

Changes to your bill

The Ontario government has issued legislation that requires all electricity distributors to simplify and standardize the bills they send to their customers. We have re-formatted your utility bill in order to conform to the new regulations and make your bill as easy to understand as possible.

What's changing?

The biggest change is that your electricity bill will look different - the numbers are presented differently and new information has been added. See inside for more details about the changes.

We have made some additional changes to further improve your invoice.

In the past, water and sewer charges were combined in one section on your invoice. We have now separated these charges into two sections so you can clearly see the breakdown of charges.

An additional change has been made to the way we provide information on adjustments. We are now providing a description for each adjustment item on the appropriate page.

What's not changing?

Your rates have not increased. These changes to your invoice have no effect on your "bottom line."



We hope that these changes will help you to understand the charges that appear on your invoice. Should you have further questions regarding your invoice, please contact us.

Customer Service Department
748-6900

If you have questions regarding the mandated changes to your invoice, please contact the Ontario Energy Board (OEB).

OEB Customer Service Centre

1-877-632-2727 (toll-free) or 416-314-2455

www.oeb.gov.on.ca



New Bill Format

December 2004



Changes to your electricity bill

On the page of your bill itemizing your electricity charges, we now provide a glossary of terms, conservation messages and historical consumption data so you can track your electricity use.

As required by the new legislation, your electricity charges have now been grouped together under the following four main headings:

1. Electricity
2. Delivery
3. Regulatory
4. Debt Retirement charges.



1. ELECTRICITY

This charge is for the electricity you use, which you buy either from your local utility or through a licensed electricity retailer. As of April 1, 2004, consumers pay 4.7 cents per kilowatt hour (kWh) for the first 750 kWh of electricity they use each month. For electricity used above 750 kWh, the charge is 5.5 cents per kWh. These are interim prices. They will continue until the OEB establishes a permanent price structure, which is expected to be in place by May 2005.

The total amount of electricity consumed is multiplied by an adjustment factor, called the Loss Factor. When electricity is transmitted over a power line, a small amount of that electricity is lost naturally, as heat. (The transmission equipment, such as wires and transformers, consumes this power before it gets to your home or business.) Your local utility must purchase the power to cover these losses. It collects the cost of this power from consumers through the adjustment factor and passes the amount directly to its suppliers.

2. DELIVERY

This charge is made up of the following components, which are approved by the Ontario Energy Board for each utility:

Distribution Costs: This component covers the costs your utility incurs in delivering electricity to your home or business.

Distribution costs include:

Customer Service Charge: This charge covers the utility's administrative costs, such as meter reading, billing, customer service and maintenance of accounts. It is a fixed cost – that is, it does not change with the amount of electricity used.

Distribution Charge: This charge reflects the costs involved in delivering the electricity from the local utility to your home or business. It includes the cost of building and maintaining infrastructure, such as wires and hydro poles. The distribution charge varies with the amount of electricity used.

Transmission Costs: This component covers the costs of delivering electricity from the generating stations to your utility along the high-voltage transmission system (also called the transmission grid) owned by Hydro One Networks Inc. Transmission costs vary with the amount of electricity used.

Transmission costs include:

Network Service Charge: This charge covers the cost of delivering the electricity from the generating stations to your utility through Hydro One's transmission system

Line and Transformation Connection Service Charge: This charge covers the costs your utility incurs in connecting to Hydro One's transmission lines, as well as the cost of transforming the electricity from the high voltages used in the bulk transmission system to the lower "distribution voltages" used by your local utility.

3. REGULATORY

This charge is made up of the following components, which are approved by the Ontario Energy Board:

Wholesale Market Service Charge: This charge of 0.62 cents per kWh covers the cost of services provided by the Independent Electricity Market Operator (IMO). The IMO operates Ontario's competitive electricity market, where electricity is bought and sold. This charge also includes a 0.1 cent per kWh charge for Rural and Remote Rate Protection, which all customers pay to offset the higher cost of distributing electricity to consumers in rural and remote areas of Ontario.

Standard Supply Service Charge: This charge of 25 cents per month covers the administrative costs incurred by your utility in providing electricity to Standard Supply Service customers. Electricity that is bought from the utility – instead of from a licensed electricity retailer – is called "Standard Supply Service".

4. DEBT RETIREMENT

This charge has been set by the Ontario Ministry of Finance to pay down the residual stranded debt of the former Ontario Hydro.

