



October 12, 2011
For Immediate Release

Time of Use Rates Will Begin on New Billing Periods for Thunder Bay Hydro

Thunder Bay, ON – Time of Use rates will begin to be charged on local hydro billing periods that begin this week or later. While residential customers will not see the charges on their bills until the completion of the two month billing cycle in late December, it is important to remember that the time to begin to shift electricity use has arrived.

“We won’t be able to predict how local customers respond to the new rate structure until we see the numbers come in after the first months,” says Tim Wilson, Vice-President of Customer Service and Conservation at Thunder Bay Hydro. “A pilot project¹ in Ottawa has shown that Time of Use rates resulted in a significant lowering of electricity use during peak time. A combination of overall conservation and shifting electricity use has been credited with the change.”

The new rate structure is part of the Province of Ontario’s Green Energy Act. In the electricity market, prices rise and fall over the day and tend to drop overnight. TOU rates vary—depending on the time of day, the day of week (week or weekend, and holidays) and the season (summer or winter). With rates that vary, the Province will provide an incentive to shift and/or reduce electricity consumption at times of peak demand.

There are three TOU rates which change each season:

Season	Day	Breakfast 7 am – 11 am	Midday 11 am-5 pm	Supper 5 pm – 7 pm	Evening 7 pm-7 am
SUMMER May 1-Oct. 31	Mon-Fri	MID peak	ON peak	MID peak	OFF peak
	Wknd & Holidays	OFF peak			
WINTER Nov. 1 – April 30	Mon-Fri	ON peak	MID peak	ON peak	OFF peak
	Wknd & Holidays	OFF peak			

OFF peak = ¢

MID peak = ¢¢

ON peak = ¢¢¢

-continued on page 2-

¹http://www.ontarioenergyboard.ca/documents/communications/pressreleases/2007/press_release_smartpricepilot_2_0070726.pdf

TIME OF USE RATES cont'd

Time of Use cont'd

Cost comparisons and tips for how to conserve and shift your energy use will be included in upcoming electricity bills. Online tools are available through the Thunder Bay Hydro website www.tbhydro.com.

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For More Information -
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FACT SHEET TO FOLLOW

FACT SHEET

Why Time of Use Pricing?

Electricity is a commodity with a price that fluctuates based on a number of factors including source and the concept of supply and demand.

Currently, Thunder Bay Hydro residential and small business customers pay for electricity based on the Regulated Price Plan (RPP). In Ontario, The Ontario Energy Board (OEB) sets prices for electricity under the RPP. Prices are based on the electricity supply costs forecast for the year ahead, and any adjustments required due to differences between what was paid and what supplies actually cost over the previous period.

When electricity was first provided to consumers, rates were based on averaging out the more expensive (daytime) and cheaper (nighttime) prices of electricity, simply because our older meters couldn't report when it was used.

Smart Meters measure hourly electricity use, so electricity prices can be different at different hours of the day. That better matches the way prices work in the electricity market, and is expected to encourage Ontario consumers to think more about how and when we use electricity.

Why is Peak Time more expensive?

Supplying electricity at peak times (those times when we're all using a lot of electricity) has a range of impacts:

- It adds to our electricity costs because higher demand often means higher market prices.
- It's hard on the environment because more of the less attractive forms of generation must be run to meet them.
- It adds to the amount that Ontario needs to invest in the system because meeting the peaks means building even more new generating facilities, and more transmission and distribution infrastructure—and that also adds to electricity costs.

What is the pressure on the current cost of electricity?

Between now and 2025, Ontario will need to replace about 80 per cent of its electricity system. There are several ways to do that:

1. building new generating facilities,
2. refurbishing current facilities (where that makes economic sense), and
3. investing in conservation and energy management tools so that we require less new electricity generating capacity.

As the consumers move consumption away from the more expensive (peak) times of the day, this can help Ontario reduce its peak demand, which can help limit the building and operation of peak generating facilities.

Ontario's Long Term Energy Plan is found at
http://www.mei.gov.on.ca/en/pdf/MEI_LTEP_en.pdf