Q&A Response – Hydro One Rate Application

1. **Under Ontario's Fair Hydro Plan (OFHP), any rate increase granted to Hydro One R1 and R2 would be ~~nullified~~ offset by the OFHP, since they are within the 8 most expensive LDC jurisdictions.**

   Yes, distribution costs for R1 and R2 costs, under Ontario's Fair Hydro Plan (OFHP), would be limited to the maximum distribution charge as set by the Ontario Energy Board (OEB). Monthly costs in excess of this maximum would be covered by the tax-base.

   Hydro One is still coming forward with its request for rate increases as OFHP does not stop the application process – utilities still need to apply for an adjustment to their rates when needed. This application for Hydro One is for five years (i.e., 2018 – 2022).

2. **What about Hydro One urban customers?**

   Hydro One rural and remote customers have higher electricity costs and so they are protected under the RRRP.

3. **Is it possible a rate increase would affect the savings that eligible electricity consumers will receive from the FHP? Or will government cover any increases to guarantee they do not rise beyond inflation.**

   Under Ontario's Fair Hydro Plan (OFHP), the inflationary Regulated Price Plan (RPP) rate adjustment would be set at such a level that a Toronto Hydro consumer that uses 750 kWh would see a total bill that increases at CPI. All other consumers would pay the same RPP rates, but total bill increases would slightly differ based on consumption or distributor. For example, a consumer of a distributor with a lower increase in distribution rates than Toronto Hydro would see a total bill increase lower than inflation. Conversely, consumers of distributors with distribution rate increases greater than Toronto Hydro would see a larger than inflation increase in total bill.