
Ontario's Electricity Bills: Current Requirements and Long-Term Improvements

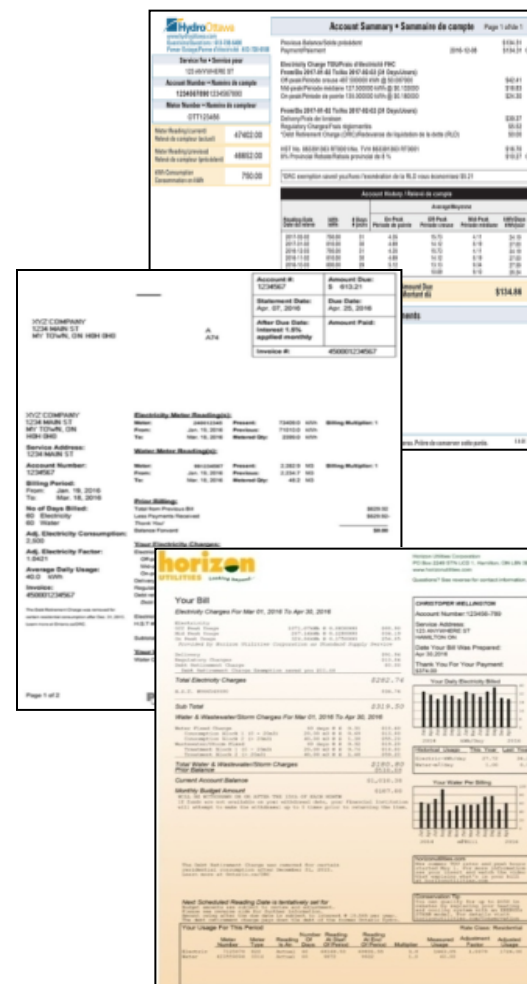
July 2017

Contents

- Overview of Electricity Bill Requirements
- Ontario's Fair Hydro Plan (OFHP)
- Redesign Action Plan (RAP)
- Hydro One – Bill Redesign Initiative
- Proposed Timeline

Electricity Bill Requirements – Authority Overview

- In Ontario, most electricity customers receive bills for their consumption of electricity from their Local Distribution Company (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.
 - The government obtains its authority to mandate specific content with respect to bills from the *Ontario Energy Board Act*, 1998 and there are a number of regulations requiring LDCs to display messaging in a certain way on electricity bills.
- 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.
- Outside of these requirements, LDCs enjoy the flexibility to present their bills in a manner which they believe best responds to the preferences of their customer base, causing bill appearance to vary widely across Ontario's approximately 70 LDCs (see right).



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

Meter Number: 10 [REDACTED] SCARBOROUGH ON [REDACTED]

Statement Date: Feb 13 2017
Amount Due: \$92.32
Due Date: Mar 05 2017
Amount Paid: [REDACTED]
416.542.8000 www.torontohydro.com

Interest will be charged on any amount not received by the due date at the rate of 1.0% compounded monthly (10.55 % per annum) from the due date until receipt of such amount and all accrued interest.

Page 1 / 1

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

Usage	Rate	Amount
57,113 kWh On-peak (Highest Price) @ \$0.18 / kWh	10.28	
38,826 kWh Mid-peak (Mid Price) @ \$0.132 / kWh	5.13	
308,051 kWh Off-peak (Lowest Price) @ \$0.087 / 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	Amount
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

Compare your daily usage

Read Date: kWh, Range

Read Date	kWh, Range
07 FEB 17	404
06 JAN 17	371
07 DEC 16	314
08 NOV 16	332
05 OCT 16	436
05 AUG 16	688
05 JUN 16	686
05 APR 16	710
04 FEB 16	742
04 DEC 15	681
05 OCT 15	741
07 AUG 15	482

Time of use Comparison

Total kWh

Current Period (kWh) | Same Period Last Year (kWh)

Legend: Highest Price, Mid Price, Lowest Price

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

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
10 [REDACTED]	JAN 06 2017 TO FEB 07 2017	32	Act.	96142	95738	1	404	1.0376	419.189

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

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

Actual Meter Read
O. Reg. 275/04

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

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

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

SAFETY FIRST

POWER OUTAGE?
24-HOUR HOTLINE
416.542.8000

CALL BEFORE YOU DIG
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1.800.400.2255

REPORT A STREETLIGHT OUT
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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.

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torontohydro.com/conservation

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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

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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

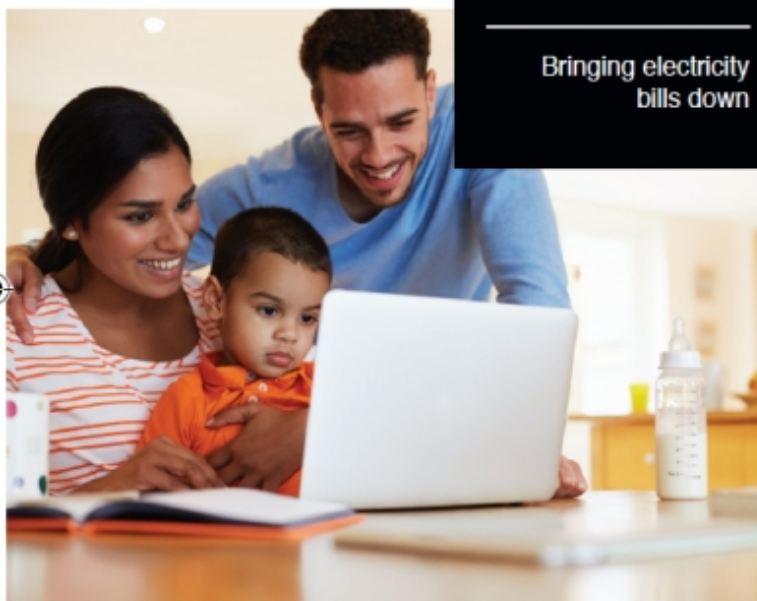
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Website links for where to get more Information in Prescribed Language
O. Reg. 275/04

Ontario's Fair Hydro Plan – Billing Requirements

- 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 percent** starting in the summer of 2017.
- To implement this plan, LDCs were required to make backend system changes to ensure that eligible residential customers received the applicable rebates and lower charges by the mandated deadlines (May 1, 2017 or July 1, 2017).
- LDCs were also required to make billing system changes such that electricity bills were updated to reflect OFHP initiatives and customers were informed about the resultant bill impacts.
- Specifically, as of July 1, 2017, LDCs were required by regulation to:
 - ✓ include standardized **on-bill OFHP messaging**;
 - ✓ accompany paper invoices with a descriptive **OFHP bill insert** once per quarter for 12 months, beginning with the first invoice issued on or after July 1, 2017 until the first invoice issued on or after July 1, 2018; and
 - ✓ include a **"First Nations Delivery Credit"** as a line item for on-reserve customers, as applicable.
- In anticipation of these new requirements, the Ministry revoked outdated messaging from electricity bills to free-up space and reduce potential confusion amongst consumers. This included removing "8% Provincial Rebate" messaging from invoices and envelopes under O. Reg. 364/16, and DRC messaging under O. Reg. 275/04.
- LDCs were in favour of this regulatory "clean-up", indicating they "maxed out" the available space on electricity bills.
- Importantly, under these new and existing regulations, LDCs are able to petition the Minister, via a letter, to seek adjustments and/or exemptions from the invoicing requirements due to technical and/or operational limitations.

Ontario's Fair Hydro Plan – Bill Insert



ONTARIO'S FAIR HYDRO PLAN

Bringing electricity
bills down

Ontario's Fair Hydro Plan

- Electricity bills will be lowered by 25 per cent on average for residential consumers.
- Rate increases will be held to inflation for four years.
- As many as half a million small businesses and farms will also benefit from this reduction.
- Lower-income Ontarians and those living in eligible rural communities will receive even greater reductions, as much as a 40 to 50 per cent cut.

The benefit will vary for individual consumers depending on electricity usage and service territory. These measures include the eight per cent rebate introduced in January 2017 and build on previous initiatives to deliver broad-based relief on all electricity bills.

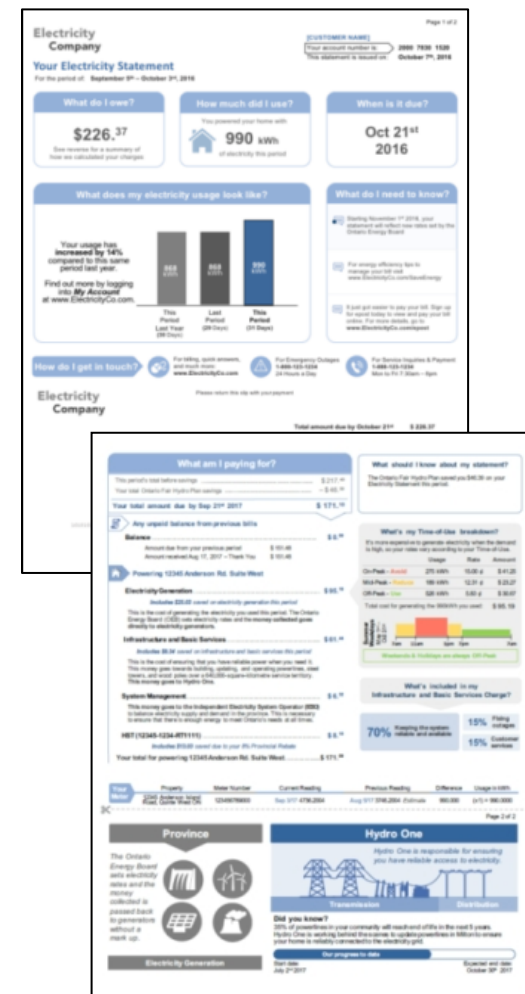
To find out more, visit ontario.ca/FairHydroPlan

Redesign Action Plan (RAP)

- Despite these recent changes, the Ministry recognizes there is an opportunity to further revise the regulatory framework on invoicing to improve the value of electricity bills to all consumers - ensuring they get the most out of their bills.
- In pursuit of this effort, the Ministry plans to launch a **Redesign Action Plan (RAP)** this summer with the aim of improving electricity bills by achieving the following objectives:
 - Enhancing the customer experience;
 - Better communicating government initiatives and programs;
 - Consolidating the regulatory framework; and
 - Promoting greater understanding.
- To initiate this plan, the Ministry intends to convene a “**RAP Working Group**” in August 2017 consisting of Hydro One, the Electricity Distributors Association (EDA), the Coalition of Large Distributors (CLD), as well as additional LDCs, the OEB and relevant industry associations to seek feedback on changes to bill presentment and invoicing regulations from the sector.
- This bill redesign could also consider how to display OFHP program savings more directly on consumer bills (e.g., providing a “personalized” message indicating how much customers saved as a result of the plan).
- The Ministry also plans to conduct research on bill redesign initiatives, including a jurisdictional scan on best practices, as well as background on vendor billing systems.
- Based on these efforts, the Ministry aims to prepare new regulations that would come into effect Fall/Winter 2018, but include an ample transition period.

Case Study: Hydro One's Bill Redesign Initiative

- Hydro One has also been investigating ways to improve the appearance and comprehension of its bill, which has remained unchanged for over a decade.
- Hydro One customers indicate their current bill suffers from: a lack of transparency, over-complicated language, overcrowded text, a lack of visual aids and a formal tone.
- As part of this undertaking, Hydro One has enlisted the services of a behavioural research firm and engaged an online panel of 4,000 customers.
- Utilizing this feedback, Hydro One has prototyped alternative bill designs which have been observed to increase customer satisfaction and comprehension, as well as improve attitudes towards LDCs and the electricity sector.
- To facilitate the implementation of this redesign, the Ministry has provided Hydro One with an exemption from current invoicing requirements under O. Reg. 275/04, as well as specified OFHP invoicing requirements, as of July 1, 2017.
 - This exemption will allow Hydro One to proceed with its planned bill redesign in Fall 2017, unencumbered by regulatory requirements.
 - By mid-2018, Hydro One expects to provide 1.1 million customers with redesigned invoices.
- In addition, Hydro One has agreed to participate in the Ministry's RAP Working Group; sharing its learnings from its bill redesign initiative.



Hydro One: Redesigned Bill

Proposed Timeline

- In order to have new regulations in place for January 1, 2018, the Redesign Action Plan should be undertaken according to the following timeline:

