

OEB May 1, 2017 RPP Announcement

Coms Roll-Out

The Ontario Energy Board will mirror past communications practices and standards with the announcement of the RPP/TOU rates for this summer. They will be announced on April 20th and go into effect on May 1st. The OEB is not doing anything different – it is business as usual.

KEY MESSAGES

- Beginning May 1, households and small businesses will see their electricity prices drop.
- This will benefit more than 90% of the electricity customers in Ontario.
- Starting in May 2017, the total bill for a typical residential customer who uses 750 kWh per month will be about \$127, which is about \$26 or 17% lower than it would have been without the following rate mitigation:
 - the 8% rebate, equivalent to the provincial portion of the HST, that has been in place since January 1, 2017;
 - the OEB's decision to remove the charge that funds the cost of the Ontario Electricity Support Program (OESP), effective May 1, 2017. The OESP will continue to be available to help eligible low-income customers reduce their electricity bills; and
 - a portion of the bill reduction announced in the government's proposed Ontario Fair Hydro Plan.
- The government has indicated that it intends to introduce legislation that, if passed, would implement the proposed Fair Hydro Plan starting this summer.
- The OEB will then further adjust RPP prices as needed so that RPP customers receive the full rate relief as legislated.
- We are setting the TOU prices the same as we have done in the past. In forecasting our prices, we take various factors into account, including fuel prices, power sources, consumption and weather.

General RPP Messaging

- Every six months, the OEB reviews RPP prices. When prices are set, the OEB calculates how much it will cost to supply electricity to customers, and establishes new time-of-use (TOU) rates to recover the costs from customers covered by the Regulated Price Plan (RPP).
- RPP prices are designed to ensure consumers pay a stable and predictable price that reflects the costs to supply their electricity over time.
- These adjustments also help smooth prices changes over time.

MEDIA

Martine Band and Nancy Marconi will be the **OEB's spokespeople** for the RPP announcement.

Questions of a more legal or regulatory nature will be directed to Martine Band. For example, "How did the FHP affect the RPP price-setting process?"

Questions about how RPP rates are generally set will be directed to Nancy Marconi. Nancy is responsible for the RPP process as Manager of Supply and Infrastructure and is well-versed in the details.

Questions about when the rest of the proposed 25% bill reduction will come, will be directed to the Ministry of Energy.

ROLL-OUT

April 20, 2017

Before 4pm

- Issue News Release with Backgrounder, province wide
- Issue "What's New" and post RPP report (including Minister's April 10, 2017 letter), news release and backgrounder on OEB website
- Issue employee email

April 28, 2017

All LDCs will receive a hard copy of bill insert indicating lower prices will become effective May 1, 2017 and reviewing the change in TOU periods. The flip side of the bill insert announces OESP eligibility and on-bill credit changes.

COMPONENTS

The **News Release** will be distributed through the usual channels, and posted on the OEB website. The release will be similar in style and content to past releases on RPP/TOU rates.

As in the past, a **backgrounder** will provide further details on how RPP rates are set in general, and the May 1 rates specifically. The backgrounder will provide high level answers on why the rate reductions were brought in ahead of the passage of legislation, and that the RPP prices will be reassessed after the legislation enabling the Fair Hydro Plan is passed, and adjust the rates as necessary in keeping with the legislation.

The following will be posted on the website:

- RPP Price Report
- Ministry Letter – April 10 including Appendix
- Ministry Letter – April 18 to Nancy Marconi (the '72 TWh' letter)
- Navigant's Wholesale Market Price Forecast Report (the 'HOEP' Report)

Bill Insert

The OEB provides all LDCs with a bill insert for every May 1st change and will do so again.