

Electricity Prices

Commodity Cost

Commodity cost comprises two components, the wholesale price (the Hourly Ontario Energy Price) and the Global Adjustment. The commodity cost is only a portion of the total energy bill.

Class A

Month (¢/kWh)	APR 2018	MAY 2018	JUN 2018	JUL 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUN 2019	2019 YTD Avg.
HOEP*	2.86	1.15	1.67	2.86	2.89	2.69	1.28	2.36	2.66	2.64	2.71	2.67	1.48	0.70	0.37	1.75
Average Class A Global Adjustment Rate	4.99	5.24	5.99	5.21	4.77	4.75	6.30	5.25	4.87	5.32	5.43	4.81	6.37	6.42	7.18	5.92
Total Cost of Commodity	7.85	6.39	7.66	8.07	7.66	7.44	7.58	7.61	7.53	7.96	8.14	7.48	7.85	7.12	7.55	7.67

*(Unweighted) average of Hourly Ontario Energy Prices to reflect a typical (flat) industrial consumption profile.

Source: IESO

Class B

Month (¢/kWh)	APR 2018	MAY 2018	JUN 2018	JUL 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUN 2019	2019 YTD Avg.
HOEP*	2.97	1.31	1.83	3.04	3.06	2.99	1.38	2.51	2.79	2.78	2.79	2.73	1.56	0.76	0.48	1.92
Class B Global Adjustment Rate	9.96	10.79	11.90	7.74	7.49	8.58	12.06	9.86	7.40	8.09	8.81	8.04	12.33	12.60	13.73	10.38
Total Cost of Commodity	12.93	12.10	13.73	10.78	10.55	11.57	13.44	12.37	10.19	10.87	11.60	10.77	13.89	13.36	14.21	12.30

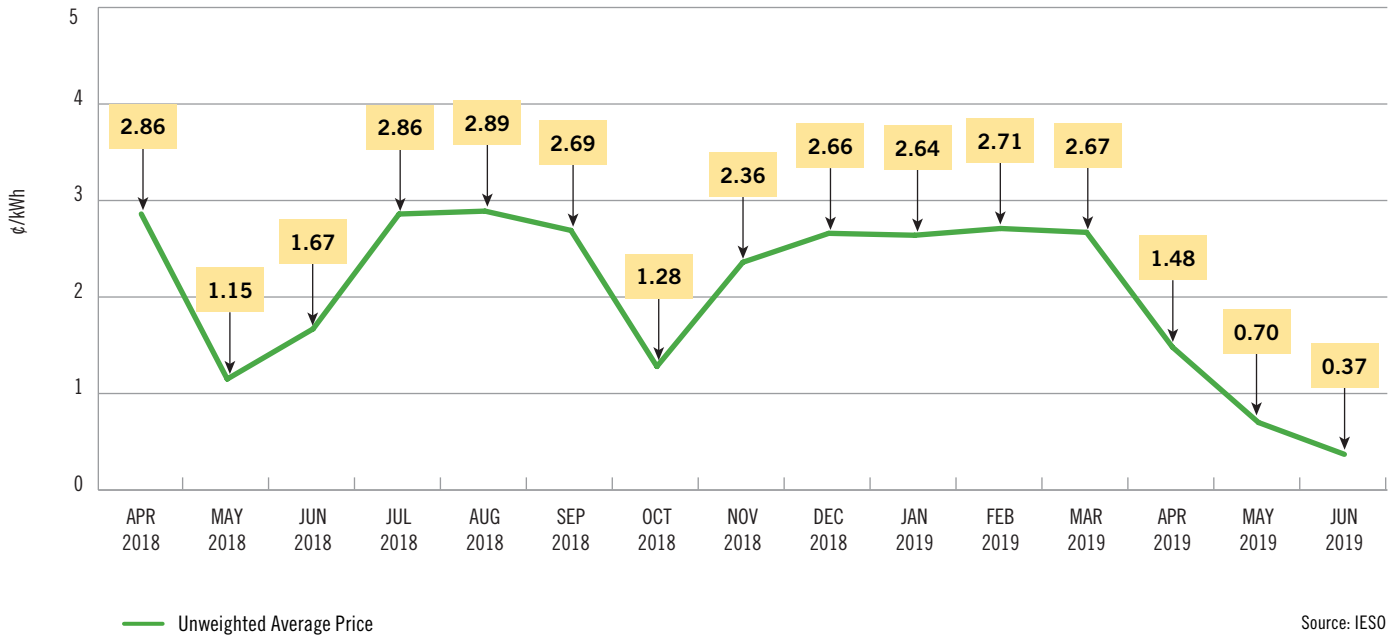
*Averages are weighted by the amount of electricity used throughout the province within each hour to broadly reflect the consumption profile of Class B (i.e., residential and commercial) consumers.

Source: IESO

Totals do not sum due to dollar values that are rounded down to cents.

Monthly Wholesale Electricity Prices

The wholesale electricity price fluctuates by the hour. This chart shows the average wholesale prices for each month. The monthly price varies depending on factors in the electricity market that shift the energy price higher or lower. A higher average monthly price exerts a downward pressure on costs that needs to be recovered through Global Adjustment.



Time-of-Use Pricing under the Regulated Price Plan (RPP)

In accordance with the mandate provided under the *Ontario Energy Board Act, 1998*, the OEB developed the Regulated Price Plan (RPP), which provides residential and small business consumers with stable and predictable electricity pricing and encourages conservation. The plan has been in place since 2005.

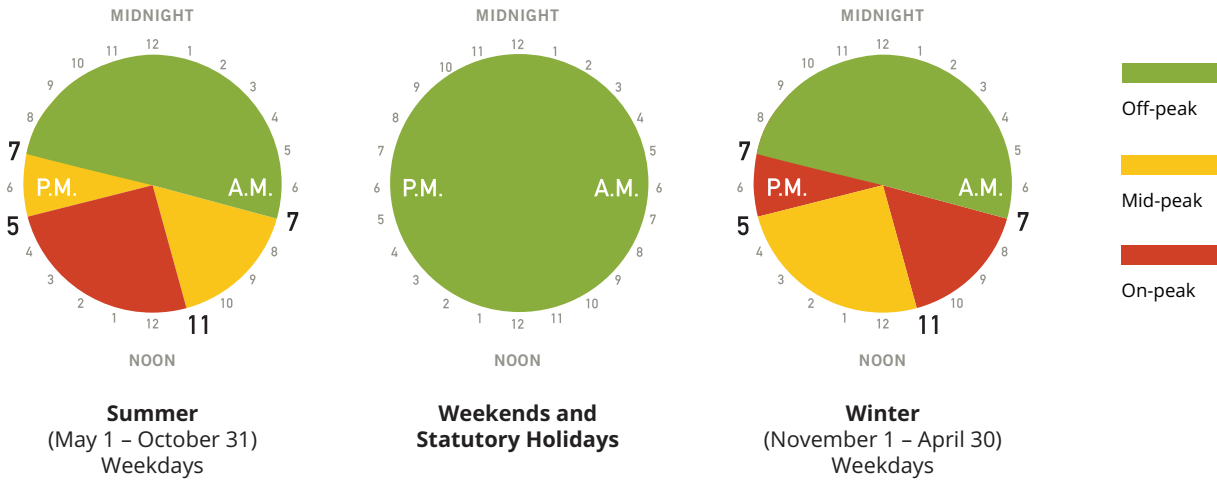
RPP consumers with eligible time-of-use (or “smart”) meters that can determine when electricity is consumed during the day pay RPP prices under a time-of-use price structure. The prices for this plan are based on three time-of-use periods per weekday. These periods are referred to as off-peak, mid-peak and on-peak and are shown in the figure below. The hours for mid-peak and on-peak periods are different in the summer and winter months to reflect energy consumption patterns in those seasons, as explained below.

Since July 2017, the OEB has been setting electricity prices for RPP consumers under the *Ontario Fair Hydro Plan Act, 2017*. This legislation established the framework under which eligible consumers (referred to in the legislation as “specified consumers”) see their electricity bills reduced through RPP prices. On March 22, 2019, the Ontario government introduced changes to the approach the OEB is required to follow when setting RPP prices for the May 1, 2019 to October 31, 2019 period. The revised regulation requires that prices are set so that the monthly bill for a proxy customer increases by the rate of inflation relative to the bill on May 1, 2018. The RPP time-of-use prices set by the OEB effective May 1, 2019 are set out below.

Customers that are not on the RPP but that are eligible under the *Ontario Fair Hydro Plan Act, 2017*, see their bills affected through a reduction in their Global Adjustment (GA) charges in each billing period. These customers are those that are eligible for the RPP but have chosen a contract with an energy retailer or market-based pricing, as well as customers that are not eligible for the RPP but are eligible for the 8% rebate under the *Ontario Rebate for Electricity Consumers Act, 2016*. The GA credit is designed to provide these customers with a level of benefit that corresponds with the benefit being provided to the proxy customer through the RPP prices. It is based on the difference between what RPP prices would have been on May 1, 2019 without the *Ontario Fair Hydro Plan Act, 2017*, and the new RPP prices that have been set by the OEB effective May 1, 2019. The GA Modifier has been set by the OEB at – \$41.49 per MWh effective May 1, 2019.

Summer and Winter Time-of-Use Hours

The RPP time-of-use periods are different in the summer than they are in the winter to reflect seasonal variations in how customers use electricity. During the summer, people use more electricity during the hottest part of the day, when air conditioners are running on high. In the winter, with less daylight, electricity use peaks twice: once when people wake up in the morning and turn on their lights and appliances, and again when people get home from work. The time-of-use (TOU) prices applicable in Q2 2019 for RPP consumers with eligible time-of-use meters are shown in the table below.



Source: OEB

RPP Time-of-use prices effective May 1, 2019

Time-of-use RPP Prices – ¢/kWh	Off-Peak	Mid-Peak	On-Peak	Average Price
Price (¢)	6.5	9.4	13.4	8.2

Sample Residential Monthly Bill

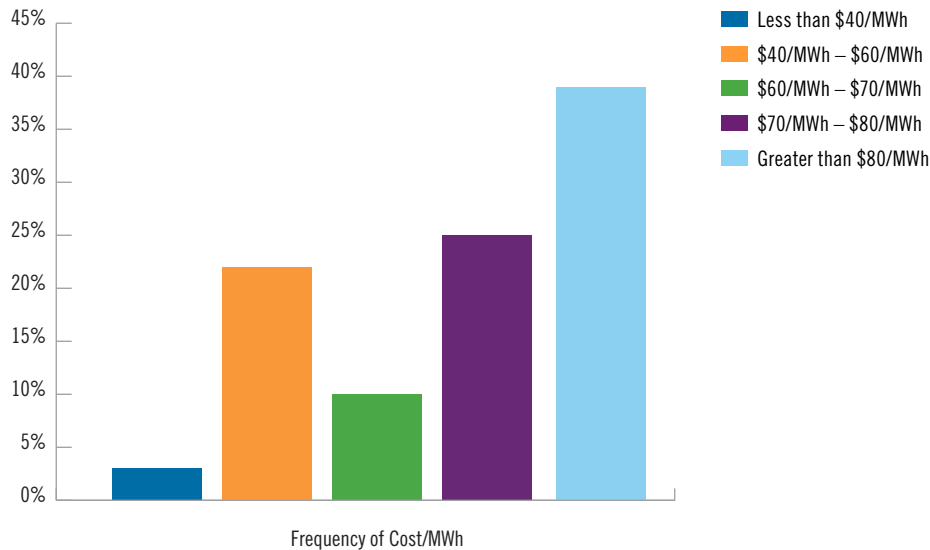
	Monthly Cost (\$)
Electricity	57.65
Delivery	57.32
<i>Distribution</i>	44.26
<i>Transmission</i>	10.89
<i>Line Losses</i>	2.17
Regulatory	3.08
HST	15.35
8% Provincial Rebate	(9.44)
Total Bill:	123.96

This table shows a monthly bill for a Toronto Hydro residential RPP TOU customer with monthly usage of 700 kWh as of April 1, 2019, with 65% of consumption occurring off-peak, 17% occurring mid-peak and 18% occurring on-peak. For consumers in other service territories, delivery charges will vary depending on which utility serves them. For additional information please see the OEB’s bill calculator: oeb.ca/consumer-protection/energy-contracts/bill-calculator.

Ontario Industrial Electricity Rates

Industrial electricity consumers can either be directly connected to the high-voltage transmission grid or receive electricity from their local distributor (e.g., Toronto Hydro). Directly-connected consumers do not pay distribution charges, thus lowering their electricity cost. The table below shows the distribution of average all-in prices for all directly-connected consumers in Ontario for 2018. In Ontario, electricity rates for large industrial consumers in Ontario vary by customer as they are determined by individual consumption patterns. Generally speaking, the less energy a large industrial consumer uses during peak hours, the more these consumers reduce their impact on the provincial power system as well as their electricity costs. For most, the commodity cost incorporates both the fluctuating market price and the allocation of the Global Adjustment based on their energy use during peaks.

Transmission-Connected Industrial Rates⁴ (2018)



The table below shows average all-in electricity prices for a distribution-connected industrial consumer in several service territories.⁵

Distribution-Connected Industrial Rates (2019)

\$/MWh	Windsor (EnWin)	Hamilton (Alectra)	Ottawa	Sudbury	Toronto*
HOEP**	8.52	8.53	8.53	8.85	8.55
Class A Global Adjustment	66.88	66.98	66.99	69.47	67.15
Delivery	17.56	17.71	20.67	14.87	22.70
Regulatory	3.92	3.92	3.92	4.07	3.93
All-In Price	96.88	97.14	100.11	97.26	102.33

* The distribution cost estimate for an industrial customer in Toronto reflects the assumption that 1kVA is 1 kW for billing purposes.

Source: IESO and OEB

** HOEP is based on a three-month arithmetic average (April to June 30, 2019). The Global Adjustment shown in the table is an average of all distribution-connected Class A consumers for April to June 2019. Both quantities have been adjusted for losses using the applicable primary metered loss factor for each distributor.

Note: The DRC ended for all electricity users on March 31, 2018.

4. Does not include Northern Industrial Electricity Rate Program.

5. Data in the table is for a hypothetical consumer with a monthly peak demand of 5 megawatts and an 85% load factor, reflecting delivery and regulatory charges in effect in Q4 2017. Load factor is an expression of how much energy was used in a time period, expressed as a percentage of what would have been used if consuming at full potential for the entire period. A 30 day month is assumed.

2019 Indicative Industrial Electricity Prices (Canadian ¢/kWh)

The table below compares indicative retail industrial electricity prices across North American jurisdictions. For reference, Ontario – South reflects the average price for year-to-date 2019. Ontario – North is based on the same figure, along with the 2 cent per kilowatt hour Northern Industrial Electricity Rate Program rebate. See footnote for more details.

	Jurisdiction	Cost		Jurisdiction	Cost		Jurisdiction	Cost
1	Quebec	5.79	23	Arizona	8.08	45	Wisconsin	10.17
2	Manitoba	5.87	24	Missouri	8.14	46	Prince Edward Island	10.24
3	Oklahoma	6.09	25	Alabama	8.24	47	Maryland	10.25
4	Washington	6.18	26	Oregon	8.37	48	Minnesota	10.36
5	Ontario North	6.82	27	Ohio	8.38	49	Delaware	10.44
6	Texas	6.83	28	British Columbia	8.51	50	U.S. Average	10.58
7	Nevada	6.92	29	Wyoming	8.58	51	Nova Scotia	11.02
8	Kentucky	6.93	30	Pennsylvania	8.69	52	North Dakota	11.18
9	Georgia	7.19	31	New Brunswick	8.74	53	District of Columbia	11.28
10	Louisiana	7.19	32	Newfoundland	8.82	54	Alberta	12.87
11	New York	7.29	33	Ontario South	8.84	55	Maine	12.98
12	Iowa	7.37	34	Illinois	8.95	56	New Jersey	13.54
13	Utah	7.39	35	Canadian Average	9.03	57	Vermont	13.95
14	Tennessee	7.50	36	Virginia	9.22	58	California	14.68
15	North Carolina	7.54	37	Kansas	9.56	59	New Hampshire	17.37
16	South Carolina	7.54	38	Colorado	9.57	60	Connecticut	18.88
17	Idaho	7.54	39	Michigan	9.60	61	Massachusetts	19.17
18	Arkansas	7.55	40	Saskatchewan	9.62	62	Rhode Island	21.17
19	Montana	7.67	41	Indiana	10.04	63	Alaska	24.45
20	New Mexico	7.70	42	Nebraska	10.06	64	Hawaii	35.52
21	West Virginia	8.04	43	South Dakota	10.15			
22	Mississippi	8.07	44	Florida	10.15			

Note: Estimates may differ from actual costs to a consumer based on location, connection, and operational characteristics. Prices exclude taxes and participation in any applicable jurisdictional benefit programs.

The Ontario price is based on April 2019 data and includes the Hourly Ontario Energy Price, Class A Global Adjustment, delivery, and wholesale market service charges.

All other Canadian prices are from the Hydro Quebec Rate Comparison for rates effective April 1, 2019 for select local distribution companies servicing specific cities and reflects a 5 MW consumer with an 65% load factor. Where Hydro Quebec reports prices for two cities in a province (e.g. Calgary and Edmonton), an average of the two is used, in provinces where only one city is reported (e.g. Vancouver in BC, Montreal in QC), that one price is used to represent the province for indicative comparison purposes.

American jurisdictions reflect April 2018 data from the US Energy Information Administration's survey of approximately 500 of the largest electric utilities. The price reflects the average revenue reported by the electric utility from electricity sold to the industrial sector. The value represents an estimated average retail price, but does not necessarily reflect the price charged to an individual consumer. Prices are converted at an exchange rate of 1 USD = 1.34 CAD.