INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

2073 Commerce Park Drive
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September 9, 2009

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
PO Box 2319, 26th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

Re: Innisfil Hydro Distribution Systems Limited - EB-2009-0317
Report on Notification re Eligibility for the Regulated Price Plan

Please find enclosed two (2) copies of our report on the notification to applicable customers regarding the eligibility for the Regulated Price Plan. One copy of the report has been filed electronically to your attention.

Please do not hesitate to contact the undersigned if you have any questions.

Sincerely,

Laurie Ann Cooledge, ~~CMA~~, CPA
CFO/Treasurer

Encls.

Innisfil Hydro Distribution Systems Limited

Changes in Eligibility for the Regulated Price Plan EB-2009-0317

The Board issued a letter on August 13, 2009 requesting distributors to file a report with the Board confirming distributors have notified affected customers of the changes in eligibility for the Regulated Price Plan effective November 1, 2009.

Innisfil Hydro Distribution Systems Limited (Innisfil Hydro) has taken the following steps to notify the affected customers:

a) In April 2005 Innisfil Hydro attended a local meeting with affected customers explaining the upcoming eligibility changes to the RPP utilizing the Board's FAQ (Appendix A) on this topic. Attached is Appendix A for a sample of the information distributed at this meeting.
b) In May 2006 the Independent Electricity System Operators (IESO) and Innisfil Hydro attended a local meeting with affected customers explaining the upcoming eligibility changes to the RPP utilizing IESO market information on this topic.
c) The President has met with Town of Innisfil administration staff monthly in 2008 and 2009 with regard to the availability of RPP rates and they were provided with pertinent information from the OEB and IESO. Town of Innisfil accounts were all identified as to their eligibility for RPP rates. Usage information was provided for Town of Innisfil accounts and the Town of Innisfil have changed a number of their accounts from RPP to interval or WAP before the RPP eligibility extension was announced.
d) Innisfil Hydro has advised affected customers via correspondence since 2005. Attached is a sample of the correspondence as Appendix B.
e) A target mailing will be sent to the 3 remaining affected customers in September 2009 with the IESO brochure. Attached is a sample of the IESO brochure as Appendix C.

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Toronto ON M4P 1E4
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Commission de l'énergie de l'Ontario
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Regulated Price Plan Frequently Asked Questions

1. What is the Regulated Price Plan?

- The Regulated Price Plan is a new price plan designed to make sure that prices consumers pay for the electricity they use better reflect the prices paid to electricity generators, but without the volatility that exists in wholesale electricity market prices. The plan represents a stable and predictable approach to electricity pricing and encourages conservation. The prices under the plan relate to the "Electricity" line on customer bills.

2. Why is the OEB introducing a new electricity price plan?

- The Minister of Energy asked the Ontario Energy Board to develop an electricity price plan to make sure that the price consumers pay for electricity better reflect the price paid to generators. The Minister asked for a plan that would provide stable and predictable electricity pricing and would encourage conservation.

3. How does the price plan differ from the pricing system in place before April 1, 2005?

- Since April 2004, most Ontario consumers have paid a two-tiered price for the electricity they use. A similar form of two-tiered pricing is being retained for consumers with conventional electricity meters. Consumers who are eligible for the new plan will continue to pay one price for the electricity they consume each month up to a certain threshold and a higher price for any electricity consumed per month above that threshold. The prices are now being determined by the Ontario Energy Board based on specific components set by the Government and a forecast by the Board of electricity prices in the wholesale market. In addition, under the price plan the amount of electricity that residential consumers can use at a lower price will vary by season.

4. How has the Ontario Energy Board determined the prices for the new price plan?

- The new prices have been calculated by the Ontario Energy Board using the following components:

    - The Board's forecast of the price of electricity in the spot market over the next 12 months.

    - Prices set by the Government for Ontario Power Generation's (OPG) regulated nuclear and hydroelectric generation facilities for the next 12 months.

    - Prices that the Ontario government will pay under long-term power supply contracts with private generators over the next 12 months. Prices that the Ontario government will pay under any future contracts for electricity generation supply from renewable and other resources, and for demand management, will also be included in future price calculations.

    - The estimated value of the difference that is expected to result from the Government's decision to impose a 13-month revenue limit on most of the output from OPG's unregulated assets. Since the revenue limit applies only until April 30, 2006, this component will not apply in the future.

- It is important to remember that the plan is limited to prices for the electricity commodity itself. This is shown on the "Electricity" line on your bill, and is only one of a number of factors that contribute to the total price that you pay for electricity that is delivered to you.

5. What are the prices?

- There are prices for consumers with conventional electricity meters and prices for consumers who have “smart meters” or other meters that can record electricity use during specific periods during the day.

Consumers with conventional electricity meters

- For the first seven months of the new plan, eligible consumers will pay 5.0 cents for the first 750 kWh of electricity consumed each month and 5.8 cents for electricity consumption above that during the month. Most residential consumers in Ontario use less than 1,000 kilowatt hours per month on average.

- As of November 1, 2005, the threshold for residential consumers will change twice a year. It will be 1,000 kWh per month during a winter season (November 1 to April 30) and 600 kWh per month during a summer season (May 1 to October 31). This difference recognizes the fact that consumers use more electricity for lighting and indoor activity in the winter, and that many Ontarians rely on electricity for heat.

- The threshold for non-residential consumers that are eligible for the price plan will remain at 750 kilowatt hours per month throughout the year.

Consumers with smart meters

- Many Ontario consumers will not begin to get smart meters until at least 2006 and most will not get a smart meter until 2008 – 2010.

- For consumers who already have a smart meter, it is up to your utility whether it will charge you smart meter prices in the first year of the new price plan. As of the spring of 2006, each utility will be required to charge smart meter prices to everyone that has a smart meter.

- Under the price plan for smart meters, the price that consumers will pay for electricity will vary based on the period during the day when electricity is used. The periods are: on-peak (when demand for electricity is highest); mid-peak (when demand for electricity is moderate) and off-peak (when demand for electricity is lowest). These periods will be different in the summer than they are in the winter.

Day of the Week	Time	Time-of-Use Period	Time-of-Use Price
Weekends & holidays			
	All day	Off-peak	2.9 cents/kWh
Summer Weekdays (May 1st – Oct 31st)	7:00 a.m. to 11:00 a.m.	Mid-peak	6.4 cents/kWh
	11:00 a.m. to 5:00 p.m.	On-peak	9.3 cents/kWh
	5:00 p.m. to 10:00 p.m.	Mid-peak	6.4 cents/kWh
	10:00 p.m. to 7:00 a.m.	Off-peak	2.9 cents/kWh
Winter Weekdays (Nov 1st – Apr 30th)	7:00 a.m. to 11:00 a.m.	On-peak	9.3 cents/kWh
	11:00 a.m. to 5:00 p.m.	Mid-peak	6.4 cents/kWh
	5:00 p.m. to 8:00 p.m.	On-peak	9.3 cents/kWh
	8:00 p.m. to 10:00 p.m.	Mid-peak	6.4 cents/kWh
	10:00 p.m. to 7:00 a.m.	Off-peak	2.9 cents/kWh

6. When will the price plan take effect and how long will it be in place?

- Upon adoption of a Government regulation, the new price plan will take effect on April 1, 2005. The prices will stay the same for the first year of the plan. After that, the Ontario Energy Board intends to review the prices every six months and adjust them as required.

- The price plan is designed to be a long-term price framework that is stable and predictable so that consumers have an opportunity to plan for and manage their electricity costs. At the same time, the plan makes sure that the prices consumers pay for electricity better reflect the price paid to generators.

7. How does the new price plan provide stability in prices consumers pay?

- The new price plan provides stability and predictability in three ways. First, the prices will stay the same for the first year. Second, while wholesale electricity market prices vary by hour, by day and by season, the new prices average or “smooth” that volatility over a longer period of time. Third, after the first year of the plan, prices are expected to change only every six months.

8. Who is eligible for the price plan?

- The Government has indicated that all consumers that were eligible for two-tiered pricing prior to April 1, 2005 will be eligible for the plan. This includes low-volume consumers, such as residential and small business consumers, and "designated consumers" such as municipalities, hospitals, schools, colleges and universities. This is expected to remain the case until April 1, 2008, when eligibility will be limited to residential consumers and consumers that are classified as "general service less than 50 kilowatt demand" by their utility.

- Consumers that are eligible for the plan may choose not to participate. They may instead choose to enter into a contract with an electricity retailer.

- Another choice open to all eligible consumers who have an interval meter that records hourly electricity use is to pay the "spot market" price.

- Consumers, such as large industrial consumers, that are not eligible for the price plan will continue to have all of the options and flexibility to make supply arrangements that they have currently.

9. I am eligible for the price plan but already have a contract with an electricity retailer. Will I be covered by my contract or do I automatically go under the price plan?

- The answer depends on when you entered into the contract and whether or not you have renewed it.

  - If you entered into or renewed a contract with a retailer on or before December 9, 2002, and did not do anything else in relation to the contract after that date, you will automatically be covered by the new price plan.

  - If you entered into or renewed a contract with a retailer after December 9, 2002 but before June 15, 2004, you will not be covered by the new price plan until your contract expires.

- Retail contracts that were entered into or renewed by residential consumers on or after June 15, 2004 (but before a date to be determined by the Government) are subject to special rules. This is intended to allow you some time to become familiar with the new price plan and to compare it with your contract price. If you decide that you want to retain the contract price, you will need to reaffirm the contract within a specific period of time. If you do not reaffirm the contract, it will cease to have effect and you will be covered by the price plan.

10. Are there other changes in my electricity bill besides the new pricing plan?

- Last year, the format of electricity bills was changed so that most electricity consumers in Ontario now see the same four lines on their bill:

  - Electricity: the cost of the electricity supplied to you
  - Delivery: the cost of delivering electricity from generators to your utility and then to your home or business
  - Regulatory: the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid
  - Debt Retirement Charge: set by the Ministry of Finance to pay down the residual stranded debt of the former Ontario Hydro

- You will also see changes to the "Delivery" line of your bill as of April 1, 2005. This is because:

  - Most utilities have applied to change their distribution rates, conditional on them reinvesting the equivalent of one year of these monies in conservation programs.

  - Your bill may reflect an adjustment in the rate that you started paying last year to recover costs your utility was previously not able to recover from consumers.

- Utilties apply to the Ontario Energy Board for any changes to the rates they charge under the "Delivery" line of your bill. These rates vary from utility to utility and applications to change rates are reviewed by the Board through a public process to determine what costs the utilities may pass on to consumers.

- You should contact your local utility for more information on the changes to the "Delivery" line of your bill.

11. Why are the prices under the plan for residential consumers different than prices the Government announced last month?

- The prices announced by the Government on February 23rd are the prices that will be paid to Ontario Power Generation for a large portion of the electricity it produces. These prices are components of the Board's price plan for eligible consumers.

12. Do large commercial or industrial consumers pay more or less for electricity than eligible price plan consumers?

- The electricity prices paid by both eligible price plan consumers and large commercial and industrial consumers will reflect prices paid to generators. The difference is that prices under the price plan are smoothed over the course of a year but prices for the larger consumers are not.

- Prices for eligible consumers under the price plan will be fixed for a year based on the Board's forecast of the prices and quantities for the various sources of supply. Differences between the Board's forecast and actual amounts paid to generators will be built into the price for the next year.

- Prices paid each month by large consumers that are not covered by the price plan will be based on actual prices during the month, not on forecasts by the Board.

13. Where will I see these prices on my bill?

- You will these changes on the "Electricity" line of your bill.

14. What is the purpose of seasonal threshold changes for residential consumers with conventional meters?

- Consumers generally have less flexibility when it comes to electricity use in the winter when the need for heating and additional lighting makes it harder to reduce electricity use. This is a particularly important issue for consumers that rely on electricity for their heating. By contrast, there tend to be greater opportunities to conserve in the summer months. Seasonal pricing reflects these differences by allowing consumers to use more electricity at a lower price during the winter season than during the summer season.

15. Some people need to run air conditioning and medical equipment in the summer for health reasons. Doesn't the seasonal approach to pricing fail to recognize this?

- The Ontario Energy Board understands that different consumers have different electricity needs during the year. However, for most consumers there is a greater opportunity to conserve electricity in the summer months than in the winter.

16. What is the price plan for consumers with smart meters?

- Most consumers will not have smart meters when the new prices take effect. In addition, utilities are not required to charge smart meter prices to those customers who have smart meters until the spring of 2006, although they may do so earlier if they wish.

- For consumers with time-of-use, or "smart" meters, the prices are based on time of use. In other words, the price of electricity during peak use periods of the day will be higher than the price of electricity during periods of the day when electricity use is lower. The plan sets prices for three types of periods during the day: "on-peak" (highest price), "mid-peak" (middle price) and "off-peak" (lowest price). These periods will be different in the summer than they are in the winter.

17. When will I go on the smart meter price plan?

- During the first year of the new price plan, utilities are not required to charge smart meter prices to customers who have smart meters, but they can do so if they wish. If you have a smart meter and your utility has decided to offer smart meter prices, you will be charged those prices. Starting in the spring of 2006, your utility will charge you smart meter prices if you have a smart meter.

18. Why do prices look so different for customers who have smart meters than for those with conventional meters?

- The price plan for smart meters is designed to recover the same average costs of supply as the price plan for conventional meters. The way in which it does that is, however, different.

19. What is the benefit of having smart meter pricing?

- Currently, consumers have little financial incentive to manage their use of electricity over the day. Smart meter pricing sets a higher price at peak periods when prices are highest in the wholesale market. This gives consumers an incentive to reduce or shift their use to periods of lower demand (e.g. weekends or later in the evening) and away from times when electricity is most expensive.

- Consumers will not be able to shift all of their electricity use away from peak demand periods, but the more they are able to do so, the more they can manage their costs and contribute to lower overall peak electricity prices for everyone.

20. Won't the increased demand in the off-peak period turn it into a peak period?

- This has not happened in other jurisdictions where time of use pricing is in place and we don't expect this to happen in Ontario. If consumers shift more of their use of electricity to periods when demand is lower, that can eventually reduce the prices during peak periods.

21. My rent/condo fees include electricity. How does the price plan apply to me?

- Special rules are in place to allow consumers who pay for electricity through rent or condo fees to have the benefit of the price plan. The rules require that your landlord or condominium corporation sign a declaration with the local utility identifying the number of units in your building. If that is done, the price plan will apply to electricity consumption within the building as a whole. Whether or not the new prices are then ultimately passed on to you depends on your arrangements with your landlord or condominium corporation.

22. What is the range of total bill impacts to consumers of the "Electricity" line change announced today and the "Delivery" line changes applied for by distributors?

- The Ontario Energy Board is currently reviewing applications by electricity distribution companies for changes to distribution rates. These rates are reflected on the "Delivery" line of consumer bills. These rates are separate from the new prices announced by the Board that apply to the "Electricity" portion of consumer bills.

- A total of 181 distributors have filed for distribution rate changes. These include 94 individual distributors and 87 local distributors owned by Hydro One.

- **Applications have been made to the Board, but no decisions have been made.** For a consumer using an average of 1,000 kWh per month, the combined impact on the total bill of the new "Electricity" line prices and "Delivery" line changes <u>applied for</u> by distributors would range from 0.5 % (Canadian Niagara Power Inc. – Fort Erie) at the low end to 19.85% (Middlesex Centre) at the higher end. The total bill impact for the majority of distributors is in the range of 4% to 10%.

- The "Delivery" line rate changes applied for vary from utility to utility and there is no average "Delivery" line impact.

- **No final decisions have been made in any of these applications for changes to the "Delivery" line. The rates that the Board approves could be different than the rate changes for which individual distributors have applied.**

- **The Board will be issuing decisions shortly. The rate changes take effect on April 1, 2005.**

- Consumers will see changes to the "Delivery" line of their bills as of April 1, 2005. This is because:

  - Most distributors have applied to change their distribution rates, conditional on them reinvesting the equivalent of one year of these monies in conservation programs.

  - Consumer bills may reflect an adjustment in the rate that consumers started paying last year to recover costs their utilities were previously not able to recover from consumers.

- Utilties apply to the Ontario Energy Board for any changes to the rates they charge under the "Delivery" line of consumer bills. These rates vary from utility to utility and applications to change rates are reviewed by the Board through a public process to determine what costs the utilities may pass on to consumers.

- Consumers should contact their local utilities for more information on the changes to the "Delivery" line of their bills.

- Last year, the format of electricity bills was changed so that most electricity consumers in Ontario now see the same four lines on their bill:

  - Electricity: the cost of the electricity supplied to you
  - Delivery: the cost of delivering electricity from generators to your utility and then to your home or business
  - Regulatory: the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid
  - Debt Retirement Charge: set by the Ministry of Finance to pay down the residual stranded debt of the former Ontario Hydro

The combined total bill impact of the "Electricity" line changes announced today and the "Delivery" line changes <u>applied for</u> by distributors, for a residential customer <u>using 1,000 kWh</u>.

Hydro Ottawa	7.00%
Toronto Hydro	8.47%
Enersource Hydro Mississauga	7.97%
ENWIN Powerlines	6.70%
London Hydro	6.37%
Guelph Hydro	4.19%
Barrie Hydro	5.10%
Gravenhurst Hydro	3.05%
Greater Sudbury Hydro	5.07%
North Bay Hydro	7.68%
Thunder Bay Hydro	7.92%
West Nipissing Energy Services	3.09%
Sioux Lookout Hydro	2.34%

Re: Account xxx-xxxxxx-00

Dear Customer,

Please find enclosed your current monthly billing on the above noted account. We want to draw your attention to some changes that will be made to the billings for the electricity services for this location.

Until now, this account was being billed as a low volume, general service (commercial) account in the less than 50 kW category, and as such, was eligible for the provincial Regulated Price Plan (RPP). The annual threshold for eligibility for the RPP is 250,000 kWh. The annual consumption on this account is now well over 250,000 kWh, and therefore it is no longer eligible. As required in the Standard Supply Service Code, we must bill a final RPP variance settlement amount when an account exits the RPP. The settlement value is currently a credit and you can see this reflected on your enclosed bill under the heading “RPP SETTLEMENT”.

The current rates for RPP are 5.0 ¢ for the first 750 kWh and 5.9 ¢ for the kWh balance each month. You will now be billed the monthly Weighted Average Price (WAP) of electricity. This price fluctuates month to month as it is based on the Wholesale Hourly Ontario Energy Spot Market Price. Currently, the WAP has been lower than the RPP price, the average from January 1 to June 16, 2006 has been 5.112¢/kWh. Your monthly demand also exceeds 50 kW monthly, (average of 71 in past 12 months), so your delivery charges will now be billed in the general service greater than 50 kW category (newsletter with 2008 schedule of rates and charges is enclosed).

As a high volume electricity customer, your account is now eligible for the Provincial Benefit which will be a credit of .00025¢/kWh for the month of June, however, it does fluctuate as well, and can be a charge when the price of the commodity is lower. The Provincial Benefit is reviewed and set by the Ontario Energy Board on a monthly basis. It is based on the output of Ontario Power Generation’s (OPG) regulated baseload (nuclear and some hydroelectric) generators which produce about 40% of Ontario’s electricity.

This account will also now be eligible for the Ontario Power Generation Non-Prescribed Assets (ONPA) Rebate. The ONPA Rebate applies to the output from Ontario Power Generation’s coal-fired and smaller hydro operations (non-prescribed assets). The Ontario government has established a set price of approximately 4.8¢/kWh on about 30-33% of Ontario Power Generation’s unregulated supply of electricity for the period May, 2008 through April, 2009. This rebate will be credited to your account quarterly and is proportional to the energy you have consumed during each rebate period. More information on both the Provincial Benefit (also known as the Global Adjustment) and the ONPA rebate are attached for your information.

In 2005, Innisfil Hydro initiated offering our high volume customers who pay the weighted average spot market price, an interval meter, plus installation as part of our Conservation and Demand Management Plan. Please find enclosed correspondence which provides more details about this offer, as well as a publication from the Independent Electricity System Operator (IESO) which was published specifically for electricity customers who pay the wholesale market price for electricity in Ontario. We will now extend this offer to you as a high volume customer.

If you would like more information, or require some clarification about the information provided, please don't hesitate to contact me at 705-431-6870 x225 or by e-mail at marjs@innisfilhydro.com

Regards,

Marj Stewart
Director, Corporate Services and Settlements

Enclosures

cc. George Shaparew, President
Shannon Brown, IT/Settlements Officer

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.

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Power to Ontario. On Demand.

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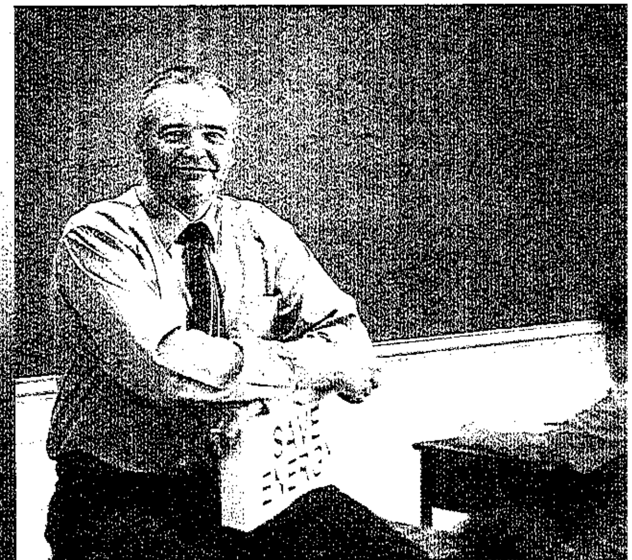


WHAT YOU NEED TO KNOW ABOUT CHANGES TO ELECTRICITY PRICES COMING NOVEMBER 1, 2009

A Guide for Ontario's Public Sector

APPENDIX C

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 Benefit[1]. When you leave the RPP, the electricity charge and Provincial Benefit[1] 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.

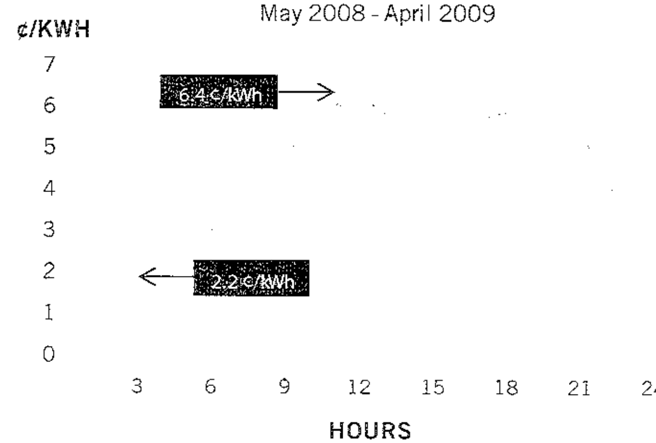
Ontario's Electricity Market

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:

May 2008 - April 2009



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