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May 5, 2011

via RESS e-filing – signed original to follow by courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited ("THESL")
Application for Approval of 2011-2014 CDM Programs –
Undertaking Responses
OEB File No. EB-2011-0011**

Please find attached THESL's responses to Undertakings J2.1, J2.2, J2.4 to J2.7, J3.1 and J3.2. The response to Undertaking J2.3 will be provided as soon as the information becomes available.

Please contact me if you have questions.

Yours truly,

[original signed by]

Glen A. Winn
Manager
Regulatory Applications & Compliance

/encl.

:GAW/JL/acc

cc: J. Mark Rodger, THESL Counsel, by email only
Intervenor of Record for EB-2011-0011, by email only

UNDERTAKING RESPONSE

1 **UNDERTAKING NO. J2.1:**

2 **Reference(s):** **none provided**

3

4 For Mr. Tyrrell to report actual achievements of the programs identified on page 9 of the
5 AMPCO compendium of materials

6

7 **RESPONSE:**

8 All the programs listed below were funded by the OPA through the following two
9 directives:

- 10 • Toronto Directive: THESL is responsible for TRC
- 11 • LDC Directive: OPA is responsible for TRC

UNDERTAKING RESPONSE

1 **Table 1: THESL's actual CDM results for 2008, 2009 and 2010.**

| Year | Program | OPEX | | CAPEX | Total Cost | Actual Savings | | Net TRC Benefit | TRC Ratio |
|------|----------------------------------|----------------|-----------------|----------------|------------------|----------------|--------------------|--------------------|--------------|
| | | Labour | Other | | | kW | kWh | | |
| 2008 | Mass Market | \$ 79 | \$ 2,398 | | \$ 2,478 | 7,325 | 21,188,795 | \$ 1,468 | 1.69 |
| | Social Housing | \$ 24 | \$ 982 | | \$ 1,006 | 2,782 | 6,453,769 | \$ 47 | 1.06 |
| | Business Incentive Program | \$ 329 | \$ 1,097 | | \$ 1,426 | 8,532 | 32,419,525 | \$ 3,583 | 2.74 |
| | Program Support | \$ 379 | \$ 42 | | \$ 421 | N/A | N/A | -\$ 394 | - |
| | Appliance Retirement | \$ 71 | \$ 317 | | \$ 388 | 397 | 4,186,703 | N/A | |
| | peaksaver Capacity Prior to 2008 | \$ - | \$ - | \$ - | \$ - | 45,122 | N/A | | |
| | peaksaver in 2008 | \$ 467 | \$ 1,932 | \$ 2,841 | \$ 5,240 | 12,395 | N/A | | |
| | Summer Sweepstakes | \$ 86 | \$ 187 | | \$ 273 | N/A | N/A | | |
| | Grand Total | \$1,436 | \$ 6,955 | \$2,841 | \$ 11,232 | 76,553 | 64,248,793 | \$ 4,704 | N/A |
| 2009 | Mass Market | \$ 138 | \$ 2,014 | | \$ 2,153 | 3,940 | 3,220,158 | -\$ 35 | 0.98 |
| | Social Housing | \$ 28 | \$ 1,000 | | \$ 1,028 | 2,842 | 2,801,033 | -\$ 272 | 0.72 |
| | Data Centre Incentive Program | \$ 226 | \$ 61 | | \$ 287 | - | - | -\$ 287 | - |
| | Business Incentive Program | \$ 236 | \$ 1,386 | | \$ 1,622 | 6,612 | 22,512,874 | \$ 4,389 | 2.63 |
| | Custom Programs | \$ 7 | \$ 119 | | \$ 126 | - | 891,643 | -\$ 126 | - |
| | Program Support | \$ 449 | \$ 57 | | \$ 506 | N/A | N/A | -\$ 498 | - |
| | Appliance Retirement | \$ 66 | \$ 317 | | \$ 384 | 549 | 5,378,516 | N/A | |
| | peaksaver | \$ 300 | \$ 1,839 | \$ 2,743 | \$ 4,882 | 12,351 | N/A | | |
| | Power Savings Blitz | \$ 422 | \$18,258 | | \$ 18,679 | 14,581 | 85,701,156 | | |
| | Grand Total | \$1,871 | \$25,051 | \$2,743 | \$ 29,666 | 40,875 | 120,505,381 | \$ 3,171 | N/A |
| 2010 | Mass Market | \$ 151 | \$ 2,618 | | \$ 2,769 | 4,112 | 3,002,394 | \$ 1,455 | 1.53 |
| | Social Housing | \$ 5 | \$ 1,099 | | \$ 1,104 | 1,332 | 1,312,203 | \$ 840 | 2.24 |
| | Business Incentive Program | \$ 328 | \$ 2,827 | | \$ 3,155 | 7,994 | 34,273,460 | \$ 4,947 | 1.69 |
| | Data Centre Incentive Program | \$ 148 | \$ 749 | | \$ 898 | 1,317 | 10,539,505 | \$ 1,338 | 1.61 |
| | Custom Programs | \$ 62 | \$ 1,472 | | \$ 1,533 | 241 | 3,403,856 | -\$ 417 | 0.73 |
| | Program Support | \$ 492 | \$ 33 | | \$ 525 | N/A | N/A | -\$ 566 | - |
| | Appliance Retirement | \$ 44 | \$ 356 | | \$ 401 | 961 | 6,896,890 | N/A | |
| | peaksaver | \$ 477 | \$ 1,374 | \$ 1,692 | \$ 3,543 | 6,319 | N/A | | |
| | Power Savings Blitz | \$ 393 | \$11,539 | | \$ 11,931 | 11,460 | 67,357,185 | | |
| | Grand Total | \$2,101 | \$22,067 | \$1,692 | \$ 25,860 | 33,736 | 126,785,493 | \$ 7,597 | N/A |

2 (Dollar amounts are expressed in thousands)

UNDERTAKING RESPONSE

UNDERTAKING NO. J2.2:

Reference(s): **none provided**

To provide response to School Energy Coalition Interrogatory 45

[Please provide details on how the Applicant calculates that its proposed program will reach 80% of its target audience a minimum of 6 times.]

RESPONSE:

Since the In Store Engagement and Education Initiative has been combined with the Community Outreach and Education Initiative to find synergies and cost-effectiveness, the audience reach will likely be under 80%. Based on experience with other media campaigns, THESL estimates a 72% Reach and a 5.9 Frequency, which signifies that an average of 72% of the specified audience is potentially exposed to the program message an average of 5.9 times. The exact details as they relate to the Community Outreach and Education Initiative will not be finalized until the program is approved and the media is actually purchased by THESL.

In order to reach the target audience, THESL selects media that is relevant to that audience, based on, among other things, an analysis of media habits. Several well known and trusted research data bases are used to calculate reach/frequency (R/F) separately based on recent history. Sources include:

- For Daily Newspapers – Nadbank 2010 (Newspaper Audience Data Bank);
- For Online – Comscore Media Metrix; and
- For One Stop (subway televisions) – Supplier provides estimated reach and frequency based on subway foot traffic.

UNDERTAKING RESPONSE

- 1 Reach and Frequency are determined based on each individual medium, and then they are
- 2 combined through a media industry standard mathematical formula.

UNDERTAKING RESPONSE

1 **UNDERTAKING NO. J2.4:**

2 **Reference(s):** **none provided**

3

4 To provide total program cost [for the Community Outreach and Education Initiative] if
5 other parties were not assisting with funding.

6

7 **RESPONSE:**

8 THESL has obtained estimates from partners regarding partner contributions (including
9 resources, in-kind, promotion/advertising, event material, etc) for its Community
10 Outreach and Education Initiative. Based on adding in these partner estimates to the
11 program costs, THESL estimates the total program cost of the Community Outreach and
12 Education Initiative to be \$6.9 million. THESL is seeking \$5.7 million from the Board to
13 execute these Community Outreach and Education programs in Toronto.

UNDERTAKING RESPONSE

1 **UNDERTAKING NO. J2.5:**

2 **Reference(s):** **none provided**

3

4 To provide a response as to whether customers were told usage was an important part of
5 their ability to save with respect to conversion programs from 2007 forward.

6

7 **RESPONSE:**

8 Customers are informed that after converting to a metered service they will be
9 responsible for paying based directly on their usage. Please refer to the response to
10 Undertaking J3.2 for all promotional material concerning conversion to a metered
11 service.

UNDERTAKING RESPONSE

1 **UNDERTAKING NO. J2.6:**

2 **Reference(s):** none provided

3

4 To provide updated calculation of current average demand, average consumption
5 kilowatt-hours and annual costs for a typical FRWH customer.

6

7 **RESPONSE:**

8 The typical pre-conversion usage is shown below:

| Gallons | Bottom Element Size (Watts) | Top Element Size (Watts) | Average Annual Consumption (kWh) | Tank Electrical Demand (kW) | Average Annual Operating Cost* (\$) |
|---------|--------------------------------------|-----------------------------------|---|--------------------------------------|--|
| 40 | 800 | 800 | 3,468 | 0.80 | 273.97 |
| 40 | 1,000 | 1,000 | 4,149 | 1.00 | 327.77 |
| 40 | 1,000 | 3,000 | 4,417 | 1.00 | 348.94 |
| 40 | 3,000 | 1,000 | 5,524 | 3.00 | 436.40 |
| 40 | 3,000 | 3,000 | 6,619 | 3.00 | 522.90 |
| 60 | 1,000 | 3,000 | 4,952 | 1.00 | 391.21 |

*THESL's flat rate water heater charge is a deemed consumption (in kWh) that is applied to a customer's monthly bill. The column "Average Annual Consumption (kWh)" represents the deemed annual electricity consumption for the class of tank listed in each row of the table. These values are based on the THESL 2000 rate application and have been approved by the Ontario Energy Board. The average annual operating cost is calculated using existing distribution rates and the top tier RPP rate that is in effect at the time of billing (7.9 cents per kWh as of May 1, 2011).

UNDERTAKING RESPONSE

- 1 The estimated post conversion use is shown below.

| Gallons | Bottom Element Size (Watts) | Top Element Size (Watts) | Average Annual Consumption (kWh) | Tank Electrical Demand (kW) | Average Annual Operating Cost (metered**) (\$) | Average Annual Operating Cost (flat rate) (\$) | Average Annual Savings (\$) |
|---------|--------------------------------------|-----------------------------------|---|--------------------------------------|--|---|--------------------------------------|
| 40 | 800 | 800 | 2,774 | 0.80 | 185.88 | 273.97 | 88.09 |
| 40 | 1,000 | 1,000 | 3,319 | 1.00 | 222.39 | 327.77 | 105.38 |
| 40 | 1,000 | 3,000 | 3,534 | 1.00 | 236.75 | 348.94 | 112.19 |
| 40 | 3,000 | 1,000 | 4,419 | 3.00 | 296.09 | 436.40 | 140.31 |
| 40 | 3,000 | 3,000 | 5,295 | 3.00 | 354.78 | 522.90 | 168.12 |
| 60 | 1,000 | 3,000 | 3,962 | 1.00 | 265.43 | 391.21 | 125.78 |

** The post conversion annual operating cost is estimated using a blended TOU rate of 6.7 cents per kWh.

UNDERTAKING RESPONSE

1 **UNDERTAKING NO. J2.7:**

2 **Reference(s):** **none provided**

3

4 To provide explanation of reduction in external costs for flat-rate water heater program,
5 with reference to EB-2010-0142, Exhibit F1, Tab 6, pages 5 to 9.

6

7 **RESPONSE:**

8 The reduction in costs is a result overall of the declining scope of the conversion
9 program. With respect to communications, marketing, and administration, the budget
10 was reduced from the previous year to account for the lower number of customers who
11 remain to be reminded of the need to convert. In addition, much of the program design
12 (messaging, etc.) had taken place in prior years, which permitted a reduced budget for the
13 production of associated communications and marketing materials.

14

15 Also, the costs for the external contractor engaged by THESL to perform the work
16 involving disconnection and reconnection of THESL assets were reduced due to the
17 declining volume of such work.

UNDERTAKING RESPONSE

UNDERTAKING NO. J3.1:

Reference(s): **none provided**

To provide response as to whether Toronto Hydro can unilaterally cease offering the flat metered rate for water heaters.

RESPONSE:

THESL submits that the question as stated in the undertaking is not strictly relevant for the purpose of the EB-2011-0011 proceeding, since it is not the case that THESL intends to take such action at this time.

Instead, THESL intends to propose, for Board approval in its next rate application, a date certain for termination of unmetered water heater service, together with a program of defined steps and actions leading up to that date certain. The purpose of THESL's steps and actions would be to strongly encourage existing Flat Rate Water Heater (FRWH) customers to exit that program and, as much as possible, to facilitate their doing so.

THESL intends to propose that the date certain for FRWH program termination be May 1, 2015 but recognizes that establishment of the date certain will, according to THESL's proposal in this matter, be established by the Board considering all relevant factors in THESL's next rate case.

For the purpose of this proceeding, THESL confirms that it does not intend to unilaterally terminate the FRWH program at this time and regards the overall matter of its wind-down and ultimate termination as being for determination by the Board. However, despite repeated and increasingly stringent messages to FRWH customers, which stop just short

UNDERTAKING RESPONSE

1 of announcing outright disconnection of flat rate water heaters, (see response to
2 undertaking J3.2) there is still a significant group of customer who have not yet
3 converted. For the interim period therefore, THESL continues to see the Flat Rate Water
4 Heater Conversion and Demand Response Program both as a key component of its CDM
5 portfolio to enable achievement of THESL's CDM targets and as a tool to make the
6 elimination of the existing FRWH program as fair and reasonable as possible for affected
7 customers.

UNDERTAKING RESPONSE

1 **UNDERTAKING NO. J3.2:**

2 **Reference(s):** **none provided**

3

4 To provide copies of any letters sent by Toronto Hydro to people who have unmetered
5 hot water heaters, with respect to the discontinuation of that program.

6

7 **RESPONSE:**

8 Correspondence sent to flat rate water heater customers is attached in chronological order
9 as Appendices A through J.

May 12, 2008

Dear

Our records show that you are currently being billed on an Unmetered Water Heater Service rate for the electricity your water heater consumes. This means the electricity for your water heater bypasses the electricity meter, and instead you are billed a flat rate, fixed amount. Please be advised that as of October 1, 2008 Toronto Hydro-Electric System (Toronto Hydro) will no longer offer this unmetered flat rate billing option for the electricity used by your water heater.

WHY THIS IS IMPORTANT

A water heater is one of the largest users of energy in a typical home. At Toronto Hydro, our goal is to continue to provide reliable electricity to all our customers, while promoting conservation. Metered electricity service encourages you to manage and reduce your costs by reducing your hot water use, and therefore your electricity use. Visit www.torontohydro.com/flatrate for tips on how to save electricity and money when it comes to electric water heating.

It is important to note that, depending on the amount of hot water you use, flat rate water heating may not be your most economical option. You could be paying more on flat rate billing than you would if you converted to standard metered billing.

WHAT YOU NEED TO DO

You are required to convert your water heater off of the flat rate prior to October 1, 2008 by having an electrician disconnect the water heater ‘control wire(s)’ in your electrical panel. The electrician will either install a circuit breaker or re-wire the water heater switch so the water heater is connected to your main electrical panel supply (like the rest of the appliances in your home).

Once you have this work completed and inspected by the Electrical Safety Authority (www.esasafe.com / 1-877-esa-safe) and Toronto Hydro has been notified that you have completed your conversion, the separate Unmetered Water Heater Service rate will be removed from your bill. Once you have converted, you will pay the current electricity rate for your water heater use and this will become part of the electricity charge on your bill.

Another alternative is to convert to another type of water heater such as natural gas, solar, propane or oil. If you do so, you will no longer see the separate unmetered water heater service charge on your electricity bill.

Regardless of what option you choose, be sure to notify us when you have made the conversion. Please complete the form below and mail to us (use postage paid envelope enclosed) when you have made your conversion.

Questions?

Please check out our web site at www.torontohydro.com/flatrate or contact Toronto Hydro directly at **416-542-8000**.

continued . . .

KEY HIGHLIGHTS:

- As of October 1, 2008, Toronto Hydro-Electric System will no longer offer you flat rate (unmetered) billing for your electric water heater(s).
- At Toronto Hydro, our goal is to provide reliable electricity to our customers, while promoting conservation. Metered electricity service allows you to manage and reduce your costs by reducing your use.
- Between now and October 1, 2008 you can either:
 - Have a contractor convert you from the flat rate to standard metered service;
 - Switch from an electric water heater to another type of water heater (such as natural gas, solar, propane, oil).
- Whatever you decide, please complete the information on reverse and mail this form (use postage paid envelope enclosed) when you have made your conversion.

WHO CAN PERFORM YOUR CONVERSION TO METERED SERVICE

We recommend that you hire a licensed electrician (an electrician with an Electrical Contractor License) to perform this conversion. For more information on hiring an electrical contractor, please visit www.esasafe.com/GeneralPublic and click on *Hiring a Contractor*.

We also recommend that you hire an Electrical Safety Authority (ESA) Authorized Contractor. The Electrical Safety Authority recognizes Electrical Contractors who consistently perform a level of electrical wiring and installation work that reinforces public electrical safety. The voluntary program called the Authorized Contractor Program requires that Electrical Contractors maintain a high level of performance, carry appropriate liability insurance, and arrange for regular update training on the Ontario Electrical Safety Code.

An ESA Authorized Contractor will provide an ESA Inspection Certificate to Toronto Hydro to confirm your conversion. For a complete listing of ESA Authorized Contractors, please visit www.esainspection.net/GeneralPublic and click on *Authorized Contractor List*. If you do not use an ESA Authorized Contractor, you are required to provide an ESA inspection number to Toronto Hydro to confirm your conversion has been completed properly and safely. Please include this number on the form below and mail in the enclosed postage paid envelope when you have made your conversion.

Aerostar Electrical Services Inc. (416-743-4698) is an Electrical Safety Authority (ESA) authorized contractor that will be performing related work for Toronto Hydro and is also available to perform services for you. Aerostar is listed on the ESA website mentioned above.

Note: Toronto Hydro is not responsible or liable for the work done by Aerostar Electrical Services Inc. or any other ESA Authorized Contractor.

If you have further questions regarding this change to your water heater billing, please visit www.torontohydro.com/flatrate or contact our Call Centre at contactUs@torontohydro.com or 416-542-8000.

Sincerely,

Susan Davidson

Susan Davidson, Senior Vice-President – Customer Service

MAY08_R1.1

✔ Please tear off this form and use enclosed prepaid envelope to mail to Toronto Hydro.

PLEASE MAIL THIS ONCE YOU HAVE CONVERTED OFF OF THE
WATER HEATER FLAT RATE



Daytime Phone Number: _____

As of (print date of conversion or alternate water heater installation or tank removal) _____,
please stop charging me for a water heater flat rate.

I have switched to (check one): ☐ Metered electricity service

If you checked Metered electricity service above, your conversion requires an ESA inspection for your safety. This will be faxed to Toronto Hydro provided you used an ESA Authorized Contractor. If you did not use a certified contractor for your conversion to metered service, please provide your ESA inspection #: _____

☐ Natural gas water heater – purchased ☐ Natural gas water heater – rental ☐ Solar water heater
☐ Other, please specify _____

REMINDER

Toronto Hydro-Electric System Limited
EB-2011-0011
Undertaking Responses
Tab 2
Schedule 2
Appendix B
Filed: 2011 May 5
(2 pages)



Toronto Hydro-Electric System Limited | 5800 Yonge Street | Toronto, Ontario | M2M 3T3 | Telephone: 416-542-8000 | Fax: 416-542-3452 | www.torontohydro.com

July 1, 2008

Dear

Re: REMINDER NOTICE – Flat Rate Water Heater Conversion Program

Our records indicate that you are currently being billed on an Unmetered Water Heater Service rate for the electricity that your water heater consumes. Please note that as of October 1, 2008 we will no longer offer the unmetered flat rate billing option, and it is necessary that you convert off this rate by having a licensed electrician disconnect the water heater control wires in the electrical panel in your home.

WHY THIS IS IMPORTANT

A water heater is one of the largest users of energy in a typical home and depending on the amount of hot water you use, flat rate water heating may not be your most economical option. You could be paying more on flat rate billing than you will if you convert to standard metered billing. Also, metered electricity service encourages you to manage and reduce your costs by reducing your hot water use, and therefore your electricity use.

If you have already converted off of the flat rate and have recently advised us, thank you. Please disregard this letter.

If you have converted but have not yet advised us, please complete the form below and mail it to us, using the postage paid envelope enclosed for your convenience.

If you have not yet converted, please read on.

WHAT WE ASK

- Convert your water heater off of the flat rate prior to October 1, 2008 by having an electrician disconnect the water heater 'control wire(s)' in your electrical panel. The electrician will either install a circuit breaker or re-wire the water heater switch so the water heater is connected to your main electrical panel supply (like the rest of the appliances in your home).
- Once you have this work completed and inspected by the Electrical Safety Authority (www.esasafe.com / 1-877-esa-safe) and Toronto Hydro has been notified that you have completed your conversion, the separate Unmetered Water Heater Service rate will be removed from your bill.

Once you have converted, you will pay the current electricity rate for your water heater use and this will become part of the electricity charge on your bill.

OTHER ALTERNATIVES

You can also consider converting to another type of water heater such as natural gas, solar, propane or oil. If you do so, you will no longer see the separate Unmetered Water Heater Service charge on your electricity bill.

Regardless of what option you choose, please notify us when you have made the conversion. Whatever you decide, please complete and mail the postage paid card enclosed when you have made your conversion.

If you have any further questions regarding this change to your water heating billing, please visit www.torontohydro.com/flatrate or contact our Call Centre at contactUs@torontohydro.com or 416.542.8000.

Please refer to back page for
Who Can Perform this Conversion Work

KEY HIGHLIGHTS:

- As of October 1, 2008, Toronto Hydro-Electric System will no longer offer you flat rate (unmetered) billing for your electric water heater.
- At Toronto Hydro, our goal is to provide reliable electricity to our customers, while promoting conservation. Metered electricity service allows you to manage and reduce your costs by reducing your use.
- Between now and October 1, 2008 you can either:
 - Have a contractor convert you from the flat rate to standard metered service;
 - Switch from an electric water heater to another type of water heater (such as natural gas, solar, propane, oil).
- Whatever you decide, please complete the information on reverse and mail this form (use postage paid envelope enclosed) when you have made your conversion.

WHO CAN PERFORM YOUR CONVERSION TO METERED SERVICE

- A licensed electrician should be hired (an electrician with an Electrical Contractor License) to perform this conversion.

For more information on hiring an electrical contractor, please visit www.esasafe.com/GeneralPublic and click on Hiring a Contractor.

- We also recommend that you use an Electrical Safety Authority (ESA) Authorized Contractor to perform the work.

The Electrical Safety Authority recognizes Electrical Contractors who consistently perform a level of electrical wiring and installation work that reinforces public electrical safety. The voluntary program called the Authorized Contractor Program requires that Electrical Contractors maintain a high level of performance, carry appropriate liability insurance, and arrange for regular update training on the Ontario Electrical Safety Code.

For a complete listing of ESA Authorized Contractors, please visit www.esainspection.net/GeneralPublic and click on Authorized Contractor List.

- If you do not use an ESA Authorized Contractor, an ESA inspection number will need to be provided to Toronto Hydro to confirm your conversion has been completed properly and safely. Please include this number on the form below and mail in the enclosed postage paid envelope when you have made your conversion.
- Aerostar Electrical Services Inc. (416-743-4698) is an Electrical Safety Authority (ESA) authorized contractor that will be performing related work for Toronto Hydro and is also available to perform services for you. Aerostar is listed on the ESA Web site mentioned above.

Note: Toronto Hydro is not responsible or liable for the work done by Aerostar Electrical Services Inc. or any other contractor.

JULY08_RCO2

✓ Please tear off this form and use enclosed prepaid envelope to mail to Toronto Hydro.

PLEASE MAIL THIS ONCE YOU HAVE CONVERTED OFF OF THE
WATER HEATER FLAT RATE



Daytime Phone Number: _____

As of (print date of conversion or alternate water heater installation or tank removal) _____, please stop charging me for a water heater flat rate.

I have switched to (check one): ☐ Metered electricity service

If you checked Metered electricity service above, your conversion requires an ESA inspection for your safety. This will be faxed to Toronto Hydro provided you used a certified contractor. If you did not use a certified contractor for your conversion to metered service, please provide your ESA inspection #: _____

☐ Natural gas water heater – purchased ☐ Natural gas water heater – rental ☐ Solar water heater
☐ Other, please specify _____

Please complete form below **in full**, tear it off and return it in the postage-paid envelope provided.

FLAT RATE WATER HEATER CONVERSION PROGRAM

Name: _____

Address: _____

Toronto Hydro Account Number: _____

Daytime Phone Number: _____

Please stop charging me for flat rate water heating as of the following date (print date of conversion or alternate water heater installation or tank removal): _____

I have switched to (check one):

- ☐ Metered Electricity Service
- ☐ Natural Gas Water Heater – Purchased
- ☐ Natural Gas Water Heater – Rental
- ☐ Solar Water Heater
- ☐ Other, please specify: _____

Customer Signature

Note: In order for the conversion to be complete, the unmetered supply will be disconnected outside. If you have not converted, your hot water supply will be interrupted.

If you checked Metered Electricity Service above, your conversion requires an Electrical Safety Authority (ESA) inspection for your safety. **Please provide your ESA inspection number here** (available from your electrical contractor): _____

Inspection Certificate Number: _____

- ☐ I hereby consent to provide Toronto Hydro-Electric System with personal information for the purposes of administering the transfer to metered service. I understand that Toronto Hydro-Electric System will use this information in compliance with the privacy policy at www.torontohydro.com

HELPFUL NUMBERS:

Customer Call Centre

Toronto Hydro-Electric System

416-542-8000

contactus@torontohydro.com

ELECTRICAL SAFETY AUTHORITY (ESA) AUTHORIZED ELECTRICAL CONTRACTORS

Electrical Safety Authority

1-877-372-7233

www.esainspection.net/GeneralPublic

Aerostar Electrical Services Inc.

416-743-4698

Aerostar Electrical Services Inc. is an ESA Authorized Electrical Contractor that will be performing related work for Toronto Hydro-Electric System and is also available to perform services for you.

NOTE: Toronto Hydro-Electric System is not responsible or liable for the work done by Aerostar Electrical Services Inc. or any other electrical contractor.



The figure and star is a trademark of Toronto Hydro Corporation used under licence.

Toronto Hydro-Electric System Limited

EB-2011-0011

Undertaking Responses

Tab 2

Schedule 2

Appendix C

Filed: 2011 May 5

(2 pages)

**START PAYING ONLY FOR
THE ELECTRICITY YOU USE.**

**MANAGE YOUR COSTS AND
CONSERVE.**



**An Important Notice for
FLAT RATE WATER
HEATER CUSTOMERS**



You might be using less electricity than you are paying for.

As a customer who is currently paying a flat rate for the electricity used by your water heater, you should know that there is no accurate way to tell exactly how much electricity your hot water heater uses every month. That's because it doesn't matter whether you use a lot or just a little hot water, you still pay a fixed charge or flat rate.



WHAT IF YOU COULD PAY LESS?

On September 1, 2009, Toronto Hydro-Electric System will phase out flat rate unmetered service for hot water heaters. For flat rate customers who want to know exactly how much electricity they actually use – and want to save through energy conservation measures – that's great news. Once your water heater is connected to your meter, you'll be able to see exactly how much electricity you use – and conserve – every month, simply by reviewing the 'Electricity Charge' section of your electricity bill.

IT'S TIME TO CONNECT TO METERED SERVICE.

This means that customers who currently are billed a flat rate for the electricity used by their hot water heaters must convert to metered electricity service – or switch to another type of water heater such as natural gas, solar, propane or oil. Failure to do so may result in an interruption to your hot water supply.

Getting connected is just a phone call away.

To switch to metered service, here's what you need to know:

- Hire an Electrical Safety Authority (ESA) Authorized Electrical Contractor who will ensure the work is performed within required safety standards. To find a licensed electrician, visit the website of the Electrical Safety Authority (www.esainspection.net/GeneralPublic).
- The electrician will either connect the water heater to your electrical distribution breaker or fuse panel (like the rest of the appliances in your home or building) or, in some cases, perform other electrical work needed to change your water heater to metered service.
- Once this work is completed, it needs to be inspected by the ESA. After the inspection, you must notify Toronto Hydro-Electric System in writing that the conversion has been completed. Please use the tear-off portion of this brochure. When the form has been received, and ESA approval is verified and confirmed, Toronto Hydro-Electric System will stop billing you a flat rate for the electricity used by your hot water heater.

Helping you make the switch.

Toronto Hydro-Electric System is here to help you through the process. If you have any questions, please contact one of our representatives at the Customer Call Centre at 416-542-8000.

Name
Mailing Address

Re: Service address
(will be inserted here)

REMINDER

Toronto Hydro-Electric System Limited
EB-2011-0011
Undertaking Responses
Tab 2
Schedule 2
Appendix D
Filed: 2011 May 5
(2 pages)



Toronto Hydro-Electric System Limited | 5800 Yonge Street | Toronto, Ontario | M2M 3T3 | Telephone: 416-542-8000 | Fax: 416-542-3452 | www.torontohydro.com

If you have already converted off flat rate, please disregard this reminder and accept our thanks. If NOT, please read on:

As a customer who is billed a flat rate for the electricity used by your water heater, you are billed the same amount every month no matter how much – or how little – electricity your water heater uses.

As of **September 1, 2009**, Toronto Hydro-Electric System (Toronto Hydro) is phasing out flat rate billing for water heaters, as part of its commitment to help customers pay only for the electricity they use and to promote energy conservation. We believe our customers will support us in this decision.

We sent you a brochure about this program last month. In case you haven't had a chance to review it yet, here are some details.

Water heaters are the second biggest user of electricity in the average home, or multi-residential building, and there are several ways to ensure your water heater uses less electricity, saving you money and helping the environment. One of the ways you can help manage costs is by being aware of and reducing your electricity consumption.

HERE'S WHAT YOU NEED TO KNOW:

- You may switch to metered electricity service for your water heating or choose another option such as natural gas, or solar. Please do so by **September 1** to avoid a possible interruption to your hot water supply.
- To switch to metered service, you should hire an Electrical Safety Authority (ESA) Authorized Electrical Contractor who will ensure the work is performed within required safety standards. Information about finding an ESA Authorized Contractor is available on the website of the Electrical Safety Authority (www.esainspection.net/GeneralPublic).
- The electrician will either connect the water heater to your electrical distribution breaker or fuse panel (like the rest of the appliances or equipment in your home or building) or, in some cases, perform other electrical work needed to change your water heater to metered service.
- Once this work is completed, either you or your electrician must arrange for the work to be inspected by the Electrical Safety Authority. After the inspection, please notify Toronto Hydro in writing that the conversion has been completed and approved by the ESA. Please use the tear-off form provided below. When the form has been received, and ESA approval is verified and confirmed, Toronto Hydro will stop billing you a flat rate for the electricity used by your hot water heater.
- Aerostar Electrical Services Inc. (416-743-4698) is an ESA authorized contractor that will be performing related work for Toronto Hydro and is also available to perform services for you. Aerostar is listed on the ESA website mentioned above. NOTE: Toronto Hydro-Electric System is not responsible or liable for the work done by Aerostar Electrical Services Inc. or any other electrical contractor.

If you have any questions, please call one of our customer care representatives at 416-542-8000 or online at **contactUs@torontohydro.com**.

Thank you!

✓ Tear off this form and use enclosed prepaid envelope to mail to Toronto Hydro.

PLEASE MAIL THIS ONCE YOU HAVE CONVERTED OFF OF THE WATER HEATER FLAT RATE

Daytime Phone Number: _____

Please stop charging me for flat rate water heating as of the following date _____
(print date of conversion or alternate water heater installation or tank removal):

I have switched to (check one):

- ☐ Metered Electricity Service
☐ Solar Water Heater

☐ Natural Gas Water Heater – Purchased

☐ Natural Gas Water Heater – Rental

☐ Other, please specify: _____

Customer Signature: _____

Note: In order for the conversion to be complete, the unmetered supply will be disconnected outside. If you have not converted, your hot water supply will be interrupted.

If you checked Metered Electricity Service above, your conversion requires an Electrical Safety Authority (ESA) inspection for your safety. **Please provide your ESA Inspection Certificate Number** _____
(available from your electrical contractor):

☐ I hereby consent to provide Toronto Hydro-Electric System with personal information for the purposes of administrating the transfer to metered service. I understand that Toronto Hydro-Electric System will use this information in compliance with the privacy policy at www.torontohydro.com

AN IMPORTANT NOTICE FROM TORONTO HYDRO-ELECTRIC SYSTEM LIMITED (TORONTO HYDRO)

Flat Rate Water Heating Is Ending

Deadline
for conversion
is April 30,
2010

Toronto Hydro is changing to metered electricity rates for all water heating.

Pay only for the electricity you use.

You are one of a group of customers who are on a flat rate for the electricity for your hot water heater. Toronto Hydro is changing from flat rates to metered rates for water heating. The electricity you use for heating water will be treated just like the other electricity you use.

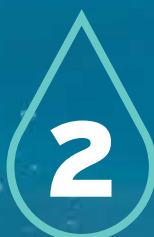
What does this mean to you?

You will need to hire an Electrical Safety Authority (ESA) authorized electrical contractor to connect your water heater(s) to your distribution or fuse panel. The direct line to your water heater will be cut.

THREE EASY STEPS



Get an estimate from an ESA authorized electrical contractor to connect your hot water heater to your breaker or fuse panel.



Have the work done by an ESA authorized electrical contractor.



Complete and send the enclosed form to Toronto Hydro on or before **April 30, 2010**. Ensure that you include the ESA inspection number.

See inside for details.

Renting your home or apartment?

See
note on
back

Metered electricity for hot water works for everyone

Why is this happening now?

This change is taking place so that all customers pay only for what they use. Most customers who heat their water with electricity currently pay metered rates for their hot water. Secondly, from an environmental perspective, metered water heating encourages conservation. Ontario is dedicated to a culture of conservation and this program is one of many to help the province reach its goals.

Do I have to do this?

Yes. The flat rate hot water program is coming to an end. Please complete your conversion by **April 30, 2010**.

How do I get connected to metered service?

Hire an Electrical Safety Authority (ESA) authorized electrical contractor who will ensure the work is performed within required safety standards. To find an electrician, visit the ESA's website: www.esainspection.net/GeneralPublic. This work will also need to be inspected by the ESA.

Aerostar Electrical Services Inc. has agreed with Toronto Hydro to complete typical conversions for a fixed rate. Their phone number is noted under Contact Information.*

What if I don't want to change to metered electricity service for my water heater?

Another alternative is to convert to another type of water heater such as natural gas, tankless, solar, propane or oil. If you do so, you will no longer see the separate unmetered water heater service charge on your electricity bill once Toronto Hydro has been notified.

Please complete this form in full, tear it off and send it in the postage-paid envelope provided.

Flat Rate Water Heater Conversion Program

Name _____

Address _____

Toronto Hydro Account Number _____

Daytime Phone Number _____

Please stop charging me for flat rate water heating as of the following date (print date of conversion or alternate water heater installation or tank removal) _____

☐ I hereby consent to provide Toronto Hydro-Electric System with personal information for the purposes of administering the transfer of metered service. I understand that Toronto Hydro-Electric System will use this information in compliance with the privacy policy at www.torontohydro.com

If you're renting your home or apartment, please read

If you're renting, please contact your landlord/facilities manager and pass this notice on to determine who is responsible for the conversion.

Once the work has been done, and Toronto Hydro has been notified, you will no longer see the separate unmetered water heater service charge on your electricity bill.

Helpful Contact Information

Toronto Hydro-Electric System Flat Rate Water Heater Conversion Program

416.542.8000

contactus@torontohydro.com

Electrical Safety Authority (ESA)

1.877.372.7233

Aerostar Electrical Services Inc.

416.743.4698

*Aerostar Electrical Services Inc. (Aerostar) is an ESA Authorized Electrical Contractor. Note: Toronto Hydro-Electric System is not responsible or liable for the work done by Aerostar or any other electrical contractor.



I have switched to (check one):

- ☐ Metered Electricity Service*
- ☐ Natural Gas Water Heater - Purchased
- ☐ Natural Gas Water Heater - Rental
- ☐ Solar Water Heater
- ☐ Other, please specify _____

NOTE: In order for the conversion to be complete, the unmetered supply will be disconnected outside. If you have not converted, your hot water supply may be interrupted.

* If you checked Metered Electricity Service, your conversion requires an ESA inspection.

ESA Inspection Number _____

Customer Signature _____



It's time to convert to metered electricity rates for water heating

Toronto Hydro-Electric System Limited (Toronto Hydro) is changing from flat rates to metered rates for water heating. The switch means that the electricity used for heating water will be treated just like the electricity used for lighting and appliances. Making this conversion will require the services of an electrician to connect your water heater(s) to your distribution or fuse panel.

Aerostar Electrical Services Inc. has agreed with Toronto Hydro to complete typical conversions for a fixed rate. This company's phone number can be found in the enclosed brochure under Contact Information.*

METERING IS THE RIGHT THING FOR OUR ENVIRONMENT

Most customers who heat their water with electricity are already paying metered rates. From an environmental perspective, metered water heating encourages conservation, which is good for all of us. Ontario has dedicated itself to a culture of conservation, and this program is one of many to help the province reach its goals.

IF YOU ARE RENTING OR DON'T CONTROL YOUR OWN HOT WATER TANK

If you are renting your home or apartment, or do not control your own hot water tank, please contact your landlord/facilities manager and pass this notice on to determine who is responsible for the conversion. Once the work has been done and Toronto Hydro has been notified by completing and delivering the attached form, you will no longer see the separate unmetered water heater service charge on your electricity bill.

GET STARTED TODAY - THE DEADLINE FOR CONVERSION IS SEPTEMBER 30, 2010

Please read the enclosed brochure for full details and handy telephone numbers.

*Aerostar Electrical Services Inc. (Aerostar) is an ESA authorized electrical contractor. Note: Toronto Hydro-Electric System is not responsible or liable for the work done by Aerostar or any other electrical contractor.

October 6, 2010

**BE IN CONTROL AND BETTER MANAGE YOUR ELECTRICITY COSTS
- CONVERTING OFF OF FLAT RATE WATER HEATING CAN HELP**

Dear Customer:

– PAST DUE REMINDER –

If you have recently converted off flat rate, please accept our thanks and call us at 416.542.8000 – PRESS OPTION #5 (Monday – Friday, 8 a.m. – 4:30 p.m.) to confirm that we have been notified.

More than likely you are paying Time-of-Use (TOU) rates for your electricity usage and if you are not, you will be soon and can take advantage of the lower-cost periods. Currently, as a customer who is billed a flat rate for the electricity used by your water heater, you are billed the same amount every month.

FLAT RATE WATER HEATER CONVERSION PROGRAM

Toronto Hydro-Electric System ("Toronto Hydro") is phasing out flat rate billing for water heaters as part of its commitment to help customers pay only for the electricity they use and to promote energy conservation. Many of our customers have supported this decision as water heaters are the second biggest user of electricity. You can help manage costs by switching to metered electricity service or choosing another option such as natural gas, solar, propane or gas.

We urge you to convert by December 31, 2010. If you have any questions, please call Customer Care at 416.542.8000.

For more information, turn over

HERE'S WHAT YOU NEED TO KNOW TO SWITCH TO METERED SERVICE:

- Hire an Electrical Safety Authority (ESA) Authorized Electrical Contractor who will ensure the work is performed within required safety standards. You can find an ESA Authorized Contractor on the Electrical Safety Authority website at esainspection.net/GeneralPublic).
- Aerostar Electrical Services Inc.(416-743-4698) is an ESA Authorized Electrical Contractor that is performing related work for the Toronto-Hydro Electric System and is also available to perform services for you.
NOTE: Toronto-Hydro Electric System is not responsible or liable for the work done by Aerostar Electrical Services Inc. or any other electrical contractor.
- The electrician will either connect the water heater to your electrical distribution breaker or fuse panel (like the rest of the appliances or equipment in your home or building) or, in some cases, perform other electrical work needed to change your water heater to metered service.
- Once the work is completed, either you or your electrician must arrange for the work to be inspected by the Electrical Safety Authority. After the inspection, please notify Toronto Hydro in writing that the conversion has been completed and approved by the ESA.

Tear off this form and use enclosed prepaid envelope to mail to Toronto Hydro.

PLEASE MAIL THIS ONCE YOU HAVE CONVERTED OFF OF THE WATER HEATER FLAT RATE

Daytime Phone Number:

Please stop charging me for flat rate water heating as of the following date

(print date of conversion or alternate water heater installation or tank removal):

I have switched to (check one):

____ Metered Electricity Service

____ Natural Gas Water Heater - Purchased

____ Natural Gas Water Heater — Rental

____ Solar Water Heater

____ Other, please specify: _____

Customer Signature:

Note: In order for the conversion to be complete, the unmetered supply will be disconnected outside. If you have not converted, your hot water supply will be interrupted.

If you checked Metered Electricity Service above, your conversion requires an Electrical Safety Authority (ESA) inspection for your safety.

Please provide your ESA Inspection Certificate Number

_____ (available from your electrical contractor):

____ I hereby consent to provide Toronto Hydro-Electric System with personal information for the purposes of administering the transfer to metered service. I understand that Toronto Hydro-Electric System will use this information in compliance with the privacy policy at www.torontohydro.com

Its time to change to metered heating.

A water heater is one of the largest users of energy in a typical home. At Toronto Hydro, our goal is to continue to provide reliable electricity to all our customers, while promoting conservation. Metered electricity means that you only pay for the electricity you use. The more you reduce your hot water use, the more you can save. Take advantage of Time-of-Use rates by using hot water during off peak periods and you can save even more.

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FLAT RATE WATER HEATING IS ENDING.

Important information inside

JANUARY 2011

The figure and star design is a trademark of Toronto Hydro Corporation used under license.

How do I know if I am on a water heater flat rate with Toronto Hydro?

You are billed on a 'flat rate' if you currently see an Unmetered Water Heater Service rate on your electricity bill. This means the electricity for your water heater bypasses the electricity meter, and instead you are billed a flat rate or fixed amount.

What if I don't want to change to metered electricity service for my water heater?

An alternative is to convert to another type of water heater such as natural gas, tankless, solar, propane or oil.

Do I have to take action now?

Yes. Toronto Hydro is no longer offering flat rate billing. You are one of a small group who has not converted to a metered service. Get started today by booking an appointment with an electrical contractor.

Who should I contact to complete this work?

We recommend that you hire an Electrical Safety Authority (ESA) Authorized Contractor.

Why should I use an ESA Authorized Contractor?

The ESA recognizes Electrical Contractors who consistently perform a level of electrical wiring and installation work that reinforces public electrical safety. The Authorized Contractor Program requires that Electrical Contractors maintain a high level of performance, carry appropriate liability insurance, and arrange for regular update training on the Ontario Electrical Safety Code. For a complete listing of ESA Authorized Contractors visit **esasafe.com**.

I am a renter/I do not control my own water heater.

If you're renting, please contact your landlord/facilities manager and pass this notice on to determine who is responsible for the conversion.

How do I change my water heating from flat rate to metered service?

STEP 1:

Hire an ESA Authorized electrical contractor.

STEP 2:

Obtain the Electrical Safety Authority Certificate of Inspection from your electrical contractor when the work is completed. (esasafe.com)*

STEP 3:

Complete the form provided. If you change to metered service, include the number from the Certificate of Inspection the form and mail using the postage-paid envelope provided.

HELPFUL CONTACT NUMBERS

Toronto Hydro-Electric System
Flat Rate Water Heater
Conversion Program

T: 416.542.8000 (option 5)

E: FRWHCONV@torontohydro.com

Electrical Safety Authority (ESA)
1.877.372.7233

Flat Rate Water Heater Conversion Program

Please complete this form in full, tear it off and send it in the postage-paid envelope provided.

NAME

ADDRESS

TORONTO HYDRO ACCOUNT NUMBER

DAYTIME PHONE NUMBER

Please stop charging me for flat rate water heating as of the following date (print date of conversion or alternate water heater installation or tank removal)

- ☐ I hereby consent to provide Toronto Hydro-Electric System with personal information for the purposes of administering the transfer of metered service. I understand that Toronto Hydro-Electric System will use this information in compliance with the privacy policy at **torontohydro.com**

I have switched to (check one):

- ☐ Metered Electricity Service*
- ESA Inspection Number

- ☐ Natural Gas Water Heater - Purchased
☐ Natural Gas Water Heater - Rental
☐ Solar Water Heater
☐ Other, please specify

NOTE: In order for the conversion to be complete, the unmetered supply will be disconnected outside. If you have not converted, your hot water supply will be interrupted.

* If you have switched to a Metered Electricity Service, an ESA inspection is mandatory.

CUSTOMER SIGNATURE

It's time to convert to metered electricity rates for water heating

Toronto Hydro-Electric System Limited (Toronto Hydro) is changing from flat rates to metered rates for water heating. The switch means that the electricity used for heating water will be billed just like the electricity used for lighting and appliances.

Making this conversion will require the services of an electrician to connect your water heater(s) to your distribution or fuse panel.

Why do I have to make this change?

You are one of a small group of customers still billed on a flat rate for your water heating. Toronto Hydro is no longer offering this billing option. Most customers who heat their water with electricity are already paying metered rates. From an environmental perspective, metered water heating encourages conservation which is good for all of us. Ontario has dedicated itself to a culture of conservation, and this program is one of many to help the province reach its goals.

How will this affect my bill?

By switching to metered rates, you pay only for what you use and can take advantage of Time of Use rates to save even more. Once you have converted, you will no longer see the separate unmetered water heater service charge on your electricity bill.

I'm a renter/I don't control my hot water tank

If you are renting your home or apartment, or do not control your own hot water tank, please contact your landlord/facilities manager and pass this notice on to determine who is responsible for the conversion. Once the work has been done, please notify Toronto Hydro by completing and mailing the attached form.

Get started today

Please read the enclosed brochure for full details and handy contact information.

PAST DUE REMINDER - ITS TIME TO CONVERT TO METERED WATER HEATING

Dear Customer:

Flat rate water heating is ending. Its time to convert to metered water heating.

After several reminders, we urge you to convert to metered water heating today. Toronto Hydro-Electric System ("Toronto Hydro") is phasing out flat rate billing for water heaters as part of its commitment to help customers pay only for the electricity they use and to promote energy conservation. Many of our customers have supported this decision as water heaters are the second biggest user of electricity in the typical home. You can help manage your bill by switching to metered electricity service and taking advantage of Time-of-Use rates, or choosing another option such as natural gas, solar, propane or oil.

If you have any questions, or you have recently converted off flat rate, please call Customer Care at 416.542.8000 (option 5).

[For more information, turn over >](#)

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Get started today. Follow these easy steps:

STEP 1:

Hire an ESA Authorized electrical contractor.

STEP 2:

Obtain the Electrical Safety Authority Certificate of Inspection from your electrical contractor when the work is completed. (esasafe.com)*

STEP 3:

Complete the form provided. If you change to metered service, include the number from the Certificate of Inspection the form and mail using the postage-paid envelope provided.

NOTE: Toronto Hydro is not responsible or liable for the work done by any electrical contractor.

Tear off this form and use enclosed prepaid envelope to mail to Toronto Hydro.

Flat Rate Water Heater Conversion Program

NAME

ADDRESS

TORONTO HYDRO ACCOUNT NUMBER

DAYTIME PHONE NUMBER

Please stop charging me for flat rate water heating as of the following date (print date of conversion or alternate water heater installation or tank removal)

☐ I hereby consent to provide Toronto Hydro-Electric System with personal information for the purposes of administering the transfer of metered service. I understand that Toronto Hydro-Electric System will use this information in compliance with the privacy policy at **torontohydro.com**

I have switched to (check one):

- ☐ Metered Electricity Service* - ESA Inspection Number _____
- ☐ Natural Gas Water Heater - Purchased ☐ Natural Gas Water Heater - Rental
- ☐ Solar Water Heater ☐ Other, please specify _____

NOTE: In order for the conversion to be complete, the unmetered supply will be disconnected outside. If you have not converted, your hot water supply will be interrupted.

* If you have switched to a Metered Electricity Service, an ESA inspection is mandatory.

CUSTOMER SIGNATURE