



Federation of Ontario Cottagers' Associations

Electricity costs concern rural residents

FOCA Media Release, Ontario – February 16, 2017

FOR IMMEDIATE RELEASE

The following letter was sent this week to the Premier of Ontario, Kathleen Wynne, and Ontario's Minister of Energy, Glen Thibeault, on behalf of FOCA (the Federation of Ontario Cottagers' Associations):

Dear Ms. Wynne,

The following comments are related to widespread concerns about the unrelenting rise in electricity costs for rural residents.

Ontario's economy has flat lined. Wages and the Consumer Price Index are rising in the 2% range and yet the proposed changes to electricity delivery rates will mean bills will rise another 200% for some low use rural customers.

FOCA believes that the recent move to All-Fixed delivery charges, and the related phase-in period has already shifted considerable burden to many R2 and Seasonal Class customers. And yet, we are barely into Year Two of the eight year phase-in period.

Fully 46% of Seasonal customers consume a monthly average of less than 150kWh, and it is quite apparent that the "penalty" to low-volume users will be further aggravated by eliminating Hydro One's "Seasonal" Class. With All-Fixed delivery charges, the elimination of the Seasonal Class will result in only marginal benefits to those customers moving to the R1 Class, at the expense of very large negative impacts on those moving to the lower density R2 Class.

FOCA cannot accept and vigorously objects to the current plan that would see so many of our members and thousands of low-use customers in rural Ontario seeing electrical bill increases of over 200%. Furthermore, FOCA objects to the discriminatory mechanism which provides a monthly \$60.50 bill credit to R2 customers, while Seasonal customers will be burdened with a monthly fixed delivery cost in excess of \$117, up from the current \$36.28, with no bill credit available. Virtually every other electrical distribution utility in North America offers relief to customers in remote and low-density areas. Exhibit 1 (see next page) illustrates the delivery costs that utilities charge in other provinces. The Hydro One rates are already extremely high by comparison. After phase-in, for the 84,000 Seasonal customers moved to the R2 Class, delivery costs will more than triple.

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Exhibit 1

2016 Annual Fixed Delivery Cost for Seasonal Residential Electrical Power Customers

<i>Nova Scotia</i>	<i>\$64.98</i>	<i>Seasonals pay half of Residential Rate</i>
<i>Quebec</i>	<i>\$148.34</i>	<i>Seasonals pay regular Residential Rate</i>
<i>Manitoba</i>	<i>\$93.84</i>	<i>Seasonals pay regular Residential Rate</i>
<i>British Columbia</i>	<i>\$66.98</i>	<i>Seasonals pay regular Residential Rate</i>
<i>Ontario</i>	<i>\$389.64</i>	<i>Seasonals pay 46% more than Urban Residential Rate</i>

Planned All-Fixed Delivery Cost with Seasonal Class Eliminated

Ontario (phased-in) \$1404 Seasonals moved to R2 Rate Class

On behalf of the over 200,000 electrical customers that are within the waterfront residential community, we strongly urge reforms on the electrical pricing file and anxiously await your plan to mitigate these costs for Ontarians.

*Sincerely,
Terry Kennedy, President, FOCA
Terry Rees, Executive Director, FOCA*

About FOCA:

FOCA is the Federation of Ontario Cottagers' Associations, an incorporated non-profit organization that represents over 500 waterfront property owners' groups, with over 50,000 member families. For over 50 years, FOCA has spoken on behalf of, and supported, Ontario's 250,000 waterfront property owners – the vast majority of whom are electricity customers of Hydro One.

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