



September 17, 2009

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

By: RESS and Courier

**Re: Electricity Distribution Licence ED-2006-0031
Horizon Utilities Corporation ("Horizon Utilities")
Report on Notification re Eligibility for the Regulated Price Plan ("RPP")
(EB-2009-0317)**

Dear Ms. Walli;

In response to the Board's letter dated August 13, 2009 advising of the requirement for distributors to file a report confirming that all of their affected customers have been notified of the upcoming change in eligibility for the Regulated Price Plan ("RPP"), Horizon Utilities is pleased to confirm that all affected customers have been advised accordingly.

Horizon Utilities has provided the affected customers with information regarding the pricing that the customer will be subject to, based on the customer's metering, and the final settlement variance which the customer will be subject to. The affected customers have also been informed of their option to request an interval meter, if they do not currently have one, for the purpose of receiving the hourly Ontario energy price.

All affected customers were initially contacted by telephone and informed of the regulation change. At this time they were also asked to confirm the appropriate mailing and contact information for this initiative. A package was subsequently mailed to the affected customers notifying the customer of the change in pricing, if any, effective November 1, 2009.

In addition, each customer who provided contact information was emailed the regulation information from the letters, a copy of the IESO brochure "What You Need to Know about Changes to Electricity Prices", and an invitation to attend a Horizon Utilities' RPP Breakfast Information Forum. These breakfast sessions were held in partnership with the IESO in both St. Catharines and in Hamilton on June 11th and on June 18th respectively. The agenda for these comprehensive information sessions included presentations developed and presented by the IESO, Horizon Utilities' Regulatory, Customer



Connections and Conservation Demand Management departments. Additional copies of the IESO brochure continue to be made available in the lobbies of Horizon Utilities' Hamilton and St. Catharines locations.

Horizon Utilities continues to communicate with affected customers to ensure that adequate information is provided regarding the upcoming changes to RPP.

Samples of all written communications provided to affected customers are enclosed.

Two hard copies of this Application are being submitted by courier.

Yours truly,

Original signed by Indy Butany-DeSouza

Indy Butany-DeSouza
Vice President
Regulatory and Government Affairs
Horizon Utilities Corporation

ATTACHMENTS

- 1) SAMPLE LETTERS TO AFFECTED CUSTOMERS
- 2) IESO BROCHURE
- 3) INVITATION TO BREAKFAST FORUMS



June 02, 2009

INTERVAL (no Retailer)

Customer Name
Address 1
Address 2
City, Province
Postal Code

**Re: Account Number XXXXXX-XXX
Changes in the Pricing of Electricity**

Dear Customer:

This letter is to inform you that, in accordance with the Ontario Energy Board Act, 1998 and Ontario Regulation 95/05, municipalities, universities, schools, and hospitals ("MUSH" sector customers) and other designated customers with annual electricity consumption greater than 250,000 kWh and an average demand greater than 50 kW will no longer be eligible for the Regulated Price Protection ("RPP") Plan. The above account has been identified as meeting the requirements of the Regulations and, as such, will be billed for electricity at market prices as described below.

Our records indicate that you have an interval meter therefore your account will be billed for electricity on the hourly Ontario spot market price.

In addition, the price for electricity is adjusted monthly for the difference between the actual market price for electricity and the fixed prices paid to regulated and contracted generators. This adjustment may be a charge or a credit depending on whether the market price is higher or lower than the fixed prices. The electricity price adjustment which is currently included in the RPP prices, will be shown as a separate line item on your bill identified as the "Provincial Benefit".

Further information about Ontario's electricity market prices and the Provincial Benefit may be found on the web site of the Independent Electricity System Operator ("IESO") at http://www.ieso.ca/imoweb/businessIndustry/bi_index.asp

The last bill that you will receive under the RPP plan will include an adjustment referred to as the "RPP Settlement". The RPP Settlement represents the difference in the variance between the actual price paid to generators and the forecast RPP price paid by customers. This is a one time adjustment applied to customers leaving the RPP plan. The changes in Regulations are currently scheduled to take effect November 1, 2009 and as such, Horizon Utilities will begin to bill the above account at market prices for electricity beginning with the first full billing period after November 1, 2009. You may exit the RPP Plan prior to November 1st, 2009, if you wish to do so or have questions regarding the above, please contact our Customer Care Centre to speak to one of our Agents at 1-866-458-1236.

Yours truly,

Eileen Campbell
Vice President, Customer Services



June 02, 2009

Customer with Retailer

Customer Name

Address 1

Address 2

City, Country

Postal Code

**Re: Account Number XXXXXX-XXX
Changes in the Pricing of Electricity**

Dear Customer:

This letter is to inform you that, in accordance with the Ontario Energy Board Act, 1998 and Ontario Regulation 95/05, municipalities, universities, schools, and hospitals ("MUSH" sector customers) and other designated customers with annual electricity consumption greater than 250,000 kWh and an average demand greater than 50 kW will no longer be eligible for the Regulated Price Protection ("RPP") Plan. The above account has been identified as meeting the requirements of the Regulations and, as such, will be billed for electricity at market prices as described below.

Our records indicate you have signed a contract with an Energy Retailer, therefore you will continue to pay the contracted price for electricity for the remainder of your contract term. Once your current contract expires, you will have the option of renewing your contract with the retailer or any other retailer or returning to Standard Supply Service with Horizon Utilities and begin to pay the Hourly Ontario Electricity Price if you have an Interval Meter or the Weighted Average Price of Electricity with a standard Demand Meter.

Further information about Ontario's electricity market prices and the Provincial Benefit may be found on the web site of the Independent Electricity System Operator ("IESO") at http://www.ieso.ca/imoweb/businessIndustry/bi_index.asp

If you have any questions regarding this matter, please contact our Customer Care Centre to speak to one of our Agents at 1-866-458-1236.

Yours truly,

Eileen Campbell
Vice President, Customer Services



June 02, 2009

NON-INTERVAL

Customer Name
Address 1
Address 2
City, Province
Postal Code

**Re: Account Number XXXXXX-XXX
Changes in the Pricing of Electricity**

Dear Customer:

This letter is to inform you that, in accordance with the Ontario Energy Board Act, 1998 and Ontario Regulation 95/05, municipalities, universities, schools, and hospitals ("MUSH" sector customers) and other designated customers with annual electricity consumption greater than 250,000 kWh and an average demand greater than 50 kW will no longer be eligible for the Regulated Price Protection ("RPP") Plan. The above account has been identified as meeting the requirements of the Regulations and, as such, will be billed for electricity at market prices as described below.

Our records indicate that you do not have an interval meter, therefore you will be billed for electricity on the weighted average hourly spot price.

In addition, the price for electricity is adjusted monthly for the difference between the actual market price for electricity and the fixed prices paid to regulated and contracted generators. This adjustment may be a charge or a credit depending on whether the market price is higher or lower than the fixed prices. The electricity price adjustment, which is currently included in the RPP prices, will be shown as a separate line item on your bill identified as the "Provincial Benefit".

Further information about Ontario's electricity market prices and the Provincial Benefit may be found on the web site of the Independent Electricity System Operator ("IESO") at http://www.ieso.ca/imoweb/businessIndustry/bi_index.asp

The last bill that you will receive under the RPP plan will include an adjustment referred to as the "RPP Settlement". The RPP Settlement represents the difference in the variance between the actual price paid to generators and the forecast RPP price paid by customers. This is a one time adjustment applied to customers leaving the RPP plan.

The changes in Regulations are currently scheduled to take effect November 1, 2009 and as such, Horizon Utilities will begin to bill the above account at market prices for electricity beginning with the first full billing period after November 1, 2009. You may exit the RPP Plan prior to November 1st, 2009, if you wish to do so or have questions regarding the above, please contact our Customer Care Centre to speak to one of our Agents at 1-866-458-1236.

Yours truly,

Eileen Campbell
Vice President, Customer Services

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.



Timmins and District Hospital made the switch to hourly pricing and saved money on its electricity bill

Timmins and District Hospital was paying for 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

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 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.

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.* Contracts can add an element of certainty as they allow you to lock in your electricity costs 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.

***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.

REGISTER NOW

Energy Matters Summit

April 20 – 21, 2009
Mississauga, Ontario

This conference, in partnership with the Region of Peel and the IESO, is designed for public sector organizations to learn more about energy management and environmental sustainability.

For more information or to register visit
www.energymatterssummit.ca

REGULATED PRICE PLAN (RPP)

Public sector consumers still paying the fixed RPP rate (adjusted semi-annually) are charged based on a consumption threshold.

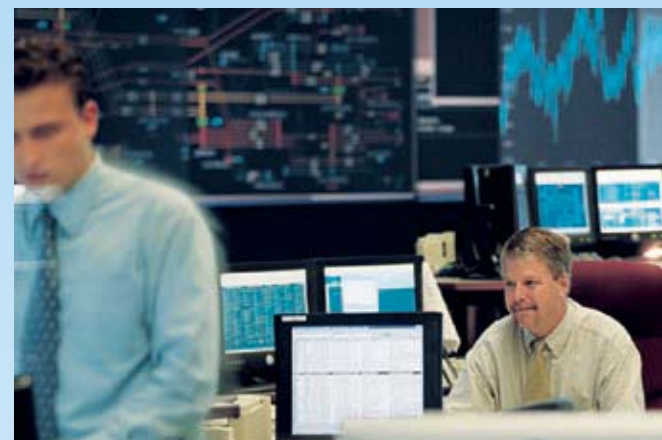
From November 1, 2008 to April 30, 2009:

- 5.6 cents per kilowatt hour (kWh) up to 750 kWh
- 6.5 cents per kWh over 750 kWh

It is likely that most of your consumption is charged at the higher rate of 6.5 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 for 2008 was 5.6 cents per kWh.

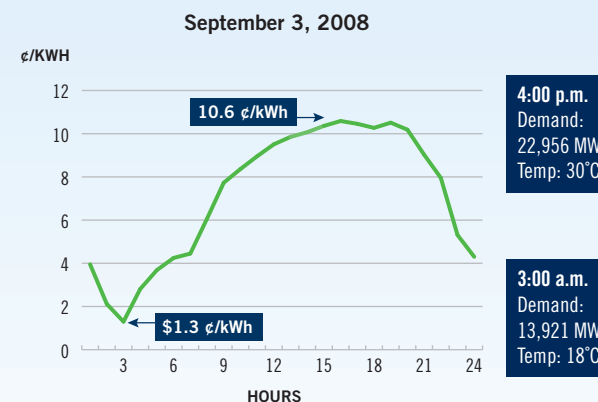
Ontario's Electricity Market



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.

A sample day of hourly electricity pricing:



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

Learn How to Save Money on Electricity – Breakfast Forum

Thursday, June 11
7:30 a.m. to 9:30 a.m.
Club Roma
125 Vansickle Road
St. Catharines, Ontario

Thursday, June 18
7:30 a.m. to 9:30 a.m.
Sheraton Hamilton Hotel
116 King Street West
Hamilton, Ontario

SPEAKER DETAILS

Max Cananzi
President & CEO
Horizon Utilities Corporation

Al Vance
Manager, Customer Connections
Horizon Utilities Corporation

Brian Smith
Manager, Conservation & Demand Management
Horizon Utilities Corporation

Alexandra Campbell
Manager, Communications
Independent Electricity System Operator (IESO)

Topics to be covered during the Breakfast Forum include:

- Ontario's electricity system
- Market pricing and money-saving strategies
 - Regulated price plan
 - Hourly price
 - Options for moving from regulated price plan to hourly pricing
- Metering and settlement options
- Incentives for energy efficiency and demand response

PLEASE REGISTER

A full breakfast will be provided at 7:30 a.m. with presentations beginning at 8:00 a.m. Although the session is complementary, pre-registration is required. Please complete the form below and fax to 905-522-6228 or email: info@horizonutilities.com.

Date attending: ☐ June 11 or ☐ June 18

Name: _____

Title: _____

Company: _____

Address: _____

Phone _____ Fax _____

Email _____

Public Sector and Business Customer Forum



This Breakfast Forum, sponsored by Horizon Utilities and the Independent Electricity System Operator, provides an opportunity for public sector organizations and business customers such as yourself to learn more about the options to move from the regulated price plan to hourly or weighted average electricity prices by November 1, 2009. This Forum is intended to be an inclusive session for the exchange of ideas and information. Sign up now to learn how other customers have saved money by moving to the hourly price for electricity, understand the power of interval metering, and hear about conservation and demand management initiatives for your business.

WHO SHOULD ATTEND?

- Senior executives and elected officials from all facets of Ontario's public sector
- Engineers, energy managers, facility managers, operations managers and others involved in cost improvement programs in **municipalities, universities, colleges, schools, hospitals, registered charities, and businesses**

WHY SHOULD YOU ATTEND?

- To learn about incentive programs and how to reduce energy costs
- To better understand the move to hourly market-based pricing effective November 1, 2009
- To learn about Ontario's electricity sector

FOR FURTHER INFORMATION PLEASE CONTACT:

Dawn Freeman
Horizon Utilities Corporation
Email: info@horizonutilities.com
Tel: 1-866-458-1236 ext. 2222
Fax: 905-522-6228