

Time-of-Use Customer Choice – October, 2020

If you're a residential or small business customer that pays Time-of-Use (TOU) electricity prices, you can choose to switch to Tiered prices beginning November 1, 2020.

With TOU, the price you pay depends on when you use electricity. With Tiered prices, you can use a certain amount of electricity each month at a lower price. Once that limit is exceeded, a higher price applies.

If you want to continue paying TOU prices, no action is required. If you would like to learn more about your pricing options, visit www.oeb.ca/choice.

If you're a residential or small business customer that pays Time-of-Use (TOU) electricity prices, you can choose to switch to Tiered prices beginning November 1, 2020.

To switch from TOU to Tiered prices, you must notify Algoma Power Inc. by completing an election form, available online at <http://www.algomapower.com/about/index.aspx?l=0,1,5,6247>. If you do not have access to the internet, Algoma Power will mail you the election form. If you wish to have the form mailed to you, please contact us at **705-256-3850**.

Algoma Power Inc. will begin accepting election forms on October 13, 2020.

You may wish to continue paying TOU prices for your electricity. In that case, no action is required.

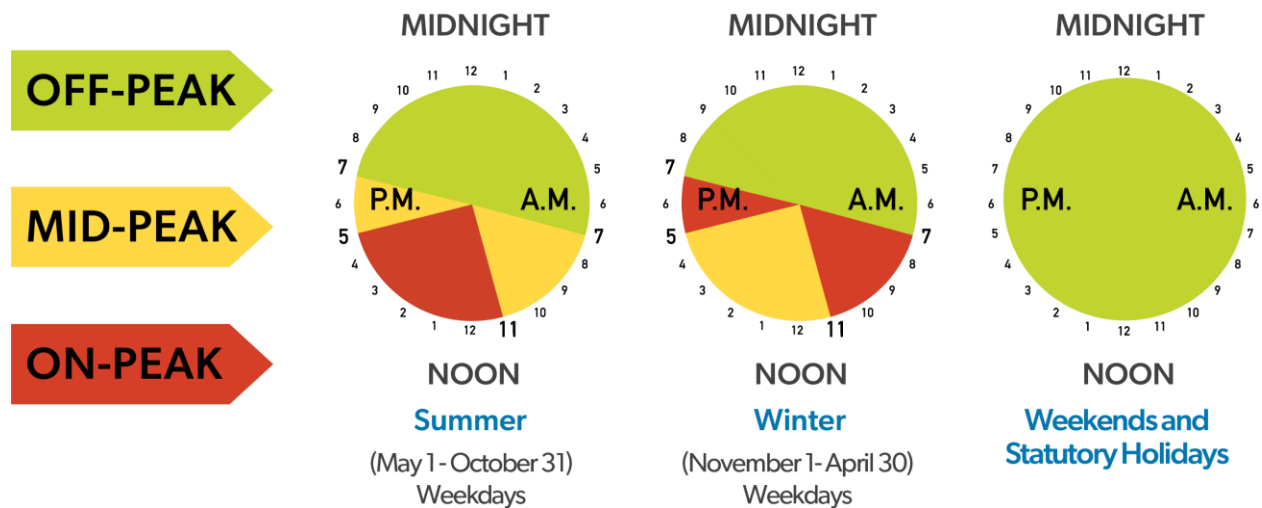
About TOU Prices

With TOU prices, the price depends on when you use electricity. You can help manage your electricity costs by shifting your usage to lower price periods when possible.

There are three TOU periods:

- **Off-peak:** When demand for electricity is lowest. Ontario households use most of their electricity – nearly two thirds of it – during off-peak hours.
- **Mid-peak:** When demand for electricity is moderate. These periods are during the daytime, but not the busiest times of day.
- **On-peak:** When demand for electricity is generally higher. These are the busier times of day - generally when people are cooking, starting up their computers and running heaters or air conditioners.

People use electricity differently depending on the season, so the TOU price periods are different in the winter than they are in the summer.



About Tiered Prices

With Tiered prices, you can use a certain amount of electricity each month at a lower price. Once that limit (called a threshold) is exceeded, a higher price applies. For residential customers, the threshold normally changes with the season to reflect changing usage patterns – for example, there are fewer hours of daylight in the winter and some customers use electric heating.

In the winter period (November 1 – April 30), the Tier threshold for residential customers is 1,000 kWh so that 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.

For small business customers, the Tier threshold is 750 kWh all year round.

Tiered prices give you the flexibility to use electricity at any time of day at the same price, although that price will change if you exceed the threshold during the month.

Considering a Switch?

Are you thinking about opting out of TOU prices in favour of Tiered prices? Here are a few things to consider. Make sure you have some of your recent electricity bills handy as you go through the information below. Keep in mind the effect of COVID-19 on your electricity use (for instance, you may be working from home when you normally wouldn't be). Most of the information you will need is on the Electricity line of your bill.

- **Your price plan**

Do you pay TOU or Tiered prices for your electricity? If you're unsure, take a look at the Electricity line of your bill. Most residential and small business customers in Ontario pay TOU prices.

- **Your usage**

How much electricity do you use in a month? If you're unsure, take a look at the Electricity line on your bill. You might also want to look at the energy consumption history on your bill, which shows your average daily usage over the past 12-month period.

- **Your consumption pattern**

When you use electricity can be another factor in your choice. Historically, the typical residential customer who paid TOU prices has used nearly two thirds of their power at off-peak times – the time when the lowest TOU price applies. The other third of their power used was typically split equally between on- and mid-peak times. Look at the Electricity line of your bill to see how much power you use in each of the three TOU price periods.

- **Seasonal changes and time of year**

As described above, the TOU price periods and Tier thresholds change with the season and are different during the winter (November 1 – April 30) and summer (May 1 – October 31) periods. Does the amount of electricity you use change based on the season?

If you're thinking about switching, you should pay close attention to how much electricity you use in a month, because on Tiered pricing the price is higher for every kWh of electricity that you use above the Tier threshold of 1,000 kWh in the winter or 600 kWh in the summer. For instance, if you heat your home electrically, your monthly use in the winter may be higher. And the same goes for the summer if you need to run your air conditioner.

With TOU prices, the price depends on when you use electricity. Although the TOU price periods also change with the season, the electricity you use after 7 p.m. every day, and all the time on weekends and holidays, is charged at the lowest price under TOU all year round.

- **Lifestyle and daily habits**

Are you often home during the day on weekdays, so that shifting your usage is more challenging? Do you have large appliances that you need to run during the day on weekdays? Can you shift more of that usage to nighttime or weekend hours?

- **Small business**

If you're a small business owner, some of the same factors mentioned earlier also apply – how much electricity do you use each month, and when do you use it? Keep in mind that the Tier threshold for small business customers is 750 kWh all year round. And not all small businesses are the same. A large restaurant with several ovens running in the evening may have a very different electricity usage pattern than a small salon that's only open during the day. So may a dry cleaner compared to a convenience store, or a clothing store compared to a bakery.

Rules for TOU Customer Choice

If you're a TOU customer and don't want to switch to Tiered prices, you don't need to do anything. You will stay on TOU prices.

If you do want to switch to Tiered prices, here are the rules that apply. These rules also apply if you later want to switch back to TOU prices.

- Starting October 13, 2020, Algoma Power Inc. must make its election form available on its website, and to any customer that requests it. Algoma Power Inc. must accept election forms by email or mail at a minimum.
- You'll need to fill out the election form to notify Algoma Power Inc. that you want to switch. The form is intended to be as simple as possible in terms of the information that you need to provide. You should have a recent electricity bill on hand when filling out the form, as you will need your utility account number. For help to find the account number and other parts of the electricity bill, see sample TOU and Tiered bills on the Ontario Energy Board's website at www.oeb.ca/choice.
- Within 10 business days of receiving your election form, Algoma Power Inc. must tell you if your election form can't be processed and must explain why (for instance, if you're not authorized to make changes to the account, or the account can't be verified).
- If there are no issues with your election form, Algoma Power Inc. has the same 10 business days to let you know when you can expect to start being billed on Tiered prices.
- A switch from TOU to Tiered prices can only take effect at the start of a billing period. You are generally billed for a 30-day period, and the start and end dates are identified on your electricity bill.
- Algoma Power Inc. must start charging you Tiered prices as of your next billing period after you submit your election form if it receives that form *at least 10 business days* before that billing period starts, and provided there are no issues with your form (see above).
- If Algoma Power Inc. receives your complete election form *less than 10 business days* before the start of your next billing period, it might still be able to switch you for your next billing period. But if it can't do so, it has to start charging you Tiered prices at the start of the next billing period after that.
- Because a switch in prices can only take effect at the beginning of a billing period, it will take some time between the day you provide your election form and the day you actually start getting charged Tiered prices.

- Even if you provide your election form to Algoma Power Inc. before the end of October, you'll very likely pay TOU prices for at least some period of time – between November 1 and the time when your next complete billing period starts (or the billing period after that depending on when you provide your election form).
- If you have chosen to switch to Tiered prices and later decide you want to go back to TOU prices, you can do that at any time. The process described above applies.
- Algoma Power Inc. is required to inform all new residential and small business customers that they have a choice between TOU or Tiered prices when they set up the account.
- The choice between TOU and Tiered prices is available to nearly all residential and small business customers that have smart meters and are billed on TOU. Some residential and small business customers are charged Tiered prices because their meters can't be used to bill TOU prices. They can't switch to TOU prices at this time.
- If you live in a condominium or apartment that has its own individual meter and your bill comes from a company other than Algoma Power Inc., you are a customer of a unit sub-meter provider (USMP). Customers of USMPs also can't switch to Tiered prices. That decision can only be made for the building as a whole by the "master consumer," who is the person that retained a USMP for the property. In most cases, the master consumer is the property manager, landlord or condominium board.
- Customers that are buying their electricity from an energy retailer pay the electricity price set out in their contract. Once they have left their retail contract, they will have a choice between paying TOU or Tiered prices. For details about your energy contract, contact your energy retailer.

For more information about TOU and Tiered pricing, visit www.oeb.ca/choice