

October 8, 2009

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

Dear Ms. Walli:

***Re: Changes in Eligibility for Regulated Price Plan ("RPP")
Board File No.: EB-2009-0317***

Guelph Hydro Electric Systems has fulfilled its requirement, in a timely manner, to inform and assist customers who will no longer be eligible for RPP pricing on November 1, 2009.

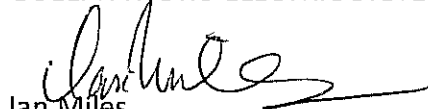
We searched our customer database to identify the customers who were currently being invoiced at RPP rates. Then, based on consumption load, we eliminated the customers who were using less than 250,000 kWh per year based on their last 12 months of consumption. Letters were then prepared for customers that included the following information:

- the price that customers will be subject to (and their options)
- option to have an interval meter installed to take advantage of hourly price
- RPP exit Settlement Variance (one time credit/charge)
- provincial benefit (credit/charge)
- change to appearance of invoice
- additional charge on invoice for poor power factor

Customized letters were sent on September 25, 2009 together with a copy of the IESO's pamphlet "What you need to know about changes to electricity prices coming November 1, 2009". Two hard copies of the letter and attachment are attached for the Board's information. As well, a searchable Adobe Acrobat (PDF) file has been posted on the Board's web portal.

Yours sincerely,

GUELPH HYDRO ELECTRIC SYSTEMS INC.


Ian Miles
Vice-President of Finance

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To Whom It May Concern:

Re: Hydro Account 000332935-000316850
Service Address: 50 WELLINGTON ST E

The above stated account which is currently eligible for the Regulated Price Plan (RPP) according to the term "designated consumers" as defined in section 56 of the Ontario Energy Board Act, 1998 that included the MUSH sector (i.e. municipalities, universities, schools, and hospitals) will change as per Ontario Regulation 95/05.

As a result, your account will cease to be eligible for the RPP on November 1, 2009. Your invoice will be modified in the following manner.

- The Weighted Average Electricity Price will be used to calculate the electricity charges (the two tier rates that are currently used will no longer be applicable).
- You have an option to request an interval meter, if you currently do not have one, for the purpose of receiving the Hourly Ontario Electricity Price. However to make use of this option you will be required to pay for the interval meter and its installation (approximately \$1400) and a dedicated phone line to transmit hourly consumption data, that you will have to maintain.
- The electricity charge on your bill currently includes the commodity charge and the Provincial Benefit. These charges will appear as two separate line items.
- You will also receive an RPP Settlement Variance amount which is a one-time credit or charge. It will be shown on your invoice that will include your October 31 consumption.
- The "Delivery" and "Regulated Charges" will be further unbundled showing the exact components that are billed in these categories.
- The power factor that was displayed on the invoice (but not used) will then be used to calculate the charges for poor power factor. If your power factor happens to be below 90% then you will be charged an "Additional kW Power Factor".
- If your peak demand happens to be above 50 kW and you own the transformer at the service address then you will also be entitled to a "Transformer Allowance" based on your peak demand.

For further clarification, please refer to the enclosed pamphlet from the IESO or contact the undersigned at 519-837-4732.

Yours sincerely,
Guelph Hydro Electric Systems Inc.



Sushil Verma, P.Eng.
Billing, Settlements & Customer Inquiry Supervisor

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

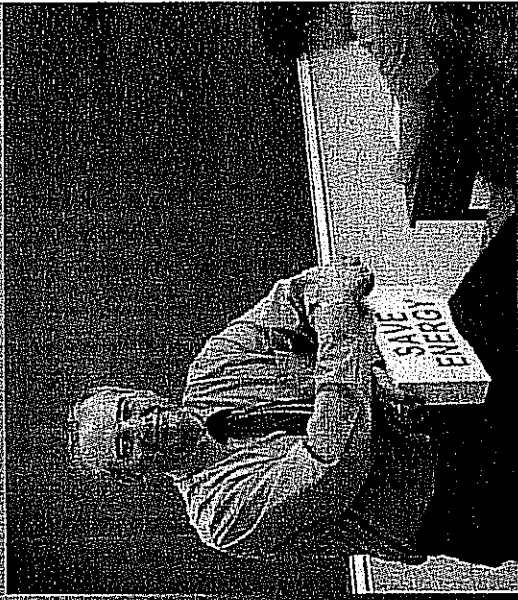
The Independent Electricity System Operator (IESO) is a not-for-profit entity that manages the province's power system so that Ontario has enough power when and where they need it. Ontario's IESO balances demand for electricity against available supply through the wholesale market and directs the flow 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 Benefit. When you leave the RPP, the electricity charge and Provincial Benefit 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.

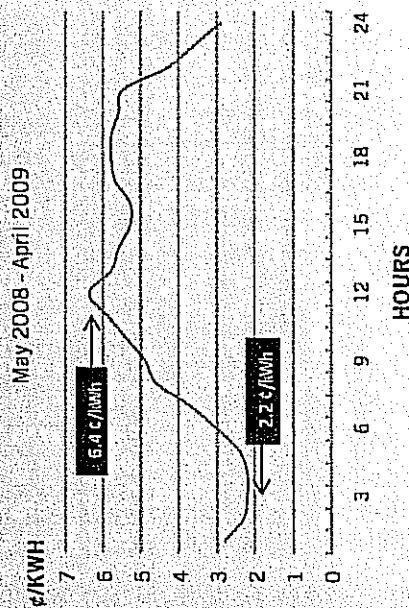
Ontario's Electricity Market



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.