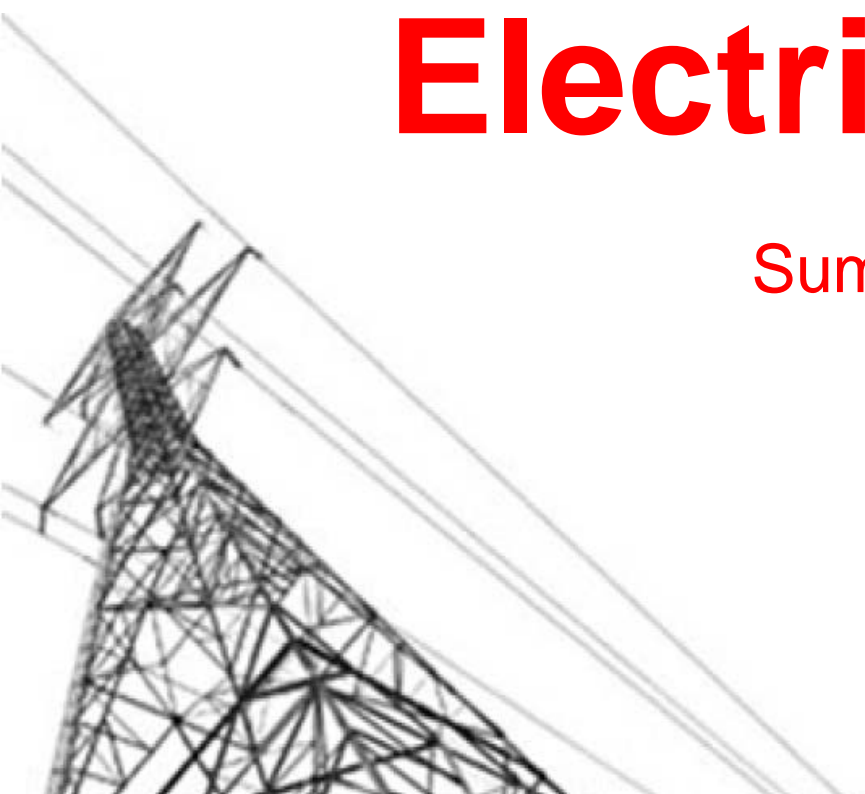




Hydro One

Electricity Bills

Summer 2010



Agenda



- Explanation of Bills
- Reasons for High Bills
- Tax Exemption
- Contact Information

Explanation of Bills





Service address: CUSTOMER NAME
CUSTOMER NAME 2
ADDRESS FIELD, ADDRESS NOTES

Your account number: 12345-67890 Bill Group 3

Billing date: June 23, 2010

Page 1 of 2

Customer service

Hydro One Networks Inc.
PO Box 5700
Markham, Ontario L3R 1C8

www.HydroOne.com

For billing and service inquiries, call
1-888-664-9376
Monday to Friday
7:30 am - 8:00 pm
Eastern Time

For 24 hour power outages or emergency service, call
1-800-434-1235

Standard Service supplied by Hydro One

Here's what you owe

Balance forward	\$0.00
Your Budget Billing Plan reconciliation amount	\$170.00
Total amount you owe	\$170.00

After July 13, 2010, a late payment charge of 1.5% monthly (19.56% per annum) will be applied.



For energy efficiency tips to manage your bill visit www.PowerSaver.ca.

Compare the electricity you are using

	Number of days	Average electricity you used per day (kWh)	Type of read
May 3, 2010 - Jun 3, 2010	31	35	Estimate
Apr 2, 2010 - May 3, 2010	31	34	Actual
Mar 1, 2010 - Apr 2, 2010	32	40	Estimate
Feb 1, 2010 - Mar 1, 2010	28	42	Estimate
Jan 4, 2010 - Feb 1, 2010	28	40	Actual
Dec 2, 2009 - Jan 4, 2010	33	38	Estimate
May 1, 2009 - Jun 1, 2009	31	35	Estimate

Page 1 of the Bill

Balance Information:

- Balance Forward
- Budget Billing Amount (if applicable)
- Automatic Payments (if applicable)
- Total Amount Due

Payment required by this date

Comparison Chart:

Details the average electricity used per day based on an actual or estimated read.

Once smart meters begin communicating with Hydro One's billing system, this chart will show actual readings.



Please return this slip with your payment.

Your account number: 12345-67890

Total amount you owe \$170.00

Amount enclosed

\$



Service address: CUSTOMER NAME
 CUSTOMER NAME 2
 ADDRESS FIELD, ADDRESS NOTES

Your account number: 12345-67890

Page 2 of 2

How we calculated your charges

Balance forward	Amount of your last bill	\$115.00
	Amount we received on June 4, 2010 - thank you	\$115.00 CR
	Balance forward	\$ 0.00

Your new charges Your service type is Residential - High Density

Electricity used this billing period

We estimated your meter J254247 on June 3, 2010	002970
We read your meter on May 3, 2010	- 002870
Difference in meter readings	000100

Metered usage in kilowatt-hours (100 x 10) = 1,000 kWh
 Adjusted usage in kilowatt-hours (1,000 x 1.085*) = 1,085 kWh

Electricity: 600 kWh @ 6.5000 c	\$39.00
485 kWh @ 7.5000 c	\$36.38

Delivery	\$64.27
Regulatory Charges	\$7.71

Debt Retirement Charge	\$7.00
GST (87086-5821-RT0001)	\$7.72

Total of your electricity charges	\$162.08
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Your Budget Billing Plan amount	\$170.00
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Your plan summary	Total of your actual charges billed to date (including this bill)	\$525.70
	Total of your Budget Billing Plan amounts billed (including this bill) -	\$510.00
	Balance remaining in your plan after you have paid this bill	\$15.70

Adjustments	Account set up charge	\$00.00
	GST (86758-4989)	\$00.00
	Total adjustments	\$00.00

Page 2 of the Bill

Electricity Consumption:

Includes the meter reading (in kWh), the date Hydro One read the meter, and whether the bill is based on an actual meter reading or an estimate.

Electricity Rates:

Electricity Prices are set by the Ontario Energy Board.

Total Charges:

Total electricity charges are comprised of: Electricity charges, Delivery charges, Regulatory charges, Debit Retirement Charge, and taxes.



Do You Have a High Bill?



Common Reasons for High Bills



1. Usage Increase
2. Reconciliation Bills
 - a. Budget Billing
 - b. Estimated vs. Actual Readings
 - c. Changed Meter
3. Past Due Balance
4. Security Deposits
5. Time-Of-Use Pricing
6. Electricity Rate Increases



Possibility # 1: Usage Increase



Usage Increase

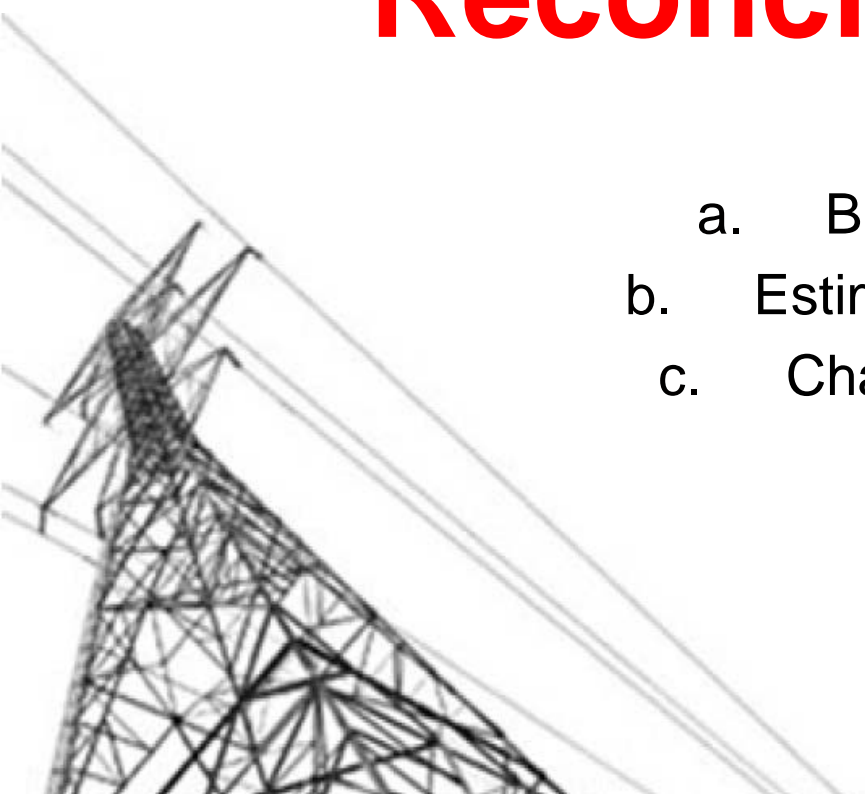


- Common reasons for increased usage, and therefore higher electricity bills, include:
 - o Increased number of people in household
 - o Colder and longer winters (more heating)
 - o New appliances or electronic devices
 - o Hotter and longer summers (more air conditioning)
 - o Slightly longer billing period than usual



Possibility # 2: Reconciliation Bills

- a. Budget billing
- b. Estimated readings
- c. Changed meters





a. Budget Billing

- Budget Billing (BB) establishes a payment amount based on your consumption history and usage pattern, allowing you to make equal monthly payments.
- The balance in your payment plan is reflected on your monthly bill.
- Hydro One's system will automatically review your BB amount every 6 and 9 months and will adjust your BB amount based on your actual energy consumption.
- After 12 months, Hydro One adjusts your account based on your actual energy consumption. You are then credited for any overpayment OR charged for the balance owing.

b. Estimated vs. Actual Readings



- Although you have a Smart Meter, your meter is not yet communicating automatically with Hydro One. Therefore, your meter is still scheduled to be read every 3 months.
 - **Please make sure your meter is accessible to Hydro One Meter Readers**
- If your meter is not read by a Meter Reader, then the Hydro One Billing System will calculate an estimate reading based on your usage patterns.
- The Comparison Chart on each bill will indicate your reading as either “Actual “ or “Estimate”.

Compare the electricity you are using			
	Number of days	Average electricity you used per day (kWh)	Type of read
May 3, 2010 - Jun 3, 2010	31	35	Estimate
Apr 2, 2010 - May 3, 2010	31	34	Actual
Mar 1, 2010 - Apr 2, 2010	32	40	Estimate
Feb 1, 2010 - Mar 1, 2010	28	42	Estimate
Jan 4, 2010 - Feb 1, 2010	28	40	Actual
Dec 2, 2009 - Jan 4, 2010	33	38	Estimate
May 1, 2009 - Jun 1, 2009	31	35	Estimate

Estimated vs. Actual Readings

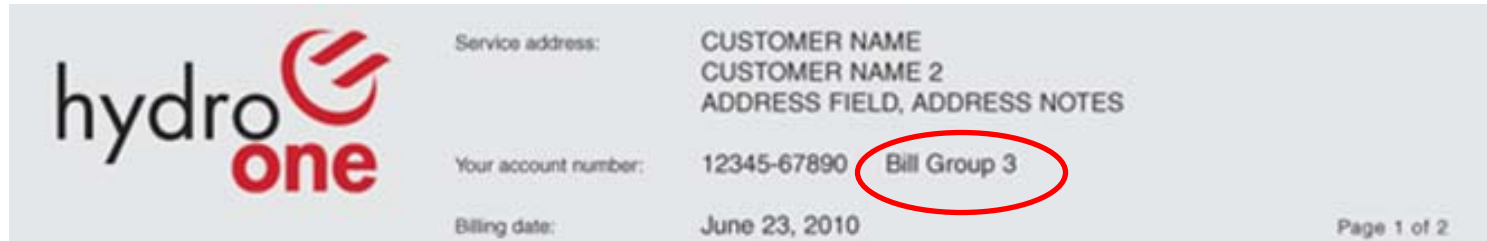


- Reasons for High “Actual” Bills:
 - Your consumption may have increased, or
 - Your estimates were too low.
- Reasons for High “Estimate” Bills:
 - Your consumption may have decreased and your estimates are reflecting your previously higher usage patterns.
- If you would like to ensure that your billing is based on actual consumption, you can read your own meter and submit your reading by calling our Customer Communication Center or by logging onto the [My Account Self Service](#) website.

Reading Your Meter



- To determine when to provide a meter reading:
 - a. Call our Customer Communication Centre
 - b. Use the schedule provided on our Website based on your Bill Group (provided at the top of your bill on Page 1, next to your account #)



- **Digital Meter**
 - o Simply read the display from left to right



c. Changed Meter

- A meter change can be due to:
 - a) smart meter installation
 - b) meter verification program
- This may create a high bill if the meter is changed outside a regular reading cycle, causing a reconciliation of usage sooner than would normally occur.

Possibility # 3: Past Due Balance



Payment Due Dates



- Your payment is due when your bill is issued.
 - o Hydro One allows 21 days to receive your payment before a late payment charge is applied.
 - o Please allow at least 5 *business* days for payment processing.
- o If payments are not made in full, or are received after the date shown on your current bill, a late payment charge will be applied to your next bill.
 - o The late payment charge is 1.5% per month on the outstanding balance



Payment Options



- You have several options for paying your Hydro One bill.
 1. Pre-Authorized Payments
 2. Pay at Your Financial Institution
 3. Online Banking with Your Financial Institution
 4. Cheque by Mail
- E-Billing: Conveniently receive bills online

Possibility # 4: Security Deposits



Security Deposits



- To avoid having a security deposit applied to your account, you must *maintain* a good payment history.
- Good Payment History is defined as follows:
 - No more than one returned cheque or pre-authorized payment due to insufficient funds, not due to Hydro One error
 - No more than one Disconnect Notice Letter (after July 29, 2004), not due to Hydro One error
 - No Cut Out For Non Pay or Disconnect Trips, not due to Hydro One error
- A good payment history must be attained for:
 - ONE year for residential customer
 - FIVE years for non-residential customers with less than <50kW demand
 - SEVEN years for non-residential customers with equal to or greater than >50kW demand

Calculation of Security Deposits



- If a security deposit is required, it is calculated as 2.5 times the customer's average bill for monthly-billed customers.
 - For bi-monthly or quarterly-billed customers, the average bill is multiplied by 1.75 or 1.5, respectively.
- For Customers who have received two or more disconnection notices in a 12-month period, the deposit will be calculated on the highest actual or estimated bill.



Possibility # 5: Time-of-Use Pricing



Time-of-Use Rates

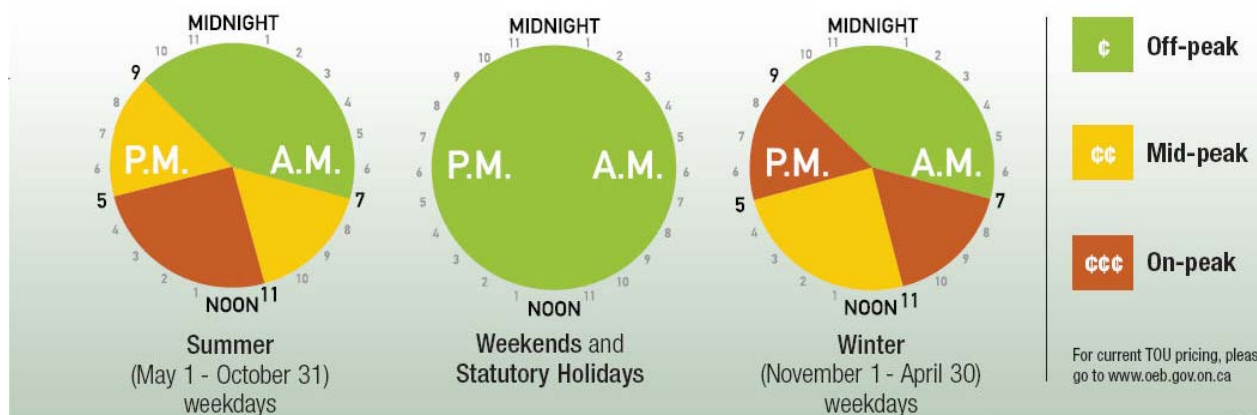


- Under normal conditions, all meter reads will be ACTUAL (as opposed to estimates), providing a more accurate bill.
- Time-of-Use prices are electricity prices that vary based on the time of day, day of week (weekday or weekends), and by season (winter or summer) and more closely reflect the cost to produce electricity at these times.
- Advantages:
 - o Energy management and conservation
 - o Helps reduce the strain on the electricity system



Time-of-Use

- TOU Periods:



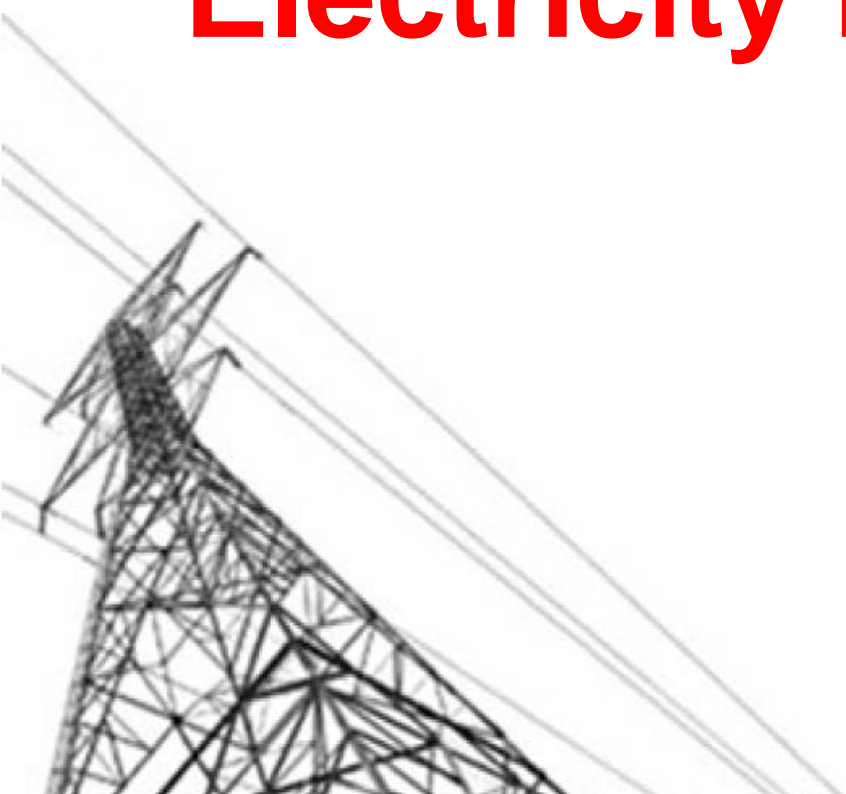
- Current TOU prices as set by the OEB are:
 - On-Peak = 9.9 cents per kWh
 - Mid-Peak = 8.0 cents per kWh
 - Off-Peak = 5.3 cents per kWh

Managing Your Usage

- Reasons for High Bills:
 - o High electricity usage during “on-peak” hours.
- Tips to Save Energy:
 - o Manage your electricity usage and costs by shifting energy intensive activities to off-peak hours when possible.
 - o Speak with our trained Energy Conservation Agents to gain valuable energy saving tips.
 - o Login onto Hydro One’s [My Account Self Service](#) Website.
 - o Visit www.PowerSaver.ca



**Possibility # 6:
Electricity Rate Increases**



Electricity Rates



- Customers pay the Regulated Price Plan (RPP) for electricity they use. These prices are set by the Ontario Energy Board and may change twice a year in May and November.
- RPP prices apply to residential and small business customers who use under 250,000 kWh per year and who buy their electricity through a utility.
- The electricity pricing plan is designed to help customers manage their electricity costs while also reflecting the prices paid to generators.



**Ontario
Energy
Board**

Electricity Rates



- Currently, the price of electricity for residential customers is:
 - o 6.5 cents per kWh for the first 600 kWh used per month
 - o 7.5 cents per kWh for each additional kWh used per month
- For more information go to www.hydroone.com and click on “Find Rates and Prices”.



Tax Exemptions



DRC and HST



- What is the **Debt Retirement Charge**?
 - The Debt Retirement Charge is used to pay off the residual stranded debt of the former Ontario Hydro.
- Who is eligible for **DRC** exemption?
 - Customers who are Status Indians and Indian Bands purchasing electricity consumed on a Reserve or certain individuals in the diplomatic community are exempt from paying the DRC.
- Who is eligible for **HST** exemption?
 - First Nations people **living on a reserve**, Provincial government offices, band empowered schools, hospitals or social service entities

New HST



- For Status Indians living **on a reserve**:
 - Starting July 1, 2010, you will be exempt from the 13% HST on electricity that is used on a reserve.
 - If you are currently GST exempt, you will automatically be exempt from paying HST on your electricity bill.
- For Status Indians living **off a reserve**:
 - You will be billed the 13% HST on your electricity bills until August 31, 2010.
 - Effective September 1, 2010, you will be eligible for an exemption from the 8% provincial portion of the HST.
 - Exemption from the 5% federal portion of the HST is only for electricity used on a reserve.
 - Refunds for the 8% provincial portion from July 1st to August 31st can be received by submitting copies of your electricity bills to the Ministry of Revenue.

HST and DRC Exemptions



- **How do I get my account HST and DRC exempt?**
 - o Hydro One requires your Certificate of Indian Status card number.
 - o Residential customers are required to provide their Status card number by phone or email each time they move into a property.
 - o Commercial customers must provide their Status card number by fax.
 - o It is **the customer's** responsibility to provide Hydro One with their Status card number.
 - o Status card numbers less than 9 or 10 digits will **not** be accepted.
 - o The Band number is also required for exemption on accounts identified as band councils, and band-empowered entities consuming electricity on a reserve.

HST and DRC Exemptions



- **If HST/DRC is being charged on your bill:**
 - o Please contact our Customer Communication Centre with your Certificate of Indian Status card number.
 - o Hydro One will apply a credit to your account for any GST or HST charged within the current calendar year.
 - o For any GST charges applied prior to January 1, 2010, you need to file for the refund when you submit your Income tax return for the current year.
 - o Hydro One will apply a credit to your account for any DRC charged, up to a maximum of four years, depending on the GST exemption date.

Important Contact Information



Customer Communication Center

- o Telephone: 1-888-664-9376 Monday to Friday 7:30 am to 8:00 pm.
- o Fax: 905-944-3251
- o Email: CustomerCommunications@HydroOne.com
- o Mailing Address: PO BOX 5700, Markham, Ontario L6G 1B7

Ontario Energy Board:

- o Telephone: 1-877-632-2727 Monday to Friday 8:30 a.m. to 5:00 pm.

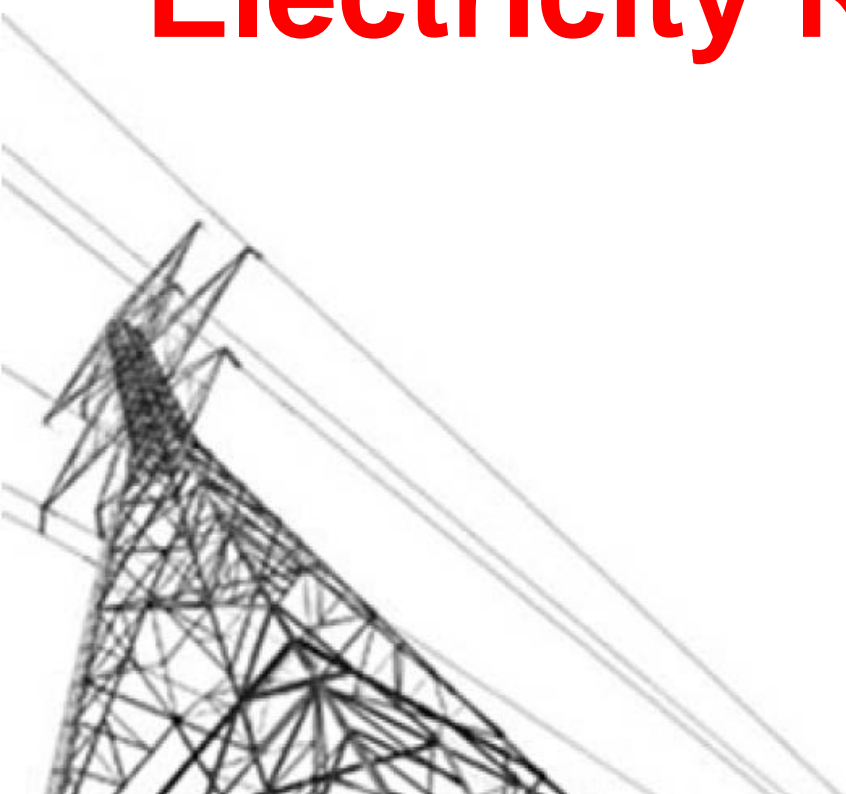
Ministry of Revenue:

- o Telephone: 1-866-668-8297 Monday to Friday 8:30 a.m. to 5:00 p.m.

Questions ?



BACK UP: Electricity Retail Contracts



Electricity Retail Contracts



- Retailer Options:
 - o Customers may choose to purchase electricity from retailers rather than pay Regulated Price Plan rates with Hydro One.
- Reasons for High Bills:
 - o If customers buy from an electricity retailer, the **Provincial Benefit** is not included in the contract price offered by the retailer (**Provincial Benefit** is displayed as a separate line item on bills).
 - o The electricity rate stated in the contract is usually fixed for a number of years but may change depending on the terms of the contract.
 - o Many contracts with Retailers have penalties should you decide to opt out early.

Electricity Retail Contracts



- Retailer Tips:
 - o Check to ensure the retailer is licensed by the OEB to sell electricity.
 - o Read the contract **carefully** before signing to be aware of all of the terms and conditions.
 - o Hydro One is not affiliated in any way with electricity retailers. If it is **not** your intent to sign the retailer's contract, do **not** provide them with your Hydro One account number or show them a copy of your bill.
 - o Ask the **retailer** questions if anything is unclear!

Retailer Code of Conduct



- Electricity retailers must:
 - o Provide the name of the retailer and the sales agent
 - o State that the retailer is not the customer's local utility
 - o Provide truthful information without misleading the customer
 - o Provide information that is consistent with the terms of the contract being offered
 - o Allow sufficient time to read all documents without pressuring the customer
 - o State the term of the contract and price per kWh of electricity
 - o Offer a contract that has a term of less than five years
 - o Provide you with a written copy of the contract within 40 days of signing