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September 8, 2009

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Kirsten Walli
Board Secretary

Re: Haldimand County Hydro Inc. (EB-2009-0317)
Report on Notification re Eligibility for the Regulated Price Plan ("RPP")

Dear Ms. Walli:

In response to the Board's letter dated August 13, 2009, Haldimand County Hydro Inc. hereby submits the attached report and customer communications confirming notification to its "designated consumers" that will cease to be eligible for the RPP effective November 1, 2009 as outlined in Regulation 95/05.

Please find enclosed two hard copies. An electronic copy of the report and attachments in searchable PDF format has been filed today through the Board's web portal at www.errr.oeb.gov.on.ca.

Yours truly,
HALDIMAND COUNTY HYDRO INC.

Original Signed by

Lloyd E. Payne
President & CEO

Haldimand County Hydro Inc.
Report on Notification re Eligibility for the Regulated Price Plan
Board File No. EB-2009-0317

The Board requires a report to be filed no later than **September 9, 2009** outlining the steps Haldimand County Hydro Inc. ("HCHI") has taken to notify consumers affected by the upcoming change in the Regulated Price Plan ("RPP") eligibility. The report is also to include samples of any written communications provided to HCHI's affected customers.

HCHI began its communication strategy with customers in January 2009 by posting information on its public website initially noting the May 1, 2009 deadline and subsequently updating the website to reflect the date change to November 1, 2009. Please refer to Appendix A for actual website content.

On September 1, 2009, HCHI issued letters to the customers who no longer will be eligible for the RPP outlining the change in rates effective November 1, 2009, as well as, indicating the option to select an interval meter if not currently installed at the premise. The letters are customized to suit the customer's specific metering configuration and their pricing options. A copy of the pamphlet produced by the IESO "What you need to know about changes to electricity prices coming November 1, 2009" was included with these letters.

The following are the two letter types that were sent to customers depending on their meter type:

1. Customer with an interval meter will be billed on Hourly Ontario Energy Price (HOEP). (8 Customers; 9 Accounts)

Please refer to Appendix B for sample letter.

2. Customer with a conventional meter will be billed on weighted average price with the option for the customer to have an interval meter installed if the preference is to be billed on HOEP. (14 Customers; 19 Accounts)

Please refer to Appendix C for sample letter.

Both letter types also address the implications of leaving the RPP and the settlement of the final price variance which will be a one-time charge or credit to the customer as well as the separate line item that will now appear on their bill for the Provincial Benefit.

Haldimand County Hydro Inc. will be contacting customers by telephone to answer any questions they may have as result of the letter mailed on September 1, 2009.

Appendix A- Haldimand County Hydro Inc. Website Content

http://www.haldimandcountyhydro.ca/hch/residential/residential_rate_information.php

Changes to Electricity Commodity Prices for Public Sector (MUSH) coming November 1, 2009

Most municipalities, universities, schools and hospitals and other designated customers who are still on the Regulated Price Plan (RPP) will no longer be billed the RPP rate starting Nov. 1, 2009.

This change applies to all accounts with consumption greater than 250,000 kilowatt hours (kWh) per year and demand greater than 50 kilowatts (which is equivalent to an electricity bill of approximately \$2,000 per month).

On November 1, 2009, these customers will pay Ontario's market price for the energy portion of their bill – that is, the hourly electricity price or a weighted average electricity price.

[Click Here to obtain a brochure](#)

or

[Click Here for more details from the IESO](#)

Appendix B – MUSH Customer with an interval meter

IMPORTANT NOTICE

September 1, 2009

Dear Customer:

Re: Change in Eligibility for the Regulated Price Plan (“RPP”)

As of November 1, 2009, designated consumers, as defined in section 56 of the *Ontario Energy Board Act, 1998* which includes the MUSH sector (i.e. municipalities, universities, schools, and hospitals) and other designated consumers, will cease to be eligible under the Regulated Price Plan (RPP). Our records indicate that your electrical service is affected by this change.

On November 1, 2009 your charges for electrical consumption will be billed using your interval meter data at the Ontario hourly electricity price.

Currently under the RPP, the electricity charge on your bill appears as a single line which includes the commodity charge and the Provincial Benefit. When you move to the hourly electricity price, the electricity charge and Provincial Benefit will appear as two separate line items. The Provincial Benefit is an adjustment to the market price. Your first bill after November 1, 2009 will also include a RPP Settlement Variance which is a one-time credit or charge which reconciles the fixed electricity price against the actual price paid to generators.

For further information please visit our website at www.haldimandcountyhydro.ca or for convenient reference find attached a copy of the IESO pamphlet entitled “What You Need to Know About Changes to Electricity Prices Coming November 1, 2009”.

We will be following up with you over the next 10 days to answer any question you may have. For immediate questions or further information, please contact me direct at (905) 765-5211, Ext. 2241. If your call is long distance please use our toll free number at 1-877-872-2570.

Regards,
HALDIMAND COUNTY HYDRO INC.

R. Jane Albert
Consumer Services Manager

Appendix C – MUSH Customer without an interval meter

IMPORTANT NOTICE

September 1, 2009

Dear Customer:

Re: Change in Eligibility for the Regulated Price Plan (“RPP”)

As of November 1, 2009, designated consumers, as defined in section 56 of the *Ontario Energy Board Act, 1998* which includes the MUSH sector (i.e. municipalities, universities, schools, and hospitals) and other designated consumers, will cease to be eligible under the Regulated Price Plan (RPP). Our records indicate that your electrical service is affected by this change.

Designated consumers will move from paying the RPP to paying a weighted average electricity price based on the overall consumption patterns within the municipality. Alternatively, consumers with an interval meter or that choose to have an interval meter installed at their cost of approximately \$2,000 can choose to pay the hourly electricity price.

Currently under the RPP, the electricity charge on your bill appears as a single line which includes the commodity charge and the Provincial Benefit. When you move to the weighted average or hourly electricity price, the electricity charge and Provincial Benefit will appear as two separate line items. The Provincial Benefit is an adjustment to the market price. Your first bill after November 1, 2009 will also include a RPP Settlement Variance which is a one-time credit or charge which reconciles the fixed electricity price against the actual price paid to generators.

For further information please visit our website at www.haldimandcountyhydro.ca or for convenient reference find attached a copy of the IESO pamphlet entitled “What You Need to Know About Changes to Electricity Prices Coming November 1, 2009”.

We will be following up with you over the next 10 days to answer any questions you may have. For more information, please contact me direct at (905) 765-5211, Ext. 2241. If your call is long distance please use our toll free number at 1-877-872-2570.

Regards,
HALDIMAND COUNTY HYDRO INC.

R. Jane Albert
Consumer Services Manager

Moving to Hourly Prices

On November 1, 2009*, Ontario's public sector including municipalities, universities, schools, hospitals and other designated customers will move from paying the Regulated Price Plan (RPP) to a market-based, or hourly, price for electricity.

Many public sector customers have already moved to market prices to save money.

* Extended from May 1, 2009



Timmins and District Hospital made the switch to hourly pricing and saved money on its electricity bill

Timmins and District Hospital was paying for virtually all of its consumption at the higher-tiered RPP rate. In April 2006, it moved off the RPP and since that time has saved over \$230,000 on its bill.

Visit www.ieso.ca/publicsector for more information.

Front cover image: To find out how the York Catholic District School Board saved money and energy, visit www.ieso.ca/publicsector

For more information about the change in electricity pricing for the public sector visit:

IESO Website:

www.ieso.ca/publicsector

Electricity Pricing Information:

www.ieso.ca/electricitypricing

Retail Electricity Contracts:

www.ieso.ca/retailers

Business and Institutional Profiles and Publications:

www.ieso.ca/businessprofiles

Your local distribution company:

www.ieso.ca/findutility

Or contact IESO Customer Relations:

Tel.: 905-403-6900

Toll-Free: 1-888-448-7777

Fax: 905-403-6921

E-mail: customer.relations@ieso.ca

The Independent Electricity System Operator (IESO) is a not-for-profit entity that manages the province's power system so that Ontarians receive power when and where they need it. Ontario's IESO balances demand for electricity against available supply through the wholesale market and directs the flow of electricity across the transmission system.



Power to Ontario. On Demand.



Power to Ontario. On Demand.



WHAT YOU NEED TO KNOW ABOUT CHANGES TO ELECTRICITY PRICES COMING NOVEMBER 1, 2009

A Guide for Ontario's Public Sector

Market Price Options

Changes to Electricity Commodity Prices coming November 1, 2009*

Most municipalities, universities, schools and hospitals and other designated customers who are still on the Regulated Price Plan (RPP) will no longer be billed the RPP rate starting November 1, 2009.

This change applies to all accounts with consumption greater than 250,000 kilowatt hours (kWh) per year and demand greater than 50 kilowatts (which is equivalent to an electricity bill of approximately \$2,000 per month). Customers with or without an interval meter can now voluntarily come off the RPP before November 1, 2009. Contact your local distribution company for more information.

On November 1, 2009, these customers will pay Ontario's market price for the energy portion of their bill – that is, the hourly electricity price or a weighted average electricity price.

* Extended from May 1, 2009

HOW WILL YOUR ELECTRICITY BILL CHANGE?

The electricity charge on your bill appears as a single line when you're on the RPP. It includes both the commodity charge and the Provincial Benefit¹. When you leave the RPP, the electricity charge and Provincial Benefit¹ will appear as two separate line items.

You will also receive an RPP Settlement Variance which is a one-time credit or charge. A consumer leaving the RPP in May that consumed 250,000 kWh per year would have received a credit of almost \$500. The value of the variance changes every month depending on the difference between the actual price paid to generators and the forecast price paid under the RPP.

Hourly electricity price: Facilities with an interval meter will pay the hourly price for electricity. That means paying for electricity when it is used.

Weighted average electricity price: Without an interval meter customers will pay a weighted average of the hourly price based on the consumption patterns of consumers in the area.

Retail contracts: Contracts are another way to purchase the electricity commodity but they do not cover other charges such as delivery and the Provincial Benefit.¹ Contracts can add an element of certainty as they allow you to lock in your electricity price for a term. Before you sign, ensure you understand all the terms and conditions.

Some customers aggregate their energy use with other facilities in their community or sector to increase their buying power. Contact IESO Customer Relations (see reverse) for more information.

¹ **NOTE:** There is an adjustment to the market price called the Provincial Benefit that applies to all electricity consumers. This charge or credit is included in the RPP rate but will be itemized separately on your bill once you leave the RPP.

Regulated Price Plan (RPP)

Public sector consumers still paying the fixed RPP rate (adjusted semi-annually) are charged based on a consumption threshold.

Effective May 1, 2009:

- 5.7 cents per kilowatt hour (kWh) up to 750 kWh
- 6.6 cents per kWh over 750 kWh

It is likely that most of your consumption is charged at the higher rate of 6.6 cents per kWh.

Public sector consumers who have already moved off the RPP pay market prices or the price in their retail contract or a combination of the two. The average market price with adjustments since November 2008 has been 5.4 cents per kWh.

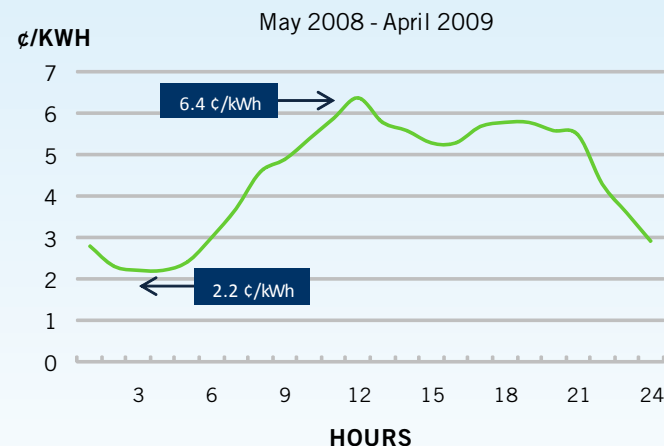
Ontario's Electricity Market



In Ontario's wholesale electricity market, the Independent Electricity System Operator (IESO) calculates price by balancing the supply of electricity with demand. As demand increases, more expensive forms of generation can raise the price.

Factors such as weather, consumer behaviour and available generation cause the price to fluctuate over the course of the day. Many customers are able to respond to changes in the hourly price by shifting some of their demand to off-peak periods.

Hourly average electricity price:



On average daytime prices are 35 per cent higher than at night and on weekends.