.m. & 5 p.m. - 7 p.m.	Weekdays: 11 a.m. - 5 p.m.
Off-Peak	Weekdays: 7 p.m. - 7 a.m. & Weekends and Holidays	Weekdays: 7 p.m. - 7 a.m. & Weekends and Holidays

Electricity Bill – Charge Breakdown

Electricity Charges:
This is the cost of electricity supplied (commodity) during the billing period and can be purchased either through a LDC or through a licensed electricity retailer.

Regulatory Charge:
This charge covers costs such as market regulation, management of the system, rural and remote rate protection and the OESP charge. It also includes the Standard Supply Service administration charge of $0.25 stated on a 30-day basis.

Debt Retirement Charge:
This 0.7C/kWh charge is set by the Ontario Ministry of Finance to pay down the remaining debt of the former Ontario Hydro. The DRC was removed for certain residential consumption after Dec 31, 2015.

8% Provincial Benefit:
Effective January 1, 2017, customers receive a an 8% rebate equivalent to the provincial portion of the HST.

SAMPLE MONTHLY BILL STATEMENT

Anytown Hydro-Electric Limited

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
8% Provincial Rebate	(11.12)
Total Amount	**$145.95**

Delivery Charges:
Customer Service Charge: A fixed charge for costs relating to meter reading, billing, customer service and account maintenance, and general LDC operations.
Distribution Charge: A variable charge for costs of building and maintaining the distribution system, including overhead and underground power lines, poles, and transformer stations.
Transmission Charge: A variable charge for the costs of transmitters to operate and maintain the high-voltage transmission system that carries electricity from generating stations to your LDC.
Loss Adjustment
When electricity is delivered over a power line some is lost as heat. In calculating your electricity costs for the billing period, LDCs multiply the electricity cost by an OEB-approved adjustment factor to accounts for those losses.

Bill Improvement Activity – Hydro One Example

- Key feedback received from customers with respect to Hydro One's current bills include:
  - **Lack of transparency**: the bill breakdown into electricity, delivery, regulatory etc doesn't make sense to people outside of the energy industry and the corresponding definitions for these charges are not well explained or understood. The Glossary (required by 275/04) is too small to read
  - **Information overload**: key information is lost on the bill which is overcrowded with text and numbers. It is difficult to pick out the 5 elements which are of actual interest to customers, namely, 1) what is owed, 2) what was used, 3) due date, 4) comparative usage information and 5) LDC contact information
  - **High level of numerical detail**: there are too many numbers on the bill (most to 4 decimal places) i.e. TOU rates, past and present kWh used, $ breakdown of the total amount owed – customers would prefer the 'total amount owed' to be more upfront/prominent on the bill
  - **Delivery charges were not well explained**: the explanation for 'Delivery' is confusing, e.g. seasonal customers with no usage don't understand why they still have to pay 'Delivery' charges when in fact no electricity was 'delivered' to their premises – a more self explanatory term could be used
  - **Display of usage information was confusing**: presentation of historic consumption information by showing daily averages in past billing periods gives customers the impression they use little electricity and also dampens the visibility of conservation efforts
- Utilising this feedback, Hydro One is prototyping alternative bill presentment options within the constraints of the applicable regulations, their technical system and costs and plan to go live with a new bill in 2017
  - Hydro One is also working with BEworks to identify issues originating from O.Reg. 275/04 etc and plan to develop and assess an 'ideal' revised bill which is not restricted by regulatory requirements

O.Reg. 275/04

- O.Reg. 275/04: '*Information on Invoice to Low-Volume Consumers of Electricity'* is the main regulation which prescribes specific content and wording which must be included on residential and small business bills for electricity
- Items mandated by O.Reg. 275/04 include:
  - The inclusion of the heading “Your Electricity Charges”
  - The inclusion of 4 sub headings in the following order “Electricity”, “Delivery”, “Regulatory” and “Debt Retirement Charge” (DRC),
  - Specific requirements related to each of the sub-headings, for example:
    - Electricity: the invoice must indicate clearly and separately the amount of electricity consumed, the commodity price for the electricity and any other information related to the consumption of electricity that may be required as the result of other regulations or OEB requirements
    - Delivery: O.Reg. 275/04 specifies that the bill must indicate the total delivery charge and also lists the various charges which must be included in the calculation of the total delivery charge
    - Regulatory Charges: O.Reg. 275/04 specifies that the bill must indicate the total regulatory charge and also lists the various charges which must be included in the calculation of the total Regulatory charge
    - DRC: if the bill is for a residential consumer after December 31, 2015 then the DRC payable should be listed as zero. Otherwise the invoice must clearly indicate the amount of the debt retirement charge payable
  - The inclusion of:
    - The historical consumption of electricity by the consumer that enables the consumer to compare electricity consumption from the current billing period to electricity consumption from earlier billing periods
    - Consumption information as measured by the meter
    - Messaging related to Conservation, Renewable or Alternative Energy Sources, the DRC exemption and the Ontario Electricity Support Program (OESP) as appropriate. Actual messaging may be prescribed (content, form, location of the message on the bill) by the Minster
    - A glossary explaining the 4 sub-heading items in prescribed language set out in O.Reg. 275/04 (see next slide)
    - Information on how to contact the LDC, including website and telephone number, in prescribed language

O.Reg. 275/04 and O.Reg.429/04 – Glossary Language

- O.Reg. 275/04 requires that a glossary of terms in the following language be included

Term	Description
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 (name of distributor) 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.* (Name of distributor) 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.
DRC	The debt retirement charge pays down the debt of the former Ontario Hydro.

- O.Reg. 429/04 requires that the following term be added where a customer is supplied by a retailer

Term	Description
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 contracts. Your portion of the net adjustments arising from these and other authorized payments is included on your bill as the Global Adjustment.

O.Reg. 364/16

- O.Reg 364/16: '*Invoicing Requirements*' made under the Ontario Rebate for Electricity Consumers Act, 2016 stipulates a number of requirements for LDCs with respect to displaying the 8% rebate as of January 1 2017 on customers' bills
  - On-bill messaging requirements:
    - Must label the credit as "8% Provincial Rebate"
    - The invoice must set out, in a location where conservation or other utility messages to consumers are usually placed, the following statement: "The Ontario government is providing a rebate on your electricity costs equal to the provincial portion of HST".
  - On-envelope requirements:
    - set out the following statement in an appropriate location on the face of the envelope: "Ontario is helping reduce electricity costs for families, businesses and farms", and
    - include, in a reasonably prominent location on the face of the envelope, in a reasonably prominent font size, the words "8% Provincial Rebate".
  - Bill insert requirements:
    - The Ontario government trillium logo must appear in a reasonably prominent place on the face of the bill insert.
    - The words "8% Provincial Rebate" must appear in a reasonably prominent location on the face of the bill insert.
    - The insert must contain the following wording:
      - ► On January 1, 2017, your electricity costs went down 8%.
      - ► Ontario's government is reducing electricity costs by rebating an amount equal to the provincial portion of the HST on your monthly hydro bill. That's an 8% rebate for Ontario families, and on average will mean $130 more in your pocket each year.
      - ► This is part of Ontario's plan to help people with the costs of everyday living by reducing electricity costs. Across Ontario, about five million residential consumers, farms and small businesses will benefit from this rebate.
      - ► [*Insert Electricity vendor or unit sub-meter provider name*] will implement these savings onto your bill by July 1, 2017. Applicable savings will be retroactive to January 1, 2017.
- These requirements represent a fairly prescriptive approach to program messaging. Without regulatory amendment, these requirements will continue and LDCs will comply

OEB Authority – Codes

- The Ontario Energy Board (OEB), the electricity sector's independent regulator, sets out rules and guidelines in its various Codes that electricity LDCs must abide by as a condition of their licence
- A number of OEB Codes include high level requirements with respect to customer billing, however these requirements largely relate to policies such as billing accuracy and frequency, as opposed to including specific requirements on how these matters should appear on the bill
    - **Distribution System Code (DSC):** includes the requirement for disclosure of the date of bill issuance, stipulations related to billing accuracy, monthly billing frequency for non seasonal customers, provisions for a minimum payment period and instructions on how to determine the related timings, guidelines on late payment charges, the hierarchy of application of customer payments to respective charges when payment amounts are insufficient to cover the entire amount payable and rules on arrears management.
    - **Standard Supply Service (SSS) Code:** outlines requirements related to the provision of equalized monthly payment/billing plan options to customers, specifies the form of pricing structure to be charged for electricity commodity for various customer types e.g. spot market versus the OEB's regulated price plan (RPP) i.e. time-of-use (TOU) pricing and requirements for LDCs to notify customers of changes to TOU rates/periods on their website and by means of bill messages or bill inserts. The SSS mandates that bills must comply with applicable legislation, regulations and codes.
    - **Retail Settlement Code (RSC):** prescribes rules for transactions and responsibilities between LDCs and retailers, including specific obligations between LDCs and retailers with respect to 'retailer-consolidated' billing by LDCs for customers with retail contracts.