

ELECTRICITY RATE DESIGN IN CANADA

NWT ELECTRICITY REVIEW DISCUSSION PAPER FACTSHEET

Most jurisdiction in Canada possesses some form of rate zones. The following is a brief summary of rate structures currently employed by other Canadian jurisdictions:

- Hydro-Quebec offers a single rate for its interconnected systems, and provides non-interconnected residential and small general service customers that same rate (residential is limited to 910 kW.h per month).
- BC Hydro charges the same rate on the interconnected system as in the rural and remote communities for up to 3,000 kW.h.
- Newfoundland and Labrador Hydro has residential and commercial rates in its isolated communities that are the same as in the interconnected communities, ranging between 700 in summer months to 1,000 kW.h per month in the winter.
- Manitoba Hydro has uniform rates for residential and small commercial customers throughout the province including diesel served areas.
- SaskPower in Saskatchewan maintains two rate categories – urban and rural. The rural category applies to all customers not in an urban area without distinction as to grid-serviced or diesel-serviced. The only difference in the residential rates from urban to rural is \$4.25 in the basic monthly charge.
- Yukon Energy has the same rates throughout the territory for 1,000 kW.h per month for residential customers and 2,000 kW.h per month for commercial customers. Rates are the same regardless of the utility providing the service.
- New Brunswick Power maintains an urban/rural rate; however the only difference is \$1.55 in the basic monthly charge (rural is \$1.55 higher per month than urban).
- Alberta's power market features a market clearing price, where electricity generators sell power to wholesale buyers at a flat rate. However, different contracts and distribution service providers result in customers paying different rates in different areas of the province.
- In Ontario, a seasonal two-tier price structure applies to customers. The tiers are defined by a consumption threshold which in the winter is 1,000 KWh/month and in the summer is 600KWh/month. The Ontario Energy Board sets the rates for each tier - currently 5.6 cents /KWh up to the threshold and 6.5 cents above the threshold.