

# Customers and front line employees TOU rates at Toronto Hydro

When the province announced its Smart Metering initiative in 2004, Toronto Hydro-Electric System (“Toronto Hydro”) quickly started the planning and implementation process to ensure the groundwork was laid in preparation for Time-of-Use pricing. What follows is how the utility prepared and a status report of its TOU billing implementation, including customer communications efforts and lessons learned.

May 14, 2009 marked the official announcement that Toronto would be the first major urban city to undertake the largest rollout of TOU rates in North America. With all the appropriate systems in place and residential smart meter installations almost complete, a media launch was held at the company’s Head Office with the Hon. George Smitherman, Deputy Premier and Minister of Energy and Infrastructure, and Toronto Mayor David Miller.

“Toronto Hydro has dedicated the last several years preparing staff, systems and its customers for TOU rates,” said David O’Brien, President and Chief Executive Officer of Toronto Hydro Corporation. “With guidance from the province and in collaboration with other LDCs, we worked hard to produce programs and information that would help our customers understand their electricity usage and better manage their bills under this new pricing structure. We’re proud of what we’ve accomplished so far.”

## Preparations

In 2006, Toronto Hydro developed “Get Smart Toronto”, a multi-year communications strategy, which used a phased approach for the smart meter and TOU roll-out. David explains that getting customers to change their habits is critical to the success of TOU rates and this doesn’t happen without extensive outreach. Get Smart Toronto is key to trying to ensure that electricity usage in the home is top-of-mind for customers. “Toronto Hydro embarked on a series of educational programs using a variety of direct to customer communications. We tested these with customers through various pilots,” says David. Customer feedback was essential and communications tactics and processes were improved as a result. Input was also sought from the frontline customer service representatives, the “company’s ambassadors” to gain firsthand insight on customer issues or concerns. Then, communications were further adjusted to include multilingual materials and autodialer telephone campaigns.

In November 2007, the company launched a TOU data presentation website ([www.torontohydro.com/tou](http://www.torontohydro.com/tou)) where 50,000 customers were invited to register to view online, anytime, their personalized electricity consumption and what they would be paying on TOU rates. David explains that “A research study was also conducted to measure and track consumer understanding of smart meters and the concept of TOU rates; and to provide us

with more insight on how best to communicate and educate customers on how to take advantage of these rates.” Feedback was used to improve the portal and customer communications. Since then, all customers who have a smart meter that communicates to Toronto Hydro’s systems can now register to see their up-to-date electricity data. Adds David, “Our goal is to encourage customers to familiarize themselves with their usage, get into the habit of load-shifting to times when prices are lower, or reduce their usage during on-peak periods, and then see the benefits on their power bills.”

## TOU Billing

The first 10,000 customers selected for TOU billing had a smart meter that has been sending data at hourly intervals to Toronto Hydro’s systems for at least one year. These customers received a TOU Welcome Package developed jointly by the Ministry and LDCs notifying them that they’ll begin paying TOU rates in June. The Welcome Package included a letter, informational brochure and decals to affix to appliances, and instruction about how to activate their personal web access to their TOU account. Another 30,000 were transitioned over to TOU prices in July, with another 75,000 added in August. In this phased approach, the company’s objective is to have all of its approximately 680,000 customers on TOU rates by the end of August 2010, as smoothly as possible.

# are top priorities with launch of

## A Guide To Your New Bill

The way you pay for the electricity you use has changed. The colour-coded sections highlight the new areas on your bill. The other sections of your bill have not changed.

### Your electricity bill

Account Number:  
000 000 000 000 000 0  
Meter Number:  
00000000

TIME-OF-USE CUSTOMER  
7 MARK BELLEFON DR  
NORTH YORK ON

**ELECTRICITY**  
These are your  
Time-of-Use charges  
for the electricity  
you use.

**DELIVERY**  
The cost of delivering  
your electricity from the  
generator to Toronto Hydro  
and then to your home or  
business. This has not  
changed.

#### Your Electricity Charges

Electricity 47.18  
Time-of-Use - Summer 25.78  
705 105 8065 Niagara (905) 477-1100  
333-600 KATHY ORourke (905) 477-1100

Delivery 34.20  
Regulatory 42.00  
Debt Retirement Charge 13.00  
Year Total Electricity Charges 14.00

G.S.T. (G.S.T. Regulation 83071 8327 RT0001) 209.89  
Year previous charges (Amount of last bill) 1248  
Total Payments (This year) 1248  
Balance Forward 0.00

Amount to be Withdrawn Jul 31 2009 6.00  
0.00  
\$261.53

#### Compare your daily usage



**COMPARE YOUR USAGE**  
This graph helps you  
manage seasonal trends so  
you can see your usage  
compared to the same  
period last year.

#### Time-of-Use Comparison



**TIME-OF-USE COMPARISON**  
This chart will appear  
on your first bill. On your  
second bill, you will also see  
a comparison of two  
consecutive billing  
periods.

**DEBT RETIREMENT CHARGE**  
This pays down the debt of  
the former Ontario Hydro.  
This is also a pass-through  
charge and has  
not changed.

**REGULATORY**  
Regulatory Charges are  
pass-through charges for  
the cost of administering the  
entire electricity system  
and maintaining reliability.  
This has not changed.

**ON-PEAK (highest price)**  
9.5¢ per kWh  
During on-peak periods,  
when demand and  
production costs are  
highest, prices will  
be higher.

**MID-PEAK (mid price)**  
7.6¢ per kWh  
During mid-peak times,  
when demand is moderate,  
prices will be lower.

**OFF-PEAK (lowest price)**  
4.2¢ per kWh  
During off-peak hours,  
weekends and holidays,  
the least busy periods for  
electricity use, prices  
will be the lowest.

### SEE YOUR ELECTRICITY USE ON THE WEB

Seeing is believing, so if you haven't already registered, why not take a minute to register so you can see your own electricity use. Go to [www.torontohydro.com/tou](http://www.torontohydro.com/tou)

Note: If you do not have access to the Internet, please contact us at 416-942-9000.

Toronto Hydro recognizes this is a fundamental change in the way customers pay for electricity and is making every effort to assist them through this transition. Additional direct to customer communications have therefore been developed. These include:

- **TOU Tool Kit** - This kit encourages customers to register on the TOU web site, provides them with energy savings and load-shifting tips, reminds them of conservation programs available to them and includes discount coupons for energy savings and load-shifting products. Customers receive this tool kit one month after receiving the Ministry's Welcome Package, which is mailed by Toronto Hydro.
- **Reminder Letter/Email** - To keep the momentum going, one month after receiving the tool kit, customers receive an email if they have registered on the TOU site, or a letter reminding them that they're on the new rates and to regularly visit the website to get familiar with their electricity usage, to use the discount coupons and to take advantage of available conservation programs.
- **TOU Bill Insert** - The first group of customers on the rates began receiving their first bill in mid August. An "Understanding your First TOU Bill" brochure is included with the first bill.

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## Next

The company is continuing to test its communications materials through online and phone surveys. "We'll continue our efforts to raise awareness, educate and ensure that there are programs, information and tools available – all in an effort to help our customers to understand these new rates," says David. As well, community outreach continues where staff meet face-to-face with customers at various events throughout the city. We also know that smart meters offer much more beyond TOU capabilities. Toronto Hydro is now preparing to undertake a large Smart Grid pilot in a Toronto neighbourhood to explore how the distribution grid may eventually interact more effectively with end-use customers. ■

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## Lessons Learned:

- Employees: Support them because they're on the frontline.
- When you "go live", call centre employees will be on the frontlines so keep them in the loop.
- Hold your training sessions just prior to "go live" dates so that information is fresh. This will build their confidence!
- Conduct post training surveys and focus groups with staff to find any knowledge gaps – and lend support!
- Hold employee "Are You Ready" sessions to listen to concerns and to problem solve together.
- Customers: Dedicate Resources to Troubleshoot and Problem Solve.
- Ensure ongoing clear and consistent communications through all of your usual channels. Try not to let customer service falter.
- Test the communications through surveys and focus groups to ensure that it is being understood. Keep communicating!
- Listen to your customers – continually seek feedback through surveys and focus groups.
- Have a TOU Customer Service "SWAT Team" to troubleshoot and react quickly to problems.