



September 8, 2009

Attention: Kirsten Walli
Board Secretary
Ontario Energy Board
P.O Box 2319
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli,

**Re: Cambridge and North Dumfries Hydro Inc. Report on Notification
re Eligibility for Regulated Price Plan (RPP) EB-2009-0317**

As requested in the letter from the OEB re: Changes in Eligibility for the Regulated Price Plan EB-2009-0317 dated August 13, 2009 this report outlines the communication forwarded by Cambridge and North Dumfries Hydro Inc. to all affected customers of the change in eligibility for the regulated price plan.

Communication to Affected Customers

Cambridge and North Dumfries Hydro Inc. created fourteen custom letters specific to customer, based on the options available and current situation of the affected customers. The letters were mailed to customers from September 4 to 8, 2009 and contained the following information:

- Changes in designation effective November 1, 2009
- Current method of securing electricity
- Meter type installed at their facility
- Other options if designation criteria exist based on existing eligibility criteria post November 1, 2009
- Impact and Options for Electricity Pricing
- The IESO – RPP Brochure – “What You Need to Know About Electricity”
- Contact name and number to address customer questions

Two sample letters and the IESO RPP Brochure – “What You Need to Know About Electricity” which were sent to customers are attached to this report as requested.

Sincerely,

CAMBRIDGE AND NORTH DUMFRIES HYDRO INC

John Grotheer, CMA
President & CEO

Date MDY

Mailing Address

Dear Customer:

RE: INFORMATION ABOUT UPCOMING CHANGES TO ELECTRICITY PRICES

Customer/Account No.

Service Address

There are upcoming changes to electricity prices that we want you to know about. Based on regulations, effective November 1, 2009 the above account will no longer qualify for the Regulated Price Plan as a designated municipality, university, school or hospital.

However, our records indicate you are presently enrolled with a Retailer, so you will see no change in how you are billed electricity when the changed regulations come into effect.

Please be advised that your facility currently has an interval meter installed. This meter supports hourly electricity pricing. If/when your terms and conditions with your Retail Contract change/terminate, hourly Ontario electricity market pricing is another option for your business.

Enclosed is a communication from the Independent Electricity System Operator (IESO) that provides excellent detail on changes to electricity pricing and your options.

If you have any questions regarding this matter, please contact one of our Customer Care Representatives, weekdays between 8:30 am – 4:30 pm at 519-621-3484.

Yours truly,

CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.

Pat Lemieux
Customer Care Supervisor

Date MDY

Mailing Address

Dear Customer:

RE: INFORMATION ABOUT UPCOMING CHANGES TO ELECTRICITY PRICES

Customer/Account No

Service Address

There are upcoming changes to electricity prices that we want you to know about. Based on regulations, effective November 1, 2009 the above account will no longer qualify for the Regulated Price Plan as a designated municipality, university, school or hospital.

You are presently billed for electricity under the Regulated Price Plan. Your facility has an interval meter and the required phone line allowing us to remotely interrogate the meter. With these tools in place, effective November 1st, the account will be billed for electricity based on the hourly Ontario electricity market price.

Enclosed is a communication from the Independent Electricity System Operator (IESO) that provides excellent detail on how your electricity bill will change with respect to line items, options on ways to purchase electricity and examples of the positive financial impact of moving from the regulated price plan to market prices.

If you have any questions regarding this matter, please contact one of our Customer Care Representatives, weekdays between 8:30 am – 4:30 pm at 519-621-3484.

Yours truly,

CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.

Pat Lemieux
Customer Care Supervisor

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

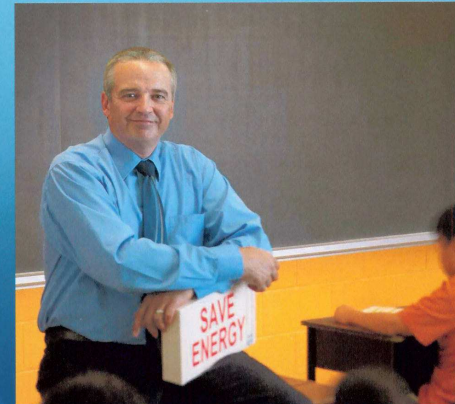
The Independent Electricity System Operator (IESO) is a not-for-profit entity that manages the province's power system so that Ontarians receive power when and where they need it. Ontario's IESO balances demand for electricity against available supply through the wholesale market and directs the flow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

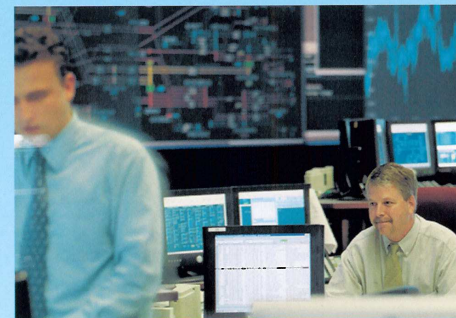
Effective May 1, 2009:

- 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.

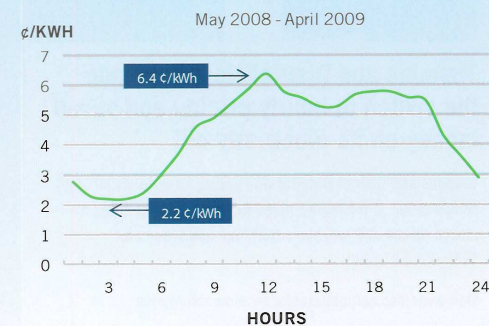
Ontario's Electricity Market



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.