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.

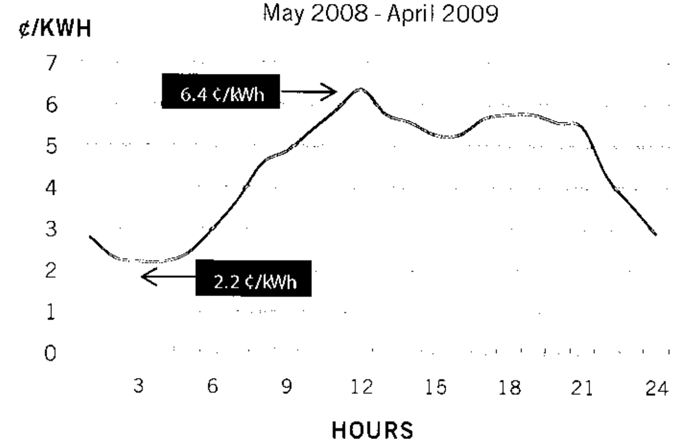
Ontario's Electricity Market

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.