

May 1 Rate Setting for the Regulated Rate Plan Communications Plan

Key Messages

- **The OEB is setting the TOU rates the same as we have done in the past. We are not doing anything different.**
- 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, as the legislation enabling the Fair Hydro Plan is not yet in place.**
- **We are basing the May 1st changes on information provided by the government as part of its proposed 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 July, 2017.**

Rollout

The Ontario Energy Board will mirror past communications practices and standards with the announcement of the RPP/TOU rates for this summer. They will be announced on April 20th and go into effect on May 1st. The OEB is not doing anything different. We are acting prudently to reflect a portion of the changes contemplated by the Government as reflected in the letter provided to the OEB.

Components:

There will be a **News Release** that will be distributed through the usual channels, and posted on the OEB website. The release will be similar in style and content to past releases on RPP/TOU rates.

This time though, the release should include information on the changes to the tiered rates. This will be of interest to two groups of customers: rural households who have felt especially hard hit by electricity prices, and cottage owners, who will want to know how the reductions will benefit them this summer.

As in the past, a **backgrounder** will provide further details on how RPP rates are set in general, and the May 1 rates specifically. The backgrounder will provide high level answers on why the rate reductions were brought in ahead of the passage of legislation, and that the RPP prices will be reassessed after the

legislation enabling the Fair Hydro Plan is passed, and adjust the rates as necessary in keeping with the legislation.

If journalists want further details on how RPP prices are set in general and the May 1 prices specifically, they will be given the 1½ page **Summary** that is at the beginning of the **RPP Report**.

Because of the rate reductions promised by the government, this RPP announcement is likely to get more attention than any other rate announcement by the OEB. After they work out the average rate cut for a typical residential customer, journalists are likely to focus on these questions:

- Why are households and small businesses getting only a portion of the 25% reduction that was promised for their electricity bills?
- How much of the promised 25% reduction is still to come?
- When will ratepayers see the second phase of the proposed reductions?
- How can the OEB reduce the rates when the legislation hasn't been passed?
- Isn't the OEB in contempt of the Legislature?
- What would have the RPP/TOU change been otherwise?
- How independent is the OEB's ratemaking if it's so readily affected by the government's plan?

Question #2 will be referred to the Ministry of Energy, as they and not the OEB have carriage of the legislation. The OEB will be prepared to answer questions on the other aspects of this announcement.

Media Prep

Martine Band and Nancy Marconi will be the **OEB's spokespeople** for the TOU announcement.

Questions of a more legal or regulatory nature will be directed to Martine Band. For example, "How did the FHP affect the RPP price-setting process?" "How independent is the OEB's ratemaking if it's so readily affected by the government's plan?"

Questions about how RPP rates are generally set will be directed to Nancy Marconi. Nancy is responsible for the RPP process as Manager of Supply and Infrastructure and is well-versed in the details.

Both Martine and Nancy will go through media training on Tuesday to prepare for questions that journalists may ask.

There will no news conference. Martine and Nancy will do individual interviews with reporters, if required. While this will be more taxing, it has two benefits: Neither will have to face a situation where reporters decide as a group to push them on a single issue. And a news conference would not stop reporters from asking for their own interviews.

In addition, the OEB is pre-taping Martine and Nancy answering the questions we expect we will receive most frequently. If there are too many interview requests, or requests we cannot meet, we will provide the media outlets with the pre-tape. We will also post this to our website (existing and new).

Lars Hansen will handle the logistics of setting up the interviews. An appropriate room will be set aside for radio and television interviews. Martine and Nancy should do them in front of, and to one side of, a banner that has the OEB logo on it.

Bill Insert

The OEB provides all LDCs with a bill insert for every May 1st change. The deadline for providing that bill insert was noon today. As numbers are still being finalized, the bill insert will indicate rates will be changing on May 1st and customers should check with their utilities or on our website after May 1st. The bill insert will focus on the new summer TOU periods. The flip side of the insert will include information of the new eligibility and credits for OESP.