

For Immediate Release

April 20, 2017

Ontario Energy Board: Electricity Prices Down xx% for Households and Small Businesses

Toronto, ON – The Ontario Energy Board (OEB) today announced that, starting May 1, a typical household on the Regulated Price Plan (RPP) will be paying xx% less for electricity.

Every six months, the OEB calculates how much it will cost to supply electricity to customers, and establishes new time-of-use (TOU) rates to recover the costs from customers covered by the RPP.

The May 1 price reductions incorporate information provided by the government as part of its proposed Fair Hydro Plan. The legislation enabling the implementation of this plan has not been passed yet, however consistent with its past practice of smoothing significant forecast price changes for customers, the OEB has taken into account a portion of the reductions expected in the Fair Hydro Plan. The OEB will review the legislation after it becomes law and reassess the impact on RPP and TOU prices, making additional adjustments, as required, likely in summer, 2017.

For a typical household that consumes 750 kWh per month, the new rates will mean a reduction of \$13 per month on the “Electricity” line of the bill, or about \$28 on the total bill effective May 1 inclusive of other measures outlined in the Fair Hydro Plan. Based on the outlined Fair Hydro Plan, and if legislation is passed, a further reduction of roughly \$10 per month may be expected in summer 2017.

This chart outlines the new TOU prices and the times they take effect:

RPP Customers who pay tiered prices will get similar reductions.

Consumers can save more money by shifting their usage to off-peak periods. Off-peak pricing is less than half the cost of on-peak rates.

For more information on how the OEB established the tiered and summer TOU rates that come into effect on May 1, see the OEB Backgrounder [HTML].

About Time-of-Use Rates

Summer TOU rates come into effect on May 1; winter TOU rates are effective Nov. 1.

Reviewing and setting TOU rates every six months protects consumers from fluctuating commodity prices and provides stability and predictability on the electricity line of the bill. It also ensures supply costs are fully recovered, allowing the system to operate efficiently. Nearly all of Ontario's five million residential and small business customers pay electricity prices established through the Regulated Price Plan (RPP).

The OEB forecasts the cost of supply electricity to the province's customers every twelve months, and sets rates to recover those costs. The forecast includes the prices the OEB sets for electricity from Ontario Power Generation. This represents about one-third of the costs of the province's electricity supply. The forecast takes into account the cost of clean and renewable energy contracts and conservation programs, which while not regulated by the OEB, need to be recovered through TOU prices.

About the Ontario Energy Board:

The Ontario Energy Board is an independent and impartial public agency that makes decisions that serve the public interest. Our goal is to promote a sustainable and efficient energy sector that provides reliable energy services to customers at a reasonable cost.