

Briefing Note

Newmarket Tay Power seeks alternative on-bill messaging authorized by the Minister

Issue:

Newmarket-Tay Power Distribution Ltd. (NT Power) has requested the Minister's authorization to delay implementation of the dynamic OFHP savings message until July 31, 2018, as it is in the middle of a billing pilot and any changes to the invoices during the pilot risks the integrity of the results.

In its place, NT Power proposes to use the static OFHP on-bill message "Ontario's Fair Hydro Plan substantially lowers electricity for typical residential consumers. This includes the eight per cent rebate introduced in January 2017, and builds on previous initiatives to deliver broad-based relief on all electricity bills."

Context:

- As of January 1, 2018, s. 1 of O. Reg. 196/17 (Invoicing Requirements) made under *Ontario's Fair Hydro Plan Act*, 2017, requires electricity vendors and unit sub-meter providers (USMPs) to include the following statement on English and French invoices, respectively, in a location where conservation or other utility messages to consumers are usually placed.

English on-bill message:

Ontario's Fair Hydro Plan saved you [*insert specified amount*] on your bill. This includes the 8% Provincial Rebate.

French on-bill message:

Le Plan ontarien pour des frais d'électricité équitables vous a fait économiser [*montant précisé à insérer*] sur votre facture. Ce montant inclut la remise provinciale de 8 %.

- The methodology for calculating the "specified amount" is outlined in section 1.2 and 1.3. and includes:
 - Savings related to the re-financing of the Global Adjustment, including savings in the Delivery line associated with line losses.
 - Savings from the Distribution Rate Protection program and the First Nations Delivery Credit (inapplicable to Alectra)
 - Savings from the shifting of costs of social programs to the taxbase.
 - The 8% provincial rebate
 - Any reduction in HST payments as a result of overall lowered bills.
- Under s. 3 of O. Reg. 197/16, electricity vendors and USMPs can seek an alternative to the wording and/or invoicing process required by the regulation by submitting a written request to the Minister, outlining the technical and/or operational

reasons why they are unable to comply with the specified requirements, and outlining a proposed alternative.

- If the Minister is satisfied that it would be impossible, impractical or unreasonably difficult for an electricity vendor or USMP to use the specified wording, or to follow an invoicing process required by the regulation, the Minister can provide different wording or an alternative invoicing process for the vendor or USMP to follow via written notice.
- If the electricity vendor or USMP receives written notice from the Minister (via a letter), per s. 3(2), they are required to use the wording or follow the invoicing process specified in the letter instead of the wording or invoicing process stated in the regulation.

Request from Newmarket Tay Power:

- On March 29, 2018, NT Power wrote to the Minister seeking accommodation for technical and operational reasons for the new dynamic on-bill messaging requirements.
- Section 3 of O. Reg 196/17 allows the Minister, for technical or operational reasons, to approve an alternative approach or wording that promotes the purposes of the requirement.
- NT Power is seeking to delay the implementation of the dynamic OFHP messaging until July 31, 2018, and use the current static message until they are able implement the new requirements.
- The rationale for the delay is that NT Power launched a bill redesign pilot project in conjunction with BEWorks in June 2017. The pilot project is nearly complete and a delay in the implementation of the new requirements would help ensure the integrity of the study and results.

Proposed Direction:

NT Power has indicated that this accommodation is necessary to ensure the integrity of the billing pilot project they launched last June in conjunction with the IESO and BEWorks.

- Accepting NT Power's contention that any changes to invoices prior to the completion of the pilot would compromise the outcome of the study, staff propose granting NT Power's request to use previous static OFHP messaging until July 31, 2018, when it will come into full compliance with the regulatory requirements.

Date Prepared: April 4, 2018