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September 9, 2009

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

Attention: Ms. Kirsten Walli
Board Secretary

Subject: Lakeland Power Distribution Ltd: Report on Notification re Eligibility for the Regulated Price Plan.

Dear Ms. Walli:

Lakeland Power will be committed to proactively communicating the change in electricity rates to “designated consumers” no longer eligible as a group to qualify for the RPP as outlined in Regulation 95/05.

As of September 30, 2009 consumers who no longer qualify for the Regulated Price Plan will have received a personalized letter notifying them of the pricing change on November 1, 2009. Samples of our customer communication are included in the attached report.

If there are any questions, please contact Holy Chantler at (705) 789-5442 x 222 or hchantler@lakelandpower.on.ca

Sincerely,

A handwritten signature in blue ink, appearing to read "Margaret Maw".

Margaret Maw
Chief Financial Officer

Attached

- Report on Notification re Eligibility for the Regulated Price Plan

Lakeland Power Distribution Ltd: Report on Notification re Eligibility for the Regulated Price Plan.

Board File No. EB-2009-0317

The Board has requested a report outlining the steps Lakeland Power will take to notify consumers affected by the change in RPP eligibility by **September 9, 2009**. The report includes samples of any written communications that will be provided to consumers.

Lakeland Power has initiated our communication strategy with customers by posting information on our public website noting the November 1, 2009 deadline. Please refer to Appendix A for actual website content.

By September 30, 2009 customers who no longer will qualify for the Regulated Price Plan will have received a letter outlining the change in rates November 1, 2009 and the option to select an interval meter if not currently installed at the premise. The letters are designed to suit the customer's specific metering configuration and their pricing options, and will also include the brochure produced by the IESO "What you need to know about changes to electricity prices coming November 1, 2009".

Below are the two letters that will be sent to customers depending on their meter type.

1. Customers with interval meters will be billed on Hourly Ontario Energy Price (HOEP). Please refer to Appendix B for sample letter.
2. Customers with conventional meters will be billed on the Weighted Average Price with the option for the customer to purchase an interval meter if the preference is to be billed on HOEP. Please refer to Appendix C for sample letter.

Lakeland Power will also be contacting these customers by phone to answer any questions they may have as result to the letter received on or before September 30, 2009.

Appendix A - Lakeland Power Website Content

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

Date

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.lakelandpower.on.ca or refer to the attached copy of the IESO pamphlet entitled “What You Need to Know About Changes to Electricity Prices Coming November 1, 2009”.

For immediate questions or further information, please contact me directly.

Regards,

Holly Chantler
Customer Account Supervisor
(705) 789-5442 x222

Appendix C – MUSH Customer without an interval meter

IMPORTANT NOTICE

Date

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, can choose to pay the hourly Ontario electricity price. Please contact our office to discuss your options for the installation of an interval meter.

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.lakelandpower.on.ca or refer to the attached copy of the IESO pamphlet entitled “What You Need to Know About Changes to Electricity Prices Coming November 1, 2009”.

Should you have questions or require further information, please contact me directly.

Regards,

Holly Chantler
Customer Account Supervisor
(705) 789-5442 x222