

Understanding Toronto Hydro's Rate Application

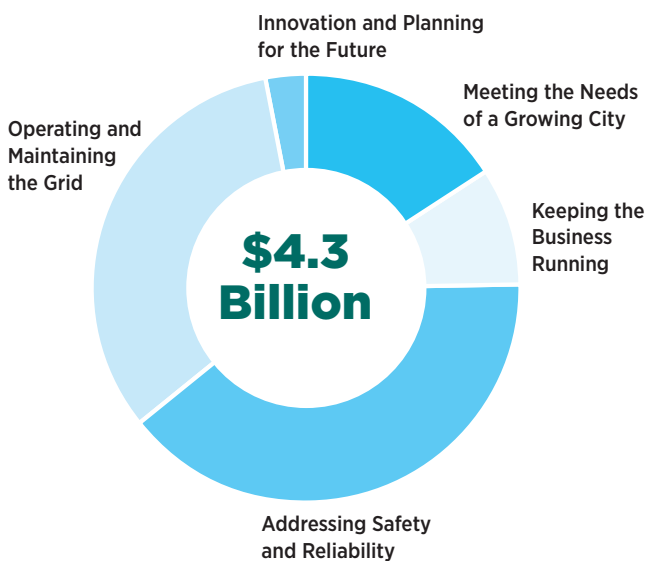
Toronto Hydro's Plan

Toronto Hydro is the electricity distributor that serves the city of Toronto. We're responsible for nearly one fifth of the electricity used in Ontario. We own and operate the poles, wires and other equipment needed to deliver power to homes and businesses.

We're proposing a five-year plan for **2020 to 2024**. The plan meets the needs of a growing city, addresses deteriorating infrastructure, and helps us prepare for more extreme weather and cyber threats.

We're seeking approval for distribution rates from 2020 to 2024 to fund the plan. The Ontario Energy Board and consumer groups will review our plan in a rigorous, transparent public hearing process.

For more on Toronto Hydro's Plan, see Exhibit 1B: Executive Summary and Business Plan



Customer Engagement

Electricity is an important resource in our customers' daily lives. So as we prepared our plan for 2020 to 2024, we asked customers what they thought. They told us price, reliability and safety were their top three priorities, and we developed a plan with those in mind. When we put that plan back to customers, we heard from over **10,000** people and businesses across the city. **71%** of residential customers supported the plan or one that does even more to improve services.

For more on Toronto Hydro's Customer Engagement process, see Exhibit 1B: Customer Engagement

- 1. Ask Customers what the Plan's Priorities should be.**
- 2. Use Customer Priorities to prepare the Plan.**
- 3. Ask Customers about the Plan.**
- 4. Use Customer Feedback to finalize the Plan.**
- 5. Submit the Plan to the Ontario Energy Board.**

Costs of the Plan: Average Annual Rate Increase of 1.7%

Funding the plan requires increases to monthly distribution rates. For a residential customer who uses 750 kWh per month, distribution rates would increase by an average of **\$0.77 (1.7%)** per month, annually from 2020 to 2024. This includes a decrease of \$2.32 in 2020, the first year of the plan.

Bill Impact

	Usage [kWh]	Change in bill	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	Average (\$)
Residential (typical)	650	\$/30 days	-1.77	1.37	1.07	1.89	1.83	\$0.88
		%	-4.1%	3.3%	2.5%	4.3%	4.0%	
Residential (750 kW)	750	\$/30 days	-2.32	1.37	1.07	1.89	1.83	\$0.77
		%	-5.3%	3.3%	2.5%	4.3%	4.0%	
General Service <50 kW (typical)	2,800	\$/30 days	-5.91	4.35	3.38	5.97	5.78	\$2.71
		%	-4.4%	3.3%	2.5%	4.3%	4.0%	

Toronto Hydro's Performance

Outcomes and Performance Measurement

Customers want to know that Toronto Hydro's 2020 to 2024 performance will provide them with value for money. We're proposing to report on **44** performance measures that will track how well we're doing.

For more on Toronto Hydro's Performance, See Exhibit 1B: Outcomes and Performance

Toronto Hydro Outcome	OEB Reporting Category	Performance Measures
Customer Service	Service Quality	9
	Customer Satisfaction	5
Safety	Safety	7
Reliability	System Reliability	6
	Asset Management	4
Financial	Cost Control	5
	Financial Ratios	3
Public Policy	Conservation and Demand Management	1
	Connecting Renewable Generation	2
Environment	Environment	2
Total Performance Measures		44

Past Performance and Continuous Improvement

Our previous plans are working and our performance is improving.

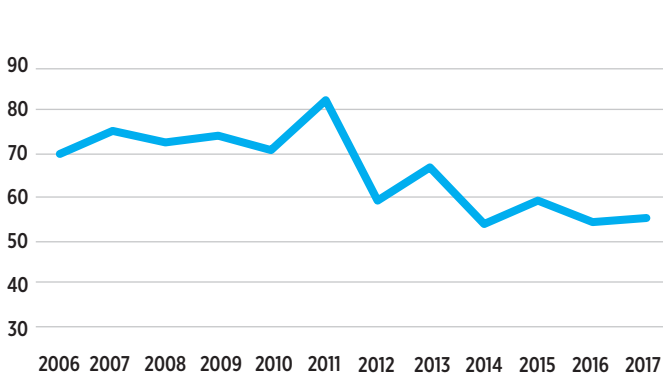
We're getting faster at connecting new customers. And we're exceeding industry standards for meeting scheduled appointments, answering calls on time and providing accurate bills.

We're also making the grid more reliable. Outages that aren't related to major events, like wind and ice storms, are becoming shorter and less frequent.

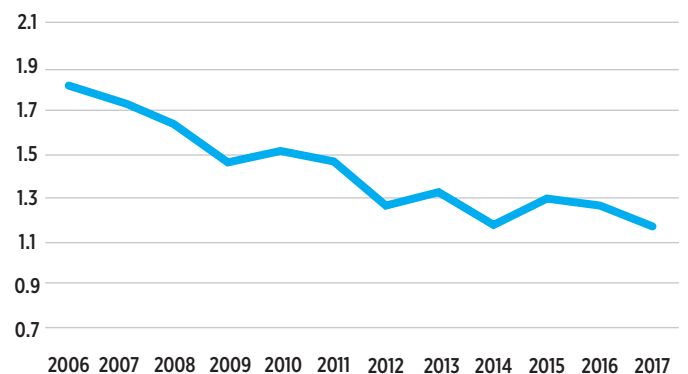
Performance Categories	Measures	2013	2014	2015	2016	2017	Industry
Service Quality	New Residential/Small Business Services Connected on Time	94.2%	91.5%	96.9%	97.7%	98.3%	90.0%
	Scheduled Appointments Met On Time	99.6%	99.8%	99.9%	99.5%	99.4%	90.0%
	Telephone Calls Answered On Time	82.0%	71.9%	76.8%	64.7%	77.9%	65.0%
Customer Satisfaction	Billing Accuracy	-	96.6%	97.5%	98.8%	99.2%	98.0%

System Reliability

Duration of Outages (minutes per year)*



Frequency of Outages (number per year)*



*Excludes Loss of Supply from Hydro One and Major Event Days