

Q&A Response

Q. Why will the inflationary increases for Ontario's Fair Hydro Plan be calculated based on a typical electricity consumer connected to Toronto Hydro? How is this relevant to consumers in rural and northern Ontario?

Under Ontario's Fair Hydro Plan (OFHP), all residential electricity consumers will see immediate savings of 25 per cent on average this summer and any future increases will be held to the rate of inflation for four years. Low-income Ontarians and those living in eligible rural or remote communities will receive even greater reductions, as much as 40 to 50 per cent on their bills.

The inflationary increases will be calculated based on a "proxy" consumer. The proxy consumer is a Toronto Hydro consumer using 750 kWh with a standard load profile (i.e., consumption distribution) of 65 percent off-peak, 17 percent mid-peak and 19 percent off-peak consumption.

Toronto Hydro was chosen to align with previous forecasts such as the 2010 Long-Term Energy Plan (2010 LTEP), 2013 Long-Term Energy Plan (2013 LTEP) and the Independent Electricity System Operator's (IESO) 2016 Ontario Planning Outlook (OPO).

750kWh per month was chosen to align with the average household consumption used by the Ontario Energy Board (OEB).

The load profile was chosen to align with the current average profile used by the OEB in setting time-of-use prices (TOU).

Actual impacts will be slightly above or below the level determined for the proxy, depending on consumption and the customer's local distribution company (LDC).