Broadening Rural or Remote Electricity Rate Protection (RRRP)

- Rural or Remote Rate Protection (RRRP) provides a rate subsidy to rural or remote residential customers who are faced with higher distribution costs compared to urban areas.
  - **The RRRP is currently provided to approximately 350,000 Hydro One R2 residential customers in Ontario.**

- The Province would expand the RRRP to provide distribution charge relief to additional hydro customers served by local distribution companies (LDCs) with the highest distribution rates, including: Hydro One R1, Northern Ontario Wires Inc., Lakeland Parry Sound, Chapleau PUC, Sioux Lookout Hydro, InnPower, Atikokan Hydro and Algoma Power. **This would extend RRRP availability to about 800,000 customers.**

- The new benefits would vary from LDC to LDC. For example:
  - A Hydro One R2 customer consuming 2,500kWh a month would see distribution cost reductions of around $75 a month.
  - A Hydro One R1 customer consuming 1,000kWh a month would see distribution cost reductions of around $18 a month.
  - An InnPower customer consuming 1,000kWh a month would see distribution cost reductions of around $12 a month.

- The Province is also moving forward in having these RRRP costs be funded by provincial revenues, reducing regulatory charges for all Ontario ratepayers.
  - **This is projected to cost approximately $500 million in the coming fiscal year.**

Summer Implementation: RRRP

- Proposed legislation will include amendments to allow for tax-based funding to support current RRRP costs.
- Pending legislative approval, the Ministry intends to bring forward regulatory amendments to move Hydro One R2 customer costs to the tax-base.
- The targeted implementation for this change is July 1, 2017. As a result, the OEB will revise the RRRP charge to reflect the infusion of tax-base funding. LDCs will be required to charge the new RRRP rate on consumption as of July 1, 2017.
  - **Estimates suggest the RRRP charge will reduce from $0.0021/kWh to $0.0004/kWh. The final charge is subject to OEB determination.**