



September 1, 2009

Norfolk County
PO Box 545
50 Colborne St S
Simcoe, Ontario
N3Y 4N5

Re: Changes to Electricity Prices in Ontario

Attention: John Ford, Treasurer/Manager of Financial Services

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

Any account which has an annual consumption greater than 250,000 kilowatt hours (kWh) per year and/or demand greater than 50 kilowatts (kW) will begin to pay Ontario's market price for the energy portion of the bill. The change will affect the following Norfolk County accounts:

- 14824-001 Simcoe Library
- 14825-001 Norfolk County Administrative Building
- 14867-001 Simcoe Pool
- 14868-001 Simcoe Arena-South
- 15491-001 Simcoe Arena-Talbot
- 19729-001 Veolia Water-Simcoe Sewage Treatment Plant
- 22464-001 Simcoe-Cedar Street Pump Station
- 22516-004 Norview
- 27200-001 Waterford Water Plant
- 29298-001 Simcoe Water Plant
- 50636-001 Pt Rowan Water Plant
- 70087-001 Veolia Water-Delhi Sewage Treatment Plant
- 70948-001 Delhi Arena
- 80218-001 Veolia Water-Pt Dover Sewage Treatment Plant
- 80860-001 Pt Dover Arena
- 83220-001 Waterford Arena
- 87046-001 Pt Dover Water Plant
- 14902-001 Street Lighting (interval)

The change in pricing will be reflected in the bills issued on or after November 1, 2009, which contain November consumption. Currently as an RPP consumer you pay 5.7 cents per kWh on the first 750 kWh

and 6.6 cents per kWh on the balance. The average market price with adjustments since November 2008 has been 5.4 cents per kWh. By transitioning the above listed accounts to the Weighted Average Electricity price (WACOE) you will quickly realize savings on the commodity portion of the bill.

Further savings may be available if interval meters are installed, which would allow us to bill you the Hourly Electricity price (HOEP) for the electricity consumed based on exactly when it is consumed. For complete details on the costs and material requirements to have an interval meter installed you are welcome to contact our office at your earliest convenience.

When consumers leave the RPP they will either pay or receive a 'final RPP variance settlement amount'. This amount will reflect the consumer's share of any accumulated variance between the actual price paid to generators and the forecast price paid by RPP consumers. If consumers have been paying more for electricity than was paid to generators, this amount will be a credit. The settlement amount is calculated by applying the settlement factor against the previous twelve (12) months consumption for each account. The current settlement factor, which is issued by the Ontario Energy Board, is a credit. If you were to settle your accounts now this would translate into the application of a credit on the last RPP bill. The settlement amount will appear as a separate line item on the bill.

The enclosed pamphlet from the Independent Electricity System Operator (IESO) provides you with additional information regarding the upcoming changes.

You are welcome to contact Norfolk Power with any questions, or if you wish to discuss moving to spot market pricing before the November 1, 2009 cutover date.

Regards,



C.A. Elliott
Manager of Customer Service & Settlements
(519) 426-4440, ext 2231

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