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October 1, 2009

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

Dear Ms. Walli:

Re: Thunder Bay Hydro Electricity Distribution Inc.
Changes in Eligibility for the Regulated Price Plan ("RPP")
Board File No. EB-2009-0317

As requested by the Board, Thunder Bay Hydro Electricity Distribution Inc.'s (TBHEDI) Regulated Price Plan customer notification activities, are as follows:

- On at least one occasion prior to 2009, TBHEDI educated its affected customers about the pending changes to the RPP via a letter and a customer workshop prior;
- In January of 2009 TBHEDI updated its website with further information on the topic. The website details are attached;
- Additionally on the morning of June 23rd, 2009 TBHEDI, along with the IESO, jointly invited affected customers to an information breakfast; and
- Finally, TBHEDI is in the process of completing a mail notification to its affected customers advising them of their options. This letter is attached.

As required we are filing two (2) paper copies and have also filed one (1) electronic copy. We were unsuccessful in filing a copy through the Board's web portal due to technical difficulties on the OEB website. Trusting this report meets the Board's information requirements at this time.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Wilson", written in a cursive style.

Tim Wilson, MBA
Vice President, Customer Service & Conservation

TW/dt

Attachments.



[Home](#) > [Business](#) > [MUSH Pricing](#)

MUSH Eligibility for RPP

RPP Eligibility Extended for Municipalities, Universities, Schools and Hospitals

The Regulated Price Plan (RPP) was introduced in 2005 and included, municipalities, universities, colleges and hospitals (referred to as the MUSH sector) with demand greater than 50 kW per month as well as farms and some other designated customers were given eligibility to RPP for three years until March 31, 2008.

The May 1, 2009 deadline for Regulated Price Plan (RPP) eligibility as it relates to the MUSH (Municipality, University, School and Hospital) sector was extended for 6 months to **November 1st**.

The regulatory amendments to O. Reg 95/05, affecting customer eligibility for the regulated price plan, is now posted online at [e-laws](#).

The deadline extension regulation allows all affected institutional customers to voluntarily exit the RPP at any point prior to November 1st, whether or not they have an interval meter.

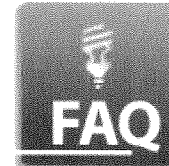
Once RPP eligibility ends as of November 1, 2009, MUSH customers have the following options for how their account is billed for electricity:

- Enroll with an electricity retailer and pay the contracted price for electricity, or
- The spot market price for electricity will be billed.
- Customers with an interval meter will be billed the Hourly Ontario Energy Price for electricity. While customers with a conventional meter (including Smart Meters) will be billed the Weighted Average System Price for electricity, unless they decide to install an interval meter.

FAQs

Why did the government extend the RPP eligibility for municipalities, universities, schools and hospitals?

The government extended the RPP eligibility to November 1, 2009 to the MUSH sector since they realized many customers were not ready for an April 1, 2008 implementation date. The additional time will allow customers to educate themselves on the options for purchasing electricity.



What are my options for purchasing electricity as of Nov. 1, 2009?

You have two options for purchasing electricity:

- 1) You can enroll with a retailer and pay a contracted price for electricity, or
- 2) You will be billed the spot market price for electricity. Customers with an interval meter will pay the Hourly Ontario Energy Price.

Customers with a smart meter or conventional meter will pay the Weighted Average System Price.

What changes will I see on my bill when my RPP eligibility ends?

You'll no longer be billed RPP prices for electricity. You'll either pay the spot market price for electricity or a contracted price for electricity, if you have signed with a retailer.

You'll now be billed a monthly Provincial Benefit. This can either be a charge or a credit depending on prevailing market prices for electricity and the mix of regulated and contract prices.

You'll also be billed a one-time RPP Settlement amount that will appear on your electricity bill when you leave the Regulated Price Plan.

I am a municipality/university/school/hospital with a monthly demand of less than 50 kW per month. Will I still be billed RPP prices after Nov 1, 2009?

Yes, as long as your average monthly demand is under 50 kW per month or 250,000 kWh per year, you will be billed RPP prices.

What is the spot market price?

With spot market pricing you pay actual wholesale market prices for electricity. Price is determined by market conditions and it changes every hour.

What factors influence the spot market price for electricity?

There are many factors that influence pricing:

- One is the season in which electricity is used - prices are generally higher in winter and summer than they are in the spring and fall.
- Another is the time of day. Prices tend to be higher in late afternoon and early evening.
- The source of electricity is another factor, some being more expensive to run than others. When demand for electricity is high, more expensive generation is needed to meet that demand, driving up the cost of power.

What is the Hourly Ontario Energy Price for electricity?

The Hourly Ontario Energy Price is a weighted average based on Ontario demand and fluctuates every hour throughout the day. The electricity charge on your bill would reflect your consumption pattern. You will need to have an interval meter in order to pay hourly prices. For more information, visit the IESO's website at www.ieso.com.

How is the Hourly Ontario Energy Price for electricity set?

It is determined through a competitive process of generators bidding to supply electricity into the market. The price fluctuates throughout the day according to supply and demand.

What are the advantages of paying Hourly Ontario Energy Price?

In the wholesale market, prices rise and fall depending on the availability of supply. This provides customers with an incentive to use electricity more wisely - to shift electricity use to times of the day when demand and prices are lower. By managing peak demand and using your interval meter to take advantage of price fluctuations, you can lower your electricity costs.

What is the Weighted Average System Price for electricity?

Customers with a smart meter or conventional meter pay a fixed rate for electricity based on the load shape of Hydro One Networks.

What is the current spot market rate for electricity?

The spot market is a fluctuating market rate. To find the current spot market rate, please visit the IESO's website at www.ieso.com or call the IESO at 1-888-448-7777.

I do not want to pay the Weighted Average System Price for electricity. What do I need to do to be eligible for the Hourly Ontario Energy Price?

You will need to have an *interval meter* installed. Customers who are below the 1,000 kW threshold shall submit a written request to us and will need to pay the difference between the cost of a standard meter installation and the cost of the interval meter installation, including the cost of equipment, labour and telecommunications.

What are the advantages of having an interval meter?

You will be able to access your hourly load profile and better manage your electricity costs. Customers with an interval meter will be billed the Hourly Ontario Energy Price.

I signed up with a retailer since I thought my RPP eligibility would end as of April 1, 2008. Can I get out of my contract now that the government has extended the RPP eligibility?

You have a ten day cooling off period to cancel your contract without paying any penalty. If you signed your contract more than ten days ago, you should read the terms and conditions of your contract to see if there is a cancellation fee. You should call your retailer to discuss.

What is the benefit of signing a contract with an electricity retailer?

Customers benefit from the security of knowing exactly what their electricity will cost them per kWh, without having to worry about the ups and downs of the spot market.

This page last updated 2009-09-22.



34 Cumberland Street North Thunder Bay, ON P7A 4L4 • Tel: 1-807-343-1111

October 1, 2009

Company Name

Re: Service Address

Address

City, Code

Changes in Eligibility for Regulated Price Plan

Eligibility for Regulated Price Plan pricing has been revised and will come into effect on November 1, 2009. Our records indicate that your organization falls into a category that will no longer be eligible for this pricing plan.

We corresponded with you in January 2008 about this change and offered information about options at that time. Our records indicate that your organization continues to be billed under the Regulated Price Plan.

As of November 1, 2009, your electricity commodity rate will be based on the weighted average cost. For those customers with interval meters, your commodity rate will be based on HOEP, also known as hourly spot pricing.

For more information about the change, visit our website at www.tbhydro.com or call us at 343-1131. For more information about electricity pricing, please visit the Independent Electricity System Operator website at www.ieso.ca.

Thunder Bay Hydro Electricity Distribution Inc.