

Niagara On-The-Lake HYDRO

YOUR BILL

A quick and easy guide to explain your bill and the charges that are included in it

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BREAKDOWN

**Where does
your money go?**

We work to give our customers safe, reliable electricity to every one of our customers. Niagara-on-the-Lake Hydro collects your bill but only a small amount stays with us. The chart below shows where NOTL Hydro fits into a typical residential electricity bill as of January 1, 2017. *(Average residential customer of 800kWh)*

While we also collect water charges on behalf of the Town of Niagara-on-the-Lake, we will not include water charges in this comparison.



60%

GENERATION

Covers the cost to generate the electricity that you use in the month.

19%

NOTL HYDRO

We use this to help deliver electricity to your home or business.

5%

TRANSMISSION

Pays for the system that carries electricity from generators to the NOTL grid.

4%

REGULATORY

Covers the cost of the system procurement and planning, along with some programs.

12%

HST

Tax, one of life's certainties.

In the following pages, we will go over each section (except taxes) and provide a little more information about what they include.

GENERATION

APPROXIMATELY
60%
OF YOUR BILL

If you're a residential customer, you are probably used to seeing your Generation costs listed in buckets of on-peak, mid-peak and off-peak. These Regulated Price Plan (RPP) prices are set every six-months are a mixture of an average **Hourly Price** and something called **Global Adjustment (GA)**.

Hourly Price (HOEP)

This is the average price paid out to generation facilities in a given hour. The Independent Electricity System Operator, IESO, manages this process on behalf of the province. It is a process where generators bid for their electricity to be purchased. The lowest price that provides the amount of electricity needed becomes HOEP. The average price for each month is determined and charged to larger businesses who do not pay the RPP price.

Global Adjustment (GA)

The GA was created to account for the difference in the hourly price and the actual total costs to the system in the given month. It was activated in 2006 and has been 2x - 18x the cost of the HOEP over the past 12-months. There are different items that cause a difference from the Hourly Price:

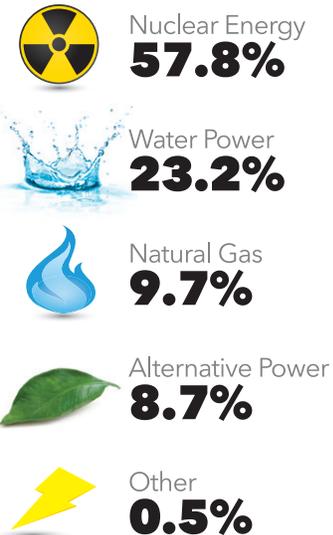
- **Generation Contracts** - Most generators have contracts to produce energy a specific prices no matter the cost of the HOEP. These include nuclear, hydroelectric and renewable/alternative generators. If the market price is 1¢/kWh and a generator is guaranteed 5.4¢/kWh, then the difference goes into GA.
- **Conservation Programs** - Ontario's conservation programs, currently under the Save on Energy branding, are funded through GA. The programs include Retrofit Program that provides incentives to businesses to improve their energy efficiency and the residential Coupon Program giving customers discounts on efficient products.

Retailer Pricing Separates the HOEP and GA

When a customer signs with an electric retailer, the rate that they sign for replaces the HOEP cost and the GA is charged as a separate line item. The cost of GA in 2016 has fluctuated from a low of 7.1cents/kWh to a high of 11.13cents/kWh.

SUPPLY MIX

Ontario had a diverse mix of generators in 2015.



HOURLY PRICE VS GA RATIO

Here is the ratio of the Hourly Price vs the Global Adjustment in Ontario's market for the past 12-months:

Month	HP	GA
1/16	1	6.7
2/16	1	7.8
3/16	1	18.0
4/16	1	18.0
5/16	1	8.0
6/16	1	4.7
7/16	1	3.6
8/16	1	2.2
9/16	1	5.4
10/15	1	3.0
11/15	1	11.0
12/15	1	8.6

NOTL HYDRO

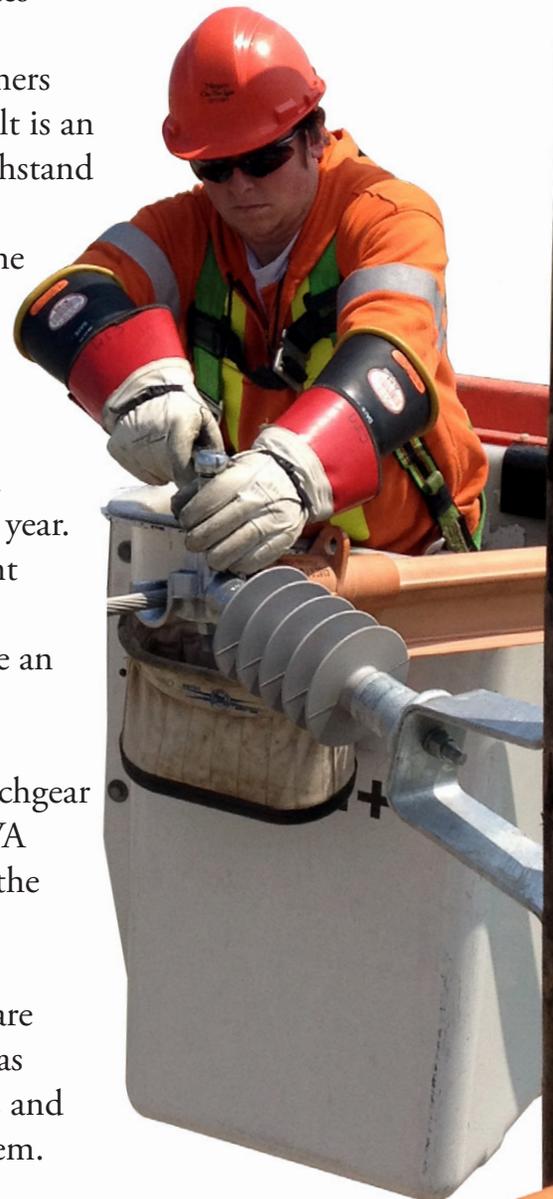
APPROXIMATELY
19%
OF YOUR BILL

As of November 2016, Niagara-on-the-Lake Hydro's residential delivery rates were the lowest in the Niagara Region. It covers the cost of local grid maintenance, upkeep and improvement of our system to ensure you have electricity when you need it.

We are committed to operating as a sustainable high-performance, customer-driven business and to providing the highest standard in safety, service and reliability. Our investments help ensure future grid stability:

- **Leveraging Technology** - We have a number of smart switches that automatically re-direct the electricity to another line to keep the optimum amount of businesses and residents supplied with electricity. A plan has been approved to install more of these smart switches through-out the service territory.
- **Infrastructure Renewal.** As older poles are replaced, transformers and other infrastructure is being updated as well. The end result is an improvement in line losses and a stronger infrastructure to withstand exposure to the elements.
- **Underground Conversion.** A long-term program to replace the aging overhead pole lines with underground cables in the Old Town will maintain the ambiance of the historic Old Town as well as increase reliability in this high treed area.
- **On-going Tree Trimming Program.** Fallen branches are one of the top causes of outages. The NOTL service area is divided into three sections with tree trimming done in one section per year.
- **An Outage Management System.** A new Outage Management System automatically alerts line crews when an outage occurs through the use of smart meter data. Please still call if you have an outage as the system is not 100% reliable (905-468-4235).
- **Dedicated Maintenance Program.** NOTL has a strong maintenance program of its substations, transformers and switchgear to limit outages caused by equipment failure. Our new 50 MVA transformer (one of 2 stations) also has the capacity to supply the entire town with electricity on the hottest day.

A portion of each years profits from Niagara-on-the-Lake Hydro are given to our main shareholder, the Town of Niagara-on-the-Lake as dividends, which are used to keep taxes lower for all area residents and businesses. The remainder of our profits are reinvested in our system.

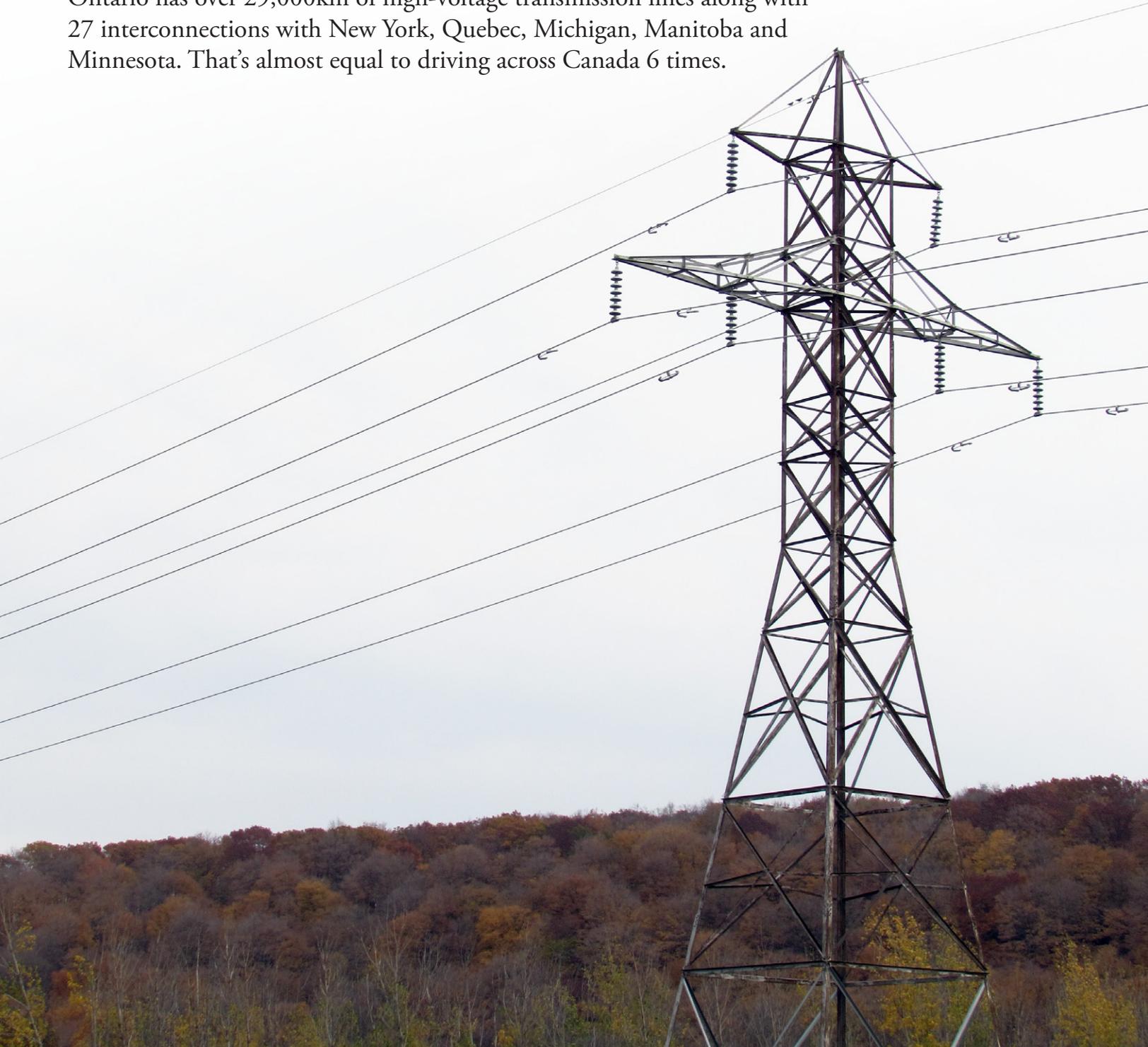


TRANSMISSION

APPROXIMATELY
5%
OF YOUR BILL

Your transmission charges are redirected to Hydro One who is in charge of over 97% of Ontario's transmission grid. The charges cover the costs of delivering electricity from electric generators to local distributors (Niagara-on-the-Lake Hydro) along with the maintenance and improvement costs of the transmission system.

Ontario has over 29,000km of high-voltage transmission lines along with 27 interconnections with New York, Quebec, Michigan, Manitoba and Minnesota. That's almost equal to driving across Canada 6 times.



REGULATORY

APPROXIMATELY

4%

OF YOUR BILL

Regulatory Charges covers the costs from 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 the costs of various programs developed by the Province to reduce the costs of electricity to vulnerable customers.

Included Charges:

- **Wholesale Market Service Rate.** The IESO charges an administrative fee to manage the high voltage power system and operate the wholesale electricity market in Ontario. It is charged at a rate of \$0.0036 per kWh.
- **Rural and Remote Electricity Rate Protection.** This charge is distributed to various utilities with customers in rural and remote areas of the Province to help offset the high costs associated with providing service to those customers. It is charged at a rate of \$0.0013 per kWh. This rate will be increasing as the Provincial Government has recently increased this subsidy.
- **Ontario Electricity Support Program (OESP).** 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. It is charged at a rate of \$0.0011 per kWh.



YOUR BILL

Components Explained

If your bill shows this text, you are on pre-authorized payment and your billed amount is automatically removed from your bank account.

This code is used by banks to ensure that funds go to NOTL Hydro's account.

Important messages that pertain to your account.

A comparison of your usage this bill, versus the previous month's bill, versus the same time last year.

Account Type. Most home owners will see RESIDENTIAL listed here. Turn to the following page for more information on Account Types.

Niagara-On-The-Lake HYDRO
 8 Henegan Road., Box 460 T: 905 468-4235
 Virgil, ON LOS 1T0 F: 905 468-3861
 www.notlhydro.com E: billing@notlhydro.com

Customer Account Number
 0000###-##

Bill Date	Due Date	Amount Due
yyyy-mm-dd	yyyy-mm-dd	\$ 138.33

Service Address Amount Enclosed
 The address for your electrical service

CUSTOMER NAME
 CUSTOMER MAILING ADDRESS
 NIAGARA ON THE LAKE, ON LOS 1J0

P.A.P. DO NOT PAY

Billing Period: yyyy-mm-dd to yyyy-mm-dd

08995 900 96

Niagara-On-The-Lake HYDRO Account Number 0000###-## Name CUSTOMER NAME Service Address # STREET NAME

8 Henegan Road., Box 460 T: 905 468-4235
 Virgil, ON LOS 1T0 F: 905 468-3861
 www.notlhydro.com E: billing@notlhydro.com

PREVIOUS BALANCE \$138.32
 PAYMENT MM/DD/YYYY - \$138.32
BALANCE FORWARD \$0.00

	RATE (\$)	USAGE	CHARGES
YOUR ELECTRICITY CHARGES			
OFF PEAK WINTER/SUMMER*	0.087000	512	\$44.54
MID PEAK WINTER/SUMMER*	0.132000	144	\$19.01
ON PEAK WINTERSUMMER*	0.180000	144	\$25.92
DELIVERY*			\$37.03
REGULATORY CHARGES*			\$5.23
DEBT RETIREMENT CHARGE*			\$0.00
TOTAL ELECTRICITY CHARGES			\$131.73
YOUR WATER AND SEWER CHARGES			
METERED WATER CHARGE	0.0	11.00	\$0.00
WATER SUPPLY CHARGE			\$0.00
METERED SEWER CHARGE	0.0	11.00	\$0.00
SEWER SUPPLY CHARGE			\$0.00
TOTAL WATER AND SEWER CHARGES			\$0.00
TOTAL *HST (OUR HST #)			\$17.13
*TO BE NAMED DISCOUNT - 8%			-\$10.54
CURRENT CHARGES FROM YYYY-MM-DD TO YYYY-MM-DD			\$138.33
TOTAL AMOUNT DUE			\$138.33

MESSAGES
 This portion of the bill is used to communicate various messages. It will likely be used to promote the new 8% rebate from the Provincial Government in 2017.

CONSUMPTION COMPARISON (Usage Per Day)

	This Bill	Last Bill	Last Year
Electric (kWh)	800.00	800.00	80.00
Water (m3)	0.00	0.00	0.00

Meter Number	Read Dates		Billed Days	Code	Meter Readings		Billing Mult	Usage		Billed Units	Power	Adjusted Factor
	Present	Previous			Present	Previous		Base	Billed			
ELE: #####	yyyy-mm-dd	yyyy-mm-dd	30	MR	140378	139578	1	800	830.32	kWh		1.0379
WTR: #####	yyyy-mm-dd	yyyy-mm-dd	##	CE	#####	#####	1	#	#	m3		

An interest charge is applied on all overdue amounts at 1.5% per month

Bill Type	Account Type	Bill Date	Due Date	Amount Due	Payment Type
REGULAR	RESIDENTIAL	yyyy-mm-dd	yyyy-mm-dd	\$138.33	DO NOT PAY

What do the codes mean? MR = your meter was read. PR = the reading was phoned in (*w* = water specific). CR = customer submits a reading manually (*w*). IR = the reading was submitted online (*w*). TR = when the town does a verification check. CE = a reading was not submitted so the average usage was applied. IE = if staff changes the computer estimate, typically lower.

Billing Multiplier. This will typically be "1" on residential accounts. Larger commercial customers with mechanical meters may have a multiplier on their bills.

Some of the areas in the bill on the preceding page have information that may be confusing to some so we will try to clear up any confusion.

What is my Account Type?

- **RESIDENTIAL** - This is for a common home. If you live in the location it is considered a residential account.
- **GENERAL SERVICE < 50** - This account type is generally reserved for small business/commercial locations, for a second account at a residential property or for residential locations with a larger voltage requirement. The 50 in the title indicates that the average kilowatt demand is less than 50 kW.
- **GENERAL SERVICE >50** - This account type is reserved for business accounts with a larger demand requirement. There are often larger needs for HVAC, lighting, pumps or motors in these locations.
- **INTERVAL** - This account type is very similar to the General Service >50 account however the meter installed is more advanced. You will be billed your actual HOEP usage plus Global Adjustment.

What is Adjusted Factor?

This is commonly referred to as line-loss. When electricity is delivered over a power line, it is normal for a small amount of power to be consumed, or lost, as heat. Line loss costs are included in the Delivery Charge and the calculations of the transmission and regulatory charges are grossed up for line losses. Niagara-on-the-Lake Hydro's line loss as of Oct 2016 is 3.79%, down from 6.62% in 2005.

Why am I being billed for water?

In an effort to make things easier for our customers and to lower the costs to the Town for water billing, we have integrated water and sewer charges into our bills.

Why am I being billed for Global Adjustment?

If you are a Residential or General Service <50 account and see Global Adjustment on the bill, it's likely that you have signed an agreement with an energy retailer. They have a set rate for the HOEP price and you are now charged for the Global Adjustment. You can cancel your contract within 30 days of receiving your first bill.

CONTACT US

Should you have any questions about your electricity or water bill or should you wish to know more, call us at 905-468-4235 or visit us at 8 Henegan Road (Virgil) between 8:30am and 4:30pm weekdays.