

Detailed Sample Bill Calculation - Snapshot: January 1, 2016 Rates



Rate Class: **Residential** - fixed price contract with an energy retailer

Monthly Usage: 800 kWh

In effect
Jan 1, 2016

Bill Calculation
monthly residential with a retailer

Rate Component Description	Metric	Rate	Volume	Volume x Rate	Charge
Electricity: <small>(What is this charge?)</small>					
Rate per your contract with energy retailer <i>(estimated value used to derive charge)</i>	\$ per kWh	contract rate	800.00	38.40	
Electricity					\$38.40
Global Adjustment: <small>(What is this charge?)</small>					
Rate set by IESO ⁽¹⁾ <i>(this page uses an estimated value to derive charge)</i>	\$ per kWh	IESO rate	831.44	94.12	
Global Adjustment					\$94.12
Delivery: <small>(What is this charge?)</small>					
(a.) Distribution Charges:					
Service Charge - Monthly	\$	13.98	1	13.98	
Rate Rider for Smart Metering Entity Charge - effective until Oct 31, 2018	\$	0.79	1	0.79	
Rate Rider for Recovery of Smart Meter Capital (2016) - effective until Dec 31, 2016	\$	0.25	1	0.25	
Rate Rider for Recovery of Stranded Meter Assets (2016) - effective until Dec 31, 2016	\$	3.69	1	3.69	
Distribution Volumetric Rate	\$ per kWh	0.0139	800	11.12	
Low Voltage Volumetric Rate	\$ per kWh	0.0012	800	0.96	
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until Apr 30, 2016 - Applicable only for Non-RPP Customers	\$ per kWh	0.0156	800	12.48	
Rate Rider for Disposition of Global Adjustment Account (2016) - effective May 1, 2016 until Dec 31, 2016 - Applicable only for Non-RPP Customers	\$ per kWh	0.0205	800	16.40	
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until Dec 31, 2016	\$ per kWh	0.0007	800	0.56	
Rate Rider for Recovery of Incremental Capital - True-Up (2016) - effective until Dec 31, 2016	\$ per kWh	0.0004	800	0.32	
Rate Rider for Application of CGAAP Accounting Changes (2016) - effective until Dec 31, 2016	\$ per kWh	(0.0108)	800	-8.64	
Rate Rider for Recovery of LRAM Variance Account (2016) - effective until Dec 31, 2016	\$ per kWh	0.0003	800	0.24	
Rate Rider for Application of Tax Change (2015) - effective until Apr 30, 2016	\$ per kWh	(0.0001)	800	-0.08	
Electricity Line Losses on Cost of Power - at energy retailer contract rate	\$ per kWh	contract rate	31.44	1.51	
Sub-total Distribution Charges				53.58	
(b.) Retail Transmission Charges:					
Retail Transmission Rate - Network Service Rate ⁽¹⁾	\$ per kWh	0.0071	831.44	5.90	
Retail Transmission Rate - Line and Transformation Connection Service Rate ⁽¹⁾	\$ per kWh	0.0056	831.44	4.66	
Sub-total Retail Transmission Charges				10.56	
Delivery					\$64.14
Regulatory Charges: <small>(What is this charge?)</small>					
Wholesale Market Service Rate ⁽¹⁾	\$ per kWh	0.0036	831.44	2.99	
Rural Rate Protection Charge ⁽¹⁾	\$ per kWh	0.0013	831.44	1.08	
Ontario Electricity Support Program Charge (OESP) ⁽¹⁾	\$ per kWh	0.0011	831.44	0.91	
Regulatory Charges					\$4.99
Debt Retirement Charge: <small>(What is this charge?)</small>					
Debt Retirement Charge	\$ per kWh	0.0000	800.00		\$0.00
Total Electric Charges					\$201.65
Harmonized Sales Tax (HST)					\$26.21
Total Electric Bill Amount					\$227.86

1. Adjusted Usage: The kWh usage used to calculate Retail Transmission Charges, and Regulatory Charges are kWh adjusted for line loss factor 1.0393

WHAT IS THIS CHARGE?

ELECTRICITY (retail contract)

The price you pay for electricity is set out in your contract. You will also have to pay your share of the Global Adjustment for each month.

GLOBAL ADJUSTMENT

If you purchase electricity from a retailer, you will see a separate line item on your bill for the "Global Adjustment". The Global Adjustment accounts for differences between the market price of electricity and the regulated or contract prices paid to generators for the electricity they produce. These include nuclear, gas-fired and renewable generators (like wind farms) and suppliers of conservation that have contracts with the IESO (including the former Ontario Power Authority (OPA) contracts) and generators that have contracts with the Ontario Electricity Financial Corporation (OEFC), as well as Ontario Power Generation's "baseload" generating stations that operate at or near capacity all the time to meet basic demand. The OEB does not set or approve the amounts paid by the IESO or OEFC to existing contracted generators, but it does set the amounts that are paid to Ontario Power Generation for electricity generated by its baseload facilities.

The Global Adjustment also includes the cost of IESO conservation and demand management programs. Those costs are not subject to OEB approval. Also covered by the Global Adjustment are any OEB-approved costs incurred by utilities to achieve their mandatory conservation and demand reduction targets.

The Global Adjustment is calculated monthly by the IESO. Because a large portion of the Global Adjustment is calculated as the difference between the market price and regulated or contracted generation prices, it can be either a credit or a charge to consumers depending on fluctuations in the market price. However, it has been a charge since 2006.

DELIVERY

This line of the bill shows the cost of delivering electricity from generating stations across the Province to your home or business via the high voltage (transmission) and low voltage (distribution) electricity systems.

All the charges on the Delivery line of the bill are approved by the OEB. Some of the charges are fixed at a set amount per month. Others are variable and increase or decrease depending on the amount of electricity you have used. Delivery charges include:

- Customer Service Charge:** A fixed monthly charge intended to allow your utility to recover the costs associated with meter reading, billing, customer service and account maintenance, and general utility operations.
- Distribution Charge:** A variable per kilowatt-hour (kWh) charge intended to allow your utility to recover the cost of building and maintaining its low-voltage distribution system, including overhead and underground distribution lines, poles, and transformer stations.
- Transmission Charge:** A variable per kWh charge intended to allow your utility to recover the charges it pays towards the operation and maintenance of the high-voltage transmission system that carries electricity from generating stations to the utility.

Line Loss Adjustment

When electricity is delivered over a power line, it is normal for a small amount of power to be consumed, or lost, as heat. In calculating your electricity costs for the billing period, your utility adjusts your consumption to account for those losses, using an adjustment factor that is approved by the OEB.

REGULATORY CHARGES

1. The Wholesale Market Service Charge covers the cost of services provided by the Independent Electricity System Operator (IESO) to operate the wholesale electricity market and maintain the reliability of the high voltage power grid. It also covers certain costs incurred by local utilities to connect renewable generation. Although the Wholesale Market Service Charge is set by the OEB to allow these costs to be passed on to consumers, the OEB does not set or approve all of the costs that are recovered through that charge. The description below notes which charges are approved by the OEB.

Included within this charge:

- Physical Limitations and Losses:** When electricity is delivered over a transmission line, it is normal for a small amount of power to be consumed, or lost, as heat.
- Energy Reliability:** Sometimes the balance between generation and demand is affected by an unanticipated event, such as equipment failure or a surge in consumption. The IESO purchases reserve electricity that is available on short notice to restore the balance.

Fees set or approved by the OEB:

- IESO Administration Fee:** The IESO charges an administrative fee to manage the high voltage power system and operate the wholesale electricity market in Ontario.
- OPA Administration Fee:** This fee pays for administration costs related to planning for generation, demand management, conservation and transmission in the province. This fee does not cover the contract payments made to generators or costs for the delivery of conservation and demand management programs
- Rural and Remote Electricity Rate Protection:** This charge is collected by the IESO to pay certain electricity distributors who provide electricity service in rural and remote areas. It helps to offset the higher cost of providing service to consumers in those areas.
- Renewable Connections:** Some of the costs incurred by a utility to connect renewable generation facilities (e.g. solar, wind) can be recovered from consumers throughout the province.

•**Ontario Electricity Support Program (OESP) Charge:** This charge is collected to pay for the costs of the OESP. The program provides eligible low-income customers with a monthly credit on their electricity bills

2. **The Standard Supply Service Charge:** Customers who purchase electricity directly from their local utility, rather than a retailer, pay an administrative fee to their utility to cover these costs. This charge is the same for all utilities in the province and is set by the OEB.

DEBT RETIREMENT CHARGE (DRC)

The Debt Retirement Charge was removed for certain residential consumption after Dec. 31, 2015. Learn more at www.Ontario.ca/DRC