

Time-of-Use Customer Choice – October, 2020

Questions and Answers

What is Time-of-Use (TOU) Customer Choice?

If you're a residential or small business customer that pays TOU electricity prices, you can choose to switch to Tiered prices beginning November 1, 2020.

If you want to continue paying TOU prices, no action is required.

To switch from TOU to Tiered prices, you must notify Algoma Power Inc. by completing an election form. Algoma Power Inc. will begin accepting election forms on October 13, 2020. There is no deadline. You can ask to switch at any time.

Since June 1, 2020, customers on TOU have been paying a fixed electricity price of 12.8 ¢/kWh for all hours of the day (known as the COVID-19 Recovery Rate) which the government put in place as part of its response to the COVID pandemic. This fixed price ends on October 31, 2020. On November 1, 2020 the TOU prices approved by the Ontario Energy Board (OEB) will replace the fixed price.

What are TOU prices?

With TOU prices, the price depends on when you use electricity.

There are three TOU price periods:

- Off-peak, when demand for electricity is lowest. This price applies in the evenings on weekdays and all day on weekends.

Every household and small business is different, but on average, Ontario households use nearly two thirds of their electricity during off-peak hours.

- Mid-peak, when demand for electricity is moderate. These periods are during the daytime, but not the busiest times of day.
- On-peak, when demand for electricity is generally higher. These are the busier times of day – generally when people are cooking, starting up their computers and running heaters or air conditioners.

With TOU pricing, you can help manage your electricity costs by shifting your usage to lower price periods when possible.

People use electricity differently depending on the season, so the TOU price periods are different in the summer (May 1 to October 31) than they are in the winter (November 1 to April 30).

What are Tiered prices?

With Tiered prices, you can use a certain amount of electricity each month at a lower price. Once that limit (called a threshold) is exceeded, a higher price applies. Although May to October 2020 has been an exception due to COVID-19, for residential customers, the threshold normally changes with the season to reflect changing usage patterns – for example, there are fewer hours of daylight in the winter and some customers use electric heating. In the winter period (November 1 – April 30), the Tier threshold for residential customers is 1,000 kWh, so that households can use more power at the lower price. In the summer period (May 1 – October 31), the Tier threshold for residential customers is 600 kWh. The Tier threshold for small business customers is 750 kWh all year round.

Tiered prices give you the flexibility to use electricity at any time of day at the same price, although that price will change if you exceed the threshold during the month.

What do TOU and Tiered prices pay for?

The OEB sets TOU and Tiered prices based on a forecast of how much it will cost to supply TOU and Tiered customers with the electricity they are expected to use over the next 12 months. The OEB sets TOU and Tiered prices to recover the same forecast average cost of supply.

The OEB sets both TOU and Tiered prices under the Regulated Price Plan (RPP). The RPP is designed to provide stable pricing, encourage conservation and ensure that the price customers pay for electricity better reflects the price paid to generators that produce the electricity that customers use in their homes or small businesses.

Electricity utilities are not allowed to make a profit from the sale of electricity.

How often are TOU and Tiered prices set?

The OEB typically sets new TOU and Tiered prices for May and November, based on an estimate of how much it will cost to supply residential and small business customers on the Regulated Price Plan with the electricity that they are expected to use.

Will I save money by opting out of TOU prices?

There is no guarantee you will save money if you switch from TOU to Tiered prices. The total bill impact of switching will vary depending on how much electricity you consume in a month and when it is consumed during the day.

Considering a switch to Tiered prices? For more information, go to oeb.ca/choice and use our bill calculator to compare what your bill might look like if you switched from TOU to Tiered pricing.

What do I need to do to switch to Tiered prices?

If you're a TOU customer and don't want to switch to Tiered prices, you don't need to do anything. You will stay on TOU prices.

If you do want to switch to Tiered prices, here are the rules that apply. These rules also apply if you later want to switch back to TOU prices.

- Starting October 13, 2020, Algoma Power Inc. must make its election form available on its website, and to any customer that requests it. Algoma Power Inc. must accept election forms by email or mail at a minimum. You'll need to fill out the election form to notify Algoma Power Inc. that you want to switch. The form is intended to be as simple as possible in terms of the information that you need to provide. You should have a recent electricity bill on hand when filling out the form, as you will need your utility account number.
- Within 10 business days of receiving your election form Algoma Power Inc. must tell you if your election form can't be processed and must explain why (for instance, if you're not authorized to make changes to the account, or the account can't be verified).
- If there are no issues with your election form, Algoma Power Inc. has the same 10 business days to let you know when you can expect to start being billed on Tiered prices.
- A switch from TOU to Tiered prices can only take effect at the start of a billing period. A billing period is generally about 30 days long, and the start and end dates are identified on your electricity bill. Many customers are not billed based on a calendar month, and the start of your billing period can be any given day of a month.
 - Algoma Power Inc. must start charging you Tiered prices as of your next billing period after you submit your election form if Algoma Power Inc. receives that form *at least 10 business days* before that billing period starts, and provided there are no issues with your form (see above).
 - If Algoma Power Inc. receives your complete election form *less than 10 business days* before the start of your next billing period, Algoma Power Inc. might still be able to switch you for your next billing period. But if Algoma Power Inc. can't do so, Algoma Power Inc. has to start charging you Tiered prices at the start of the next billing period after that.
 - Because a switch in prices can only take effect at the beginning of a billing period, it will take some time between the day you provide your election form and the day you actually start getting charged Tiered prices.

- Even if you provide your election form to Algoma Power Inc. before the end of October, you'll very likely pay TOU prices for at least some period of time – between November 1 and the time when your next complete billing period starts (or the billing period after that, depending on when you provide your election form).

If I have opted into Tiered prices, can I switch back to TOU prices?

Yes. And the rules that apply to switching to Tiered prices also apply if you later want to switch back to TOU prices.

Can all customers opt out of TOU prices?

Any customer on TOU may opt out and pay Tiered prices instead

Customers who are currently paying Tiered prices can't switch to TOU prices at this time because their meters can't be used to bill TOU prices.

If you live in a condo or apartment that has its own individual meter and your bill comes from a company other than your electricity utility, you are a customer of a unit sub-meter provider (USMP). Customers of USMPs also can't switch to Tiered prices. That decision can only be made for the building as a whole by the master consumer, who is the person that retained a USMP for the property. In most cases, the master consumer is the property manager, landlord or condominium board.

I receive a monthly credit from the Ontario Electricity Support Program (OESP). Will I lose that credit if I switch to Tiered prices?

No. You will still receive the credit.

I receive the Ontario Electricity Rebate. Will I lose that rebate if I switch to Tiered prices?

No. You will still receive the credit.

I am about to sign up with a new electricity utility. Will the utility inform me that I have a choice between TOU or Tiered prices before I sign up?

Yes. Algoma Power Inc. is required to inform all new Regulated Price Plan customers that they have a choice between TOU or Tiered prices when they set up the account.