

October 19, 2023

## November 1, 2023 Electricity Prices

On November 1, 2023, new Time-of-Use (TOU), Ultra-Low Overnight (ULO) and Tiered prices for residential and small business customers under the Ontario Energy Board's (OEB) Regulated Price Plan (RPP) will change.

The winter TOU hours and the change in the Tier threshold for residential customers on Tiered pricing will take effect November 1 as usual and remain in place until April 30, 2024. ULO hours remain unchanged.

The OEB sets RPP prices every year to reflect the forecast cost of supplying RPP customers and any variance between forecast and actual costs from the prior period. The increase in RPP prices is mainly attributable to:

- An increase in the forecast payments to nuclear and natural gas generators.
- Higher-than-forecast supply costs over the past 12 months, which led to an under-collection from RPP customers in the November 2022 to October 2023 period.
- Lower forecasted wholesale electricity market prices, which increases the costs paid by RPP customers.

For full details regarding the RPP price setting and the reasons for the changes, please refer to the [RPP Report](#).

### TOU, ULO and Tiered Prices under the RPP

The OEB sets RPP prices – TOU, ULO and Tiered – on an annual basis, effective November 1.

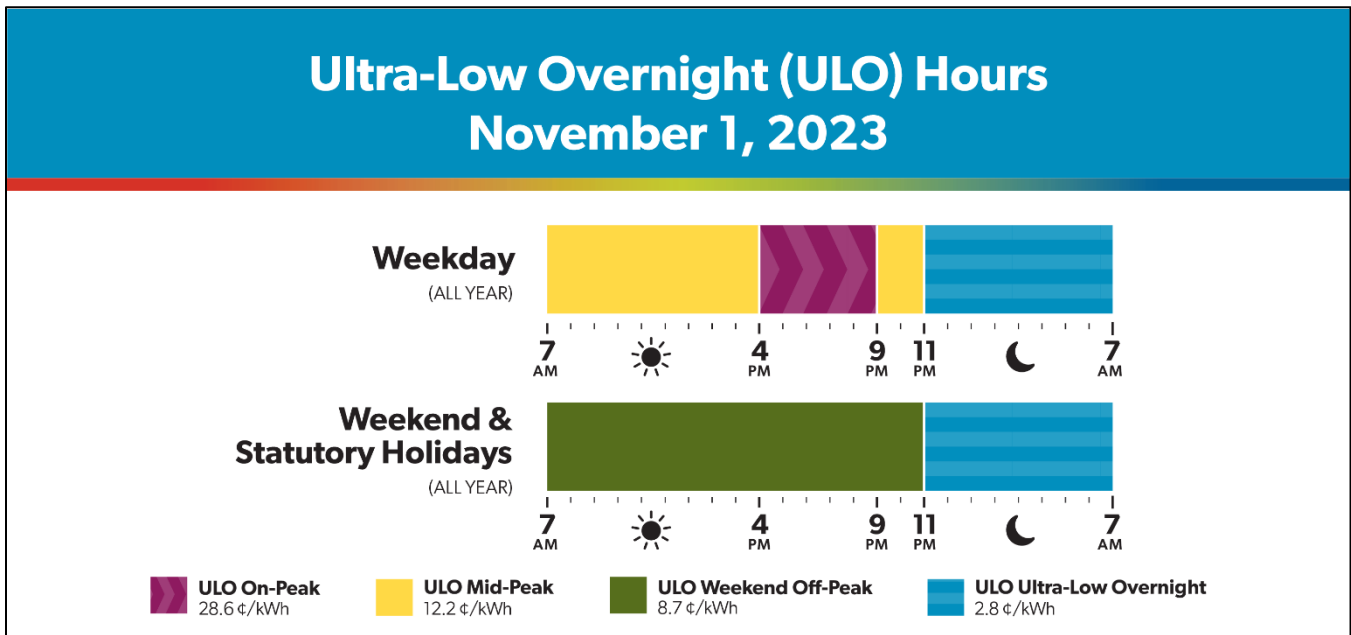
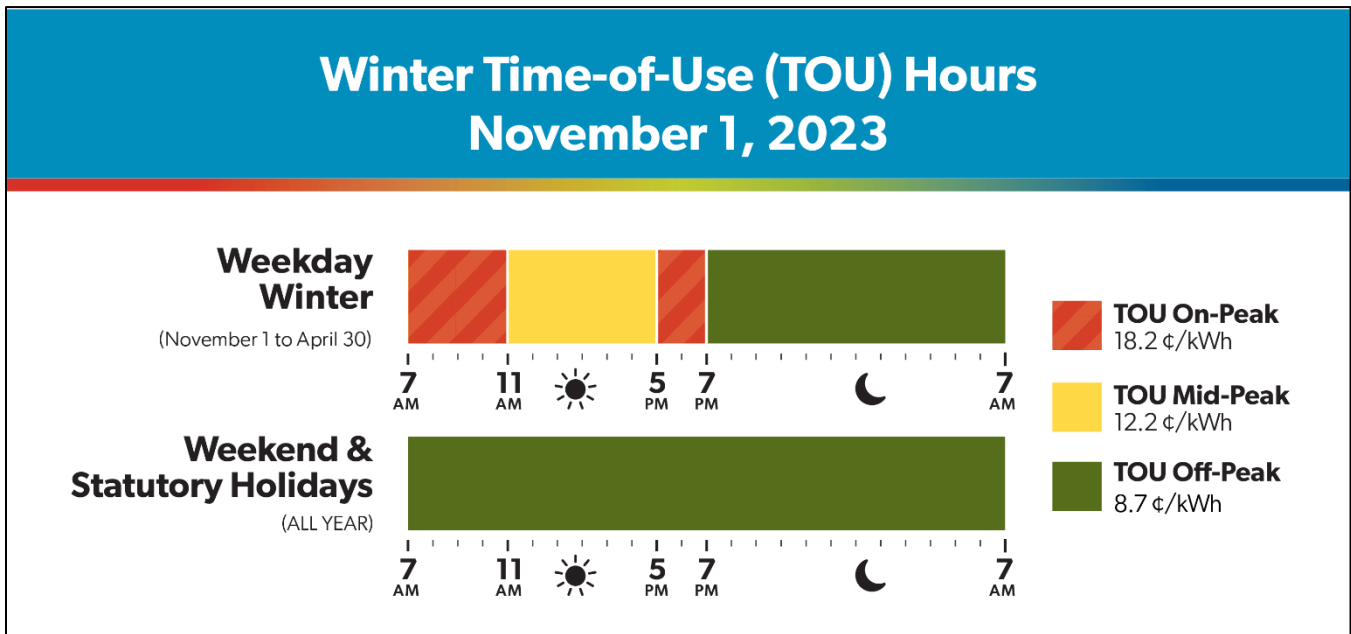
RPP prices are set based on a forecast of how much it will cost to supply RPP customers with the electricity they are expected to use over the next 12 months. Any variance between forecast and actual costs from the prior period, whether a surplus or shortfall, is also factored into this price-setting.

TOU, ULO and Tiered prices are set so that all recover the same forecast average cost of supply for a typical residential customer who uses 700 kWh/month.

There are three TOU periods – on-peak, mid-peak and off-peak. Prices are highest during on-peak, lower during mid-peak and lowest during off-peak. ULO has four price periods, one of which is a very low-priced overnight period.

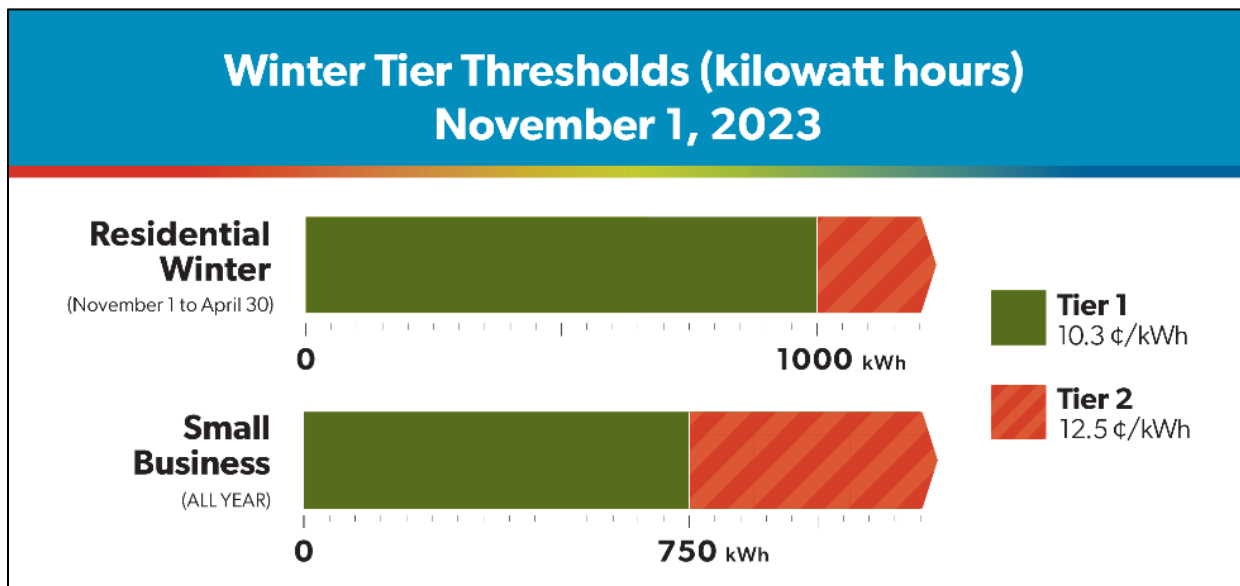
With TOU and ULO pricing, the price depends on **when** customers use electricity. This means customers can help manage their electricity costs by shifting their usage to lower price periods when possible.

The following charts indicate the price periods and the prices effective November 1:



Under Tiered pricing, a customer can use a certain amount of electricity each month at a lower price. A higher price applies to electricity used above that limit. In the winter period (November 1 – April 30), the Tier threshold for residential customers is 1,000 kWh, so that during the heating season 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 non-residential customers is 750 kWh all year round.

The following chart indicates the Tiered thresholds and the prices effective November 1:



## Understanding Electricity Bills

Electricity prices are shown on the Electricity line of the bill. This is the cost of the electricity used in the customer's home or small business.

Electricity distributors deliver this power to their customers' homes and businesses. They are not allowed to earn any profit from the sale of electricity. Electricity distributors, like Alectra Utilities Corp. or Hydro Ottawa Ltd., and electricity transmitters, like Hydro One Networks Inc., recover their costs and an appropriate level of return through rates that are approved by the OEB and reflected on the Delivery line of customer bills. Visit our [Understanding your electricity bill page](#) for a more detailed explanation of the different line items on electricity bills.

## About the Ontario Electricity Rebate

The Ontario Electricity Rebate (OER) is a pre-tax credit that appears at the bottom of electricity bills. For more information about the OER, please visit [ontario.ca/page/changes-your-electricity-bill](https://ontario.ca/page/changes-your-electricity-bill).

## Power is Personal

Residential, small business and farm customers can choose their price plan, either [TOU](#), [ULO](#) or [Tiered](#). Customers who don't want to switch their price plan don't need to do anything. They will stay on their current price plan. If a customer wishes to switch, they must notify their utility by completing and submitting an election form. Customers can contact their utility or visit their utility's website for the election form.

The OEB has a webpage and bill calculator to help customers who may be considering a switch in their electricity price plan. For more information, see [oeb.ca/choice](https://oeb.ca/choice).

## **Contact Us**

You can find all [reports and documents](#) related to RPP prices at oeb.ca or you can call us (toll-free) 1-877-632-2727.

## **For More Information**

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