Great Lakes Power

September 18, 2009

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

To whom it may concern:

RE Great Lakes Power
Report on Notification re Eligibility for the Regulated Price Plan

Further to your letter dated August 13, 2009, this letter is to confirm that Great Lakes Power Distribution Inc. has notified all of its customers who will not longer be eligible for the RPP as a designated consumer beginning November 1, 2009.

Our original notification letter to affected customers was sent on March 23, 2009. This communication advised of the May 1, 2009 deadline. We included the IESO brochure "What You Need to Know About Changes to Electricity Prices" with this letter.

A second letter was mailed on April 17, 2009 which notified the affected group of the change of the deadline from May 1, 2009 to November 1, 2009.

This information was included in presentations given to 13 communities in our service area from March – June, 2009, where the IESO brochure was passed out.

I trust this is satisfactory to the Ontario Energy Board.

Yours sincerely,

Tim Lavoie
General Manager
Great Lakes Power Distribution Inc.

Great Lakes Power

April 17, 2009

«CUSTOMER_NAME»
«ADDRESS1»
«ADDRESS2»
«CITY» «PROV» «PC»

Dear Customer:

Re: Account #«CUST_ID»-«LOC_ID»
Service: «FIRE_OR_CIVIC_NUMBER» «SERVICE_ADDRESS»

This account will no longer be eligible for the Regulated Price Plan (RPP) for electricity, and will be changed to the Weighted Average Spot Price (WAHSP) instead, as I outlined in a letter dated March 23, 2009.

An amendment to the regulations governing who is eligible for the RPP has changed the effective date of the change to November 1, 2009, six months later than originally scheduled. This is to give those affected more time to examine their alternatives. These include:

- Doing nothing and waiting for the change to go through in November;
- Requesting a switch to the WAHSP earlier than November;
- Requesting that an interval meter be installed; or
- Signing with an electricity retailer.

If you have any questions, please contact this office.

Yours truly,

GREAT LAKES POWER
Customer Service Department

Catharine Muirhead
Billing Clerk

Great Lakes Power

March 23, 2009

«CUSTOMER_NAME»
«ADDRESS1»
«ADDRESS2»
«CITY» «PROV» «PC»

Dear Customer:

Re: Account #«CUST_ID»-«LOC_ID»
Service: «SERVICE_ADDRESS»

This letter is to inform you that, as a result of changes in regulations by the Ontario government, as of May 1, 2009, this account will no longer be eligible for the Regulated Price Plan (RPP) for electricity charges. As of May 1, the electricity charge will be based on the Hourly Ontario Electricity Price (HOEP), and there will be an adjustment called the Provincial Benefit.

This change affects only the electricity charges on your bill. It has no effect on any of the other charges. The distribution, transmission, wholesale market, and debt retirement charges stay at the same rate as they are now.

What is the Regulated Price Plan?

The Regulated Price Plan (RPP) is the pricing plan that applies to electricity in Ontario for all services with annual consumption under 250,000 kWh, except where customers have signed contracts with retailers instead. It is designed to smooth any extreme fluctuations in the price of power (based on a forecast of prices and weather, and past performance), as well as to encourage energy conservation, because the first tier of the rates has a lower price than the remainder of the electricity consumed does.

Since its inception in December 2002, certain types of customers with annual consumption over 250,000 kWh or interval meters have been able to purchase electricity on the RPP. They are known as designated consumers. Until now, this account has been designated.

What is the Hourly Ontario Electricity Price?

The Hourly Ontario Energy Price (HOEP) is the hourly price that is paid to generators and charged to various market participants, including customers with interval meters, to buy electricity.

An interval meter records the electricity flowing through it on an hourly consumption basis. This allows the consumption for each hour in the billing period to be billed on the Hourly Ontario Electricity Price (HOEP) in effect for that hour, so it reflects the customer's unique pattern of usage.

Street lights aren't actually metered, but because we know that they are on when it's dark and off during the daytime, and what the number and wattage of the streetlights are, we can bill them as if they have interval meters. This is beneficial to you, because the hourly prices are normally lower at night than they are during daytime hours.

What is the Provincial Benefit?

The Provincial Benefit is the difference between the regulated and contract prices for electricity paid to certain generators and the amount they would have received in the wholesale electricity spot market run by the

Independent Electricity Market Operator (IESO). It is a credit if the wholesale spot market prices are higher than the regulated and contract prices. It is a charge if the wholesale spot market prices are lower than the regulated and contract prices. It is rolled into the RPP, so it has been hidden as long as you've been on the RPP price.

The Final Bill on the RPP

The electricity charges on the billing period that includes May 1, 2009 will be prorated between the RPP and the new rate.

There will be an RPP Settlement when you change from the RPP rates to the HOEP rates. The RPP smoothes fluctuations in the electricity price, while the HOEP is the actual spot market price paid to generators. The RPP settlement calculates your share of the variance between the actual price paid to generators and the RPP price. If you have been paying more for electricity than was paid to generators, this amount is a credit. If you have been paying less, it is a charge. The Ontario Energy Board posts an RPP Variance Settlement Factor to be used to calculate it on its website every month. Your consumption for the past twelve months will be multiplied by the settlement factor to arrive at the amount to credit or charge. This is a link to the RPP Settlement Variance Factor on the OEB website.
http://www.oeb.gov.on.ca/OEB/Industry+Relations/OEB+Key+Initiatives/Regulated+Price+Plan/Regulated+Price+Plan+-+Variance+Settlement+Amount

The RPP Settlement is charged whenever a customer leaves the RPP to change to another rate for electricity, whether it is to change to the HOEP or to another alternative.

An Alternative to paying the HOEP

Sign a Contract with an Electricity Retailer: As noted on the pamphlet enclosed, this allows you to lock in a certain price for electricity for a fixed length of time.

What Effect Will This Change Have on the Amount Charged for Electricity?

It is hard to predict whether the rates will increase or decrease from what you're paying now. It depends on how much power you use and what the HOEP is each hour during the billing period. The rate varies with the amount of power available from generators, the kind and price of the power, the demand across the province for it, and the weather, which affects the provincial demand for heating and cooling.

Further Information

A pamphlet from the IESO about this topic and a rate sheet are enclosed with this letter.

If you have any questions, please contact this office.

Yours truly,

GREAT LAKES POWER
Customer Service Department

Catharine Muirhead
Billing Clerk

Enc. 2

2 Sackville Road, Sault Ste Marie ON P6B 6J6 1-705-256-3850 Toll Free 1-877-457-7378 Fax 1-705-253-6476 www.glp.on.ca

Great Lakes Power

March 23, 2009

«CUSTOMER_NAME»
«ADDRESS1»
«ADDRESS2»
«CITY» «PROV» «PC»

Dear Customer:

Re: Account #«CUST_ID»-«LOC_ID»
<u>Service: «FIRE_OR_CIVIC_NUMBER» «SERVICE_ADDRESS»</u>

This letter is to inform you that, as a result of changes in regulations by the Ontario government, as of May 1, 2009, this account will no longer be eligible for the Regulated Price Plan (RPP) for electricity charges. As of May 1, the electricity charge will be based on the Weighted Average Hourly Spot Price (WAHSP) for Ontario, and there will be an adjustment called the Provincial Benefit.

This change affects only the electricity charges on your bill. It has no effect on any of the other charges. The distribution, transmission, wholesale market, and debt retirement charges stay on the same rates as they are now.

What is the Regulated Price Plan?

The Regulated Price Plan (RPP) is the pricing plan that applies to electricity in Ontario for all services with annual consumption under 250,000 kWh, except where customers have signed contracts with retailers instead. It is designed to smooth any extreme fluctuations in the price of power (based on a forecast of prices and weather, and past performance), as well as to encourage energy conservation, because the first tier of the rates has a lower price than the remainder of the electricity consumed does.

Since its inception in December 2002, certain types of customers with annual consumption over 250,000 kWh have been able to purchase electricity on the RPP. They are known as designated consumers. Until now, this account has been designated.

What is the Weighted Average Hourly Spot Price?

This is a weighted average of the price of electricity for each hour of the billing period based on the pattern of usage by all of Great Lakes Power's customers as a group. One rate applies to all of the electricity used during one billing period. There is no tiering in the rates, as there is with the RPP.

What is the Provincial Benefit?

The Provincial Benefit is the difference between the regulated and contract prices for electricity paid to certain generators and the amount they would have received in the wholesale electricity spot market run by the Independent Electricity Market Operator (IESO). It is a credit if the wholesale spot market prices are higher than the regulated and contract prices. It is a charge if the wholesale spot market prices are lower than the regulated and contract prices. It is rolled into the RPP, so it has been hidden as long as you've been on the RPP price.

The Final Bill on the RPP

The electricity charges on the billing period that includes May 1, 2009 will be prorated between the RPP and the new rate.

There will be an RPP Settlement when you change from the RPP rates to the WAHSP rates. The RPP smoothes fluctuations in the electricity price, while the WAHSP reflects the spot market price as closely as possible. The RPP settlement calculates your share of the variance between the actual price paid to generators and the RPP price. If you have been paying more for electricity than was paid to generators, this amount is a credit. If you have been paying less, it is a charge. The Ontario Energy Board posts an RPP Variance Settlement Factor to be used to calculate it on its website every month. Your consumption for the past twelve months will be multiplied by the settlement factor to arrive at the amount to credit or charge. This is a link to the RPP Settlement Variance Factor on the OEB website.
http://www.oeb.gov.on.ca/OEB/Industry+Relations/OEB+Key+Initiatives/Regulated+Price+Plan/Regulated+Price+Plan+-+Variance+Settlement+Amount

The RPP Settlement is charged whenever a customer leaves the RPP to change to another rate for electricity, whether it is to change to the WAHSP or to one of the following alternatives.

Alternatives to paying the WAHSP

Install an Interval Meter: An interval meter records the electricity flowing through a meter on an hourly consumption basis. This allows it to be billed on the Hourly Ontario Electricity Price (HOEP). The price varies hour by hour, based on your own unique pattern of usage.

There are costs to you associated with having an interval meter installed. These include supplying and installing a proper meter base and properly-sized instrument transformer enclosure and conduits, and supplying, installing, and maintaining a dedicated communication line to the meter base, as well as the operating costs for it. Great Lakes Power (GLP) lays out when it will automatically install an interval meter on a service in its Conditions of Service (see a copy on the GLP website at http://www.glp.ca). If this service does not meet these criteria, you would also pay for the difference between the cost of a standard meter and an interval meter, including labour, travel, testing, permits, etc.

Sign a Contract with an Electricity Retailer: Another alternative to paying the WAHSP is to sign a contract for a fixed price with an electricity retailer. As noted on the enclosed pamphlet, this allows you to lock in a certain price for electricity for a fixed length of time.

What Effect Will This Change Have on the Amount Charged for Electricity?

It is hard to predict whether the rates will increase or decrease from what you're paying now. It depends on how much power you use and what the WAHSP is each billing period. The rate varies with the amount of power available from generators, the kind and price of the power, the demand across the province for it, and the weather, which affects the provincial demand for heating and cooling.

Further Information

A pamphlet from the IESO about this topic and a rate sheet are enclosed with this letter.

If you have any questions, please contact this office.

Yours truly,

GREAT LAKES POWER
Customer Service Department

Catharine Muirhead
Billing Clerk

Enc. 2

Great Lakes Power

April 17, 2009

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- Requesting that an interval meter be installed; or
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Yours truly,

GREAT LAKES POWER
Customer Service Department

Catharine Muirhead
Billing Clerk