RE: Hey Colin...quick question

From: "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>
To: "Ruttan, Craig (ENERGY)" <craig.ruttan@ontario.ca>, "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>
Date: Fri, 27 Jan 2017 16:06:30 -0500

Thanks guys. Really helpful.

Colin Nekolaichuk | Press Secretary
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colin.nekolaichuk@ontario.ca

From: Ruttan, Craig (ENERGY)
Sent: January-27-17 4:00 PM
To: Whittington, Matt (ENERGY); Nekolaichuk, Colin (ENERGY)
Subject: Re: Hey Colin...quick question

Would also recommend you clarify that GA is part of the cost of the commodity (and on residential bills, is included in their Time of Use pricing)

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Whittington, Matt (ENERGY)
Sent: Friday, January 27, 2017 3:57 PM
To: Nekolaichuk, Colin (ENERGY)
Cc: Ruttan, Craig (ENERGY)
Subject: Re: Hey Colin...quick question

Here is what the delivery line covers. So the number you gave him is for the first two things, but not transmission.

Delivery

This is the cost of delivering electricity from generating stations across the province to your home or business through high voltage (transmission) and low voltage (distribution) power lines.

Delivery charges are approved by the OEB. Some of these are fixed at a set amount per month. Others are variable and increase or decrease depending on how much electricity you use. Delivery charges include:

- * **Customer Service Charge** : A fixed charge for costs relating to meter reading, billing, customer service and account maintenance, and general utility operations.
- * **Distribution Charge** : A variable charge for costs of building and maintaining the distribution system, including overhead and underground power lines, poles, and transformer stations. [View utility electricity distribution rate applications and decisions].
- * **Transmission Charge** : A variable charge for the costs of transmitters to operate and maintain

the high-voltage transmission system that carries electricity from generating stations to your utility.

Sent from my iPad

On Jan 27, 2017, at 3:51 PM, Nekolaichuk, Colin (ENERGY) <Colin.Nekolaichuk@ontario.ca> wrote:

> Extra clarification below – I'm quite sure the answer is yes, but I don't want to get that wrong. Can you confirm?
>
> **Colin Nekolaichuk** | Press Secretary
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>
> ---
>
> **From:** Ferguson, Rob [mailto:rferguson@thestar.ca]
> **Sent:** January-27-17 3:48 PM
> **To:** Nekolaichuk, Colin (ENERGY)
> **Subject:** RE: Hey Colin...quick question
>
> Ok, so just to be clear, it's the flat fee plus the $XX per kwh volume charge, with other stuff like transmission, smart meters and global adjustment extra?
>
> Rob Ferguson
> Toronto Star
> Queen's Park Bureau
> 416-325-9892
> cell 416-998-0791
>
> ---
>
> **From:** Nekolaichuk, Colin (ENERGY) [mailto:Colin.Nekolaichuk@ontario.ca]
> **Sent:** Friday, January 27, 2017 3:46 PM
> **To:** Ferguson, Rob
> **Subject:** RE: Hey Colin...quick question
>
> Hi Rob,
>
> Sorry this took a bit to get for you. The numbers I sent you are the full distribution cost (both fixed and volumetric). They do not include transmission, which is also part of the delivery line.
>
> Let me know if you have any more questions.
>
> Cheers,
> Colin
>
> **Colin Nekolaichuk** | Press Secretary
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> ---
>
> **From:** Ferguson, Rob [mailto:rferguson@thestar.ca]
> **Sent:** January-27-17 2:09 PM
> **To:** Nekolaichuk, Colin (ENERGY)
> **Subject:** RE: Hey Colin...quick question
>
> Roger that, Colin. Thx for this.
>
> Rob Ferguson
> Toronto Star
> Queen's Park Bureau

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From: Nekolaichuk, Colin (ENERGY) [mailto:Colin.Nekolaichuk@ontario.ca]
Sent: Friday, January 27, 2017 1:51 PM
To: Ferguson, Rob
Subject: RE: Hey Colin...quick question

Hi Rob,

I'm just confirming that for you. Will get back to you ASAP. As for the questions for Minister Thibeault, here are his comments:

How did the problem with what the premier has called "disproportionate" delivery charges for electricity get out of hand? I am trying to figure this out in the backdrop of stats from Hydro One that delivery charges have increased 43 per cent in the last 10 years while pure electricity costs were up 101 per cent.

The delivery charge includes the cost of delivering electricity from generating stations across the Province to homes and businesses via the high voltage (transmission) and low voltage (distribution) electricity systems. As Ontarians can remember well, we've gone from a dirty, unreliable system to a clean system we can count on. We recognize that the investments required to upgrade an antiquated system prone to brownouts and blackouts has come at a cost to electricity consumers – and we're focused with fixing this problem.

What are the options for helping ratepayers with delivery costs and how does the OEB's ruling a year or two ago that all delivery charges must become fixed over the next 8 years fit into this picture. I know people are getting hit by the variable charges on volume now, particularly if they use a lot of air con in the summer or have electric heating and have to deal with severe cold weather.

Delivery charges are moving from a variable rate to a fixed rate, which will result in energy intensive consumers, such as those living in remote areas or those who heat with electricity, seeing a reduction in their delivery costs.

It's also important to recognize that ratepayers in rural communities have higher delivery charges than those in denser communities because the electricity distribution network they use is shared between fewer people. To help offset that higher cost, the government put in place the Rural or Remote Rate Protection (RRRP) framework, which provides rate protection for customers in lower density areas. On January 1, 2017, we actually increased funding to that program to provide additional relief. When combined with the 8 per cent Ontario Rebate for Electricity Consumers, eligible rural ratepayers will see their total electricity bills decrease by an average of $540 annually or $45 each month.

Why do delivery charges vary so much? In Toronto, I am at a reader's hydro bill in which 37 per cent of the total goes to delivery charges in a heavily urban area. Meanwhile, a reader in Ameliasburgh, across the bay from Belleville in Prince Edward County in a residential--medium density setup under Hydro One, pays just 29 per cent of his bill on delivery charges. I know we are under different utliities which set their own delivery fees with OEB approval, but these variances seem out of whack and I'm trying to make sense of that. Any insight welcome.

There is some variance there for sure, but neither are too far outside the average of 30 to 40% of the total bill. Different LDCs have different costs to distribute electricity, which are representative of their unique situations and the maintenance of their unique grids. For example, Hydro One delivers power across thousands of kilometers to many rural and remote communities and often through difficult terrain. All LDC delivery rates are thoroughly reviewed by the OEB on an annual basis.

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From: Ferguson, Rob [mailto:rferguson@thestar.ca]
Sent: January-27-17 12:47 PM
To: Nekolaichuk, Colin (ENERGY)
Subject: Hey Colin...quick question

The chart you send me on distribution charges the other day…that's just the flat rate portion, correct? Not the variable fees like the volume charged, transmission, etc.

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