

APR 20 2017

Ministry of Energy

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Ministère de l'Énergie

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MC-2017-694

His Worship Fred Eisenberger
Mayor
City of Hamilton
71 Main Street West, 2nd Floor
Hamilton ON L8P 4Y5

Dear Mayor Eisenberger:

Fred,

Thank you for participating in our discussion at Alectra Utilities in Hamilton on March 8, 2017, regarding Ontario's Fair Hydro Plan (FHP).

Starting this summer, the FHP proposes new measures to lower electricity bills by 25 per cent on average for residential consumers and initiatives to reduce costs for small businesses and manufacturers. These measures include the eight per cent rebate introduced in January and build on previously announced initiatives to deliver broad-based rate relief on all electricity bills.

Ontario's FHP would also expand the Rural or Remote Rate Protection Program (RRRP) and the Ontario Electricity Support Program (OESP). Under the FHP, the RRRP and the OESP would be funded by provincial revenues instead of by electricity consumers.

The RRRP program provides a rate subsidy to rural and remote residential customers who face higher distribution costs compared to urban areas. The FHP would expand the RRRP to provide distribution charge relief to additional customers served by local distribution companies with the highest rates. About 800,000 customers would benefit from the enhanced RRRP program.

The OESP provides an ongoing rate reduction directly on the bills of low-income electricity consumers who have applied and meet the eligibility requirements. Part of the FHP includes increasing the OESP by 50 per cent and expanding the qualifying income and household size thresholds. For instance, a two-person household earning up to \$39,000 in after-tax income would now be eligible for the program – today, only those two-person households earning up to \$28,000 are eligible.

Thank you again and please accept my best wishes.

Sincerely,

Glenn Thibeault
Minister

A large, stylized handwritten signature in black ink, appearing to read 'Glenn Thibeault'.