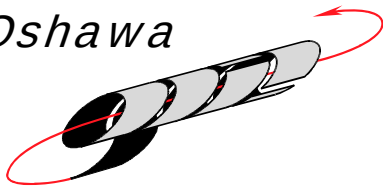


Oshawa



PUC Networks Inc.

100 Simcoe Street South, Oshawa, Ontario L1H 7M7 • Tel. (905) 723-4623 • Fax (905) 723-7947 • E-mail contactus@opuc.on.ca

September 22, 2009

Board Secretary
Ontario Energy Board
PO Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms Walli:

Re: Oshawa PUC Networks Inc: Report on Notification re Eligibility for the Regulated Price Plan
Board File No. EB-2009-0317

Oshawa PUC Networks Inc is in the final stages of informing affected customers of the changes to their eligibility for the Regulated Price Plan.

All customers have been identified and a letter has been prepared to explain the changes and inform customers of their options concerning future pricing. The letter explains the customers' pricing option based on their metering; the final settlement variance amount which may be applied to their final RPP billing; and their option to obtain a retail contract. A copy of this letter is attached to this letter. The letter as attached is on plain paper. It will be printed on letterhead for mailing so that all contact information will be available to customers.

This letter will be mailed along with the brochure printed by the IESO. The letter and the brochure will also be available on our website. A copy of the brochure is also attached to this letter. It is expected that all customers will have this information by the end of September.

Oshawa PUC Networks Inc's customer service team has been responding to customer questions about this change since early this year.

If you have any questions please contact the undersigned.

Yours truly,

(Original signed by)

Vivian Leppard
Regulatory Analyst
Oshawa PUC Networks Inc
Phone: (905) 743-5220
Email: vleppard@opuc.on.ca

Encl(2)

Date

Mailing Address

IMPORTANT NOTICE

Dear Customer:

RE: Changes in Eligibility for the Regulated Price Plan (“RPP”)

Effective November 1, 2009 as per The Ontario Energy Board Act, 1998, Ontario Regulation 95/05, eligibility for the government regulated price plan will be limited to residential customers and small commercial customers. Municipalities, universities, colleges, schools and hospitals whose consumption is greater than 250,000 kilowatt hours per year and whose demand is greater than 50 kilowatts per [year/month??], are no longer eligible for the two tiered block price. The two tiered block price includes the Provincial Benefit and can be found under the Electricity line item on your monthly invoice. When you leave the RPP the Electricity charge and Provincial Benefit will be presented as separate line items on your invoice.

You have the option of paying the Weighted Average Price (“WAP”), the Hourly Ontario Energy Price (“HOEP”), or entering into a contract with an electricity retailer. If you decide to do nothing you will automatically pay the WAP; or the HOEP if you have an interval meter. When leaving the RPP you will also receive an RPP Settlement Variance which is a one-time credit or charge. This is the difference between the actual price paid to the generators for electricity and the forecasted price paid under the RPP. If you have already signed with a retailer you will continue to pay your contract price. You can request an interval meter however, a charge may apply.

For further information about the change in electricity pricing for the public sector you can visit the following websites: www.ieso.ca/publicsector, www.ieso.ca/electricitypricing and www.ieso.ca/retailers.

Should you have any questions respecting this notice you can contact our office by email at contactus@opuc.on.ca or at 905-723-4623 for further information about how this change will affect you.

Sincerely,

Customer Service
Oshawa PUC Networks Inc.

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.

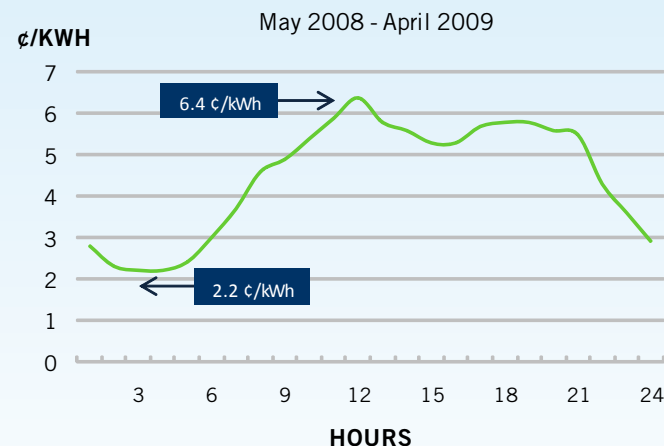
Ontario's Electricity Market



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.