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BY PRIORITY POST

August 3, 2001

Mr. Jeffrey Pettit
President
Erie Thames Powerlines Corporation
143 Bell Street
P.O. Box 157
Ingersoll, Ontario
N5C 3K5

Dear Ms. Pettit:

Re: Erie Thames Powerlines Corporation - Electricity Rate Change
Board File No. RP-2000-0223/EB-2000-0466

The Board has today issued its Decision with Reasons and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

A handwritten signature in black ink, appearing to read "P. O'Dell", written over a horizontal line.

Peter H. O'Dell
Assistant Board Secretary

Encl.

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On April 27, 2001, the Applicant filed its request for approval for new rates reflecting the June 1, 2001 cost of power increase using the Standard Method of Implementation (EB-2001-0197). On May 31, 2001, the Board approved an increase of \$0.00735 per kWh to be added to the energy and related rates of Erie Thames, and indicated this change to the rate schedule would be issued in due course.

Erie Thames filed a revised application on June 5, 2001 to correct a previously uncorrected error.

On June 26, 2001, Erie Thames filed an addendum to its rate application to clarify its rate implementation plan and to request a retroactive implementation of the applied-for rates to May 1, 2001.

Erie Thames has elected to use the maximum allowable Target Return on Common Equity of 9.88%. The resulting incremental revenue is \$266,990, which is one third of the amount required to achieve the Target Rate on Equity, exclusive of Payment in Lieu of Taxes. Erie Thames has also requested approval for \$53,266 in foregone revenue arising from the change in late payment charges to a 1.5% interest rate to be recovered in first year rates. The Revised Application also states that for a typical residential customer consuming 1,000 kWh per month, the increase in their total bill in the first year of the rate mitigation plan is:

Aylmer	8.5%	Central Elgin	3.3%
East Zorra	6.4%	Ingersoll	0.7%
Norwich	2.1%	South West Oxford	6.1%
Zorra	0.7%		

and for a typical general service customer consuming 2,000 kWh per month, the increase in their total bill in the first year of the rate mitigation plan is:

Aylmer	6.1%	Central Elgin	6.8%
East Zorra	7.8%	Ingersoll	3.7%
Norwich	6.4%	South West Oxford	8.5%
Zorra	1.4%		

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Due to rate restructuring, individual customer bill impacts may be higher or lower depending on a customer's electricity consumption.

Copies of the Application, including the evidence filed in this proceeding, are available for review at the Board's offices.

Board Findings

While the Board has considered all of the evidence filed in this proceeding, the Board has only referenced the evidence to the extent necessary to provide background to its findings.

The Board finds that Erie Thames' election of a 9.88% Target Rate of Return on Common Equity, and its plan for mitigation of the impact of that election on customers, are in conformity with the Rate Handbook and the RP-2000-0069 Decision, and are acceptable.

Erie Thames has proposed to treat its un-metered scattered load customers as a separate class of customers. The Board finds this proposal is acceptable.

Erie Thames has applied for approval to increase its specific charges due to greater expenses associated with a larger distribution area respectively. Erie Thames has also applied for a new charge of \$125.00 for connecting a temporary service. The Applicant provided cost justification for these charges. The Board finds these charges to be acceptable.

The Applicant also proposed to change the current 5% Late Payment Charge to a 1.5% charge when due and 1.5% each month thereafter charged on outstanding balance overdue and to adjust the required incremental revenue requirements to account for lower late payment revenue resulting from the change. The Board finds that the proposed changes are reasonable.

The Board is satisfied that there are no other significant deviations from the Electricity Distribution Rate Handbook.

The Board finds that the rates applied for are just and reasonable.

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By letter dated February 28, 2001, the Board indicated that the rates set out in the Transitional Distribution Rate Order are declared interim as of March 1, 2001 for all licensed distributors who filed submissions for unbundled distribution rates on or before February 28, 2001. Erie Thames has proposed that the rates applied for, other than miscellaneous charges, be made effective May 1, 2001 and that it be allowed to retroactively bill customers for electricity usage back to the May 1, 2001 date through a one-time charge to appear on August bills. The Board finds this acceptable.

THE BOARD ORDERS THAT:

1. The rates declared interim by letter dated February 28, 2001 are hereby approved as final rates for the period March 1, 2001 to April 30, 2001.
2. The rates as set out in Appendix "A" of this Order are hereby approved as final rates for the period May 1, 2001 to May 31, 2001.
3. The rates, which include the cost of power increase, as set out in Appendix "B" of this Order are hereby approved on all energy consumed effective June 1, 2001.

DATED at Toronto, August 3, 2001.

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

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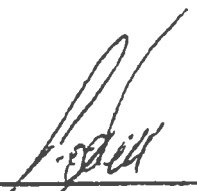
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Appendix "A"

RP-2000-0223
EB-2000-0466

August 3, 2001

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

Erie Thames Powerlines Corporation**Schedule of Rates****Effective May 1, 2001****Time Periods for Time of Use Rates (Local Time)**

Winter: all hours October 1 through March 31
Summer: all hours April 1 through September 30

On-Peak: 07:00 to 23:00 hours Monday to Friday inclusive, except for public holidays, including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (as in Toronto), Labour Day, Thanksgiving Day, Christmas & Boxing Days.

Off-Peak: all other hours.

Residential

Monthly Service Charge	(per month)	\$ 9.33
Distribution Volumetric Rate	(per kWh)	\$0.0068
Cost of Power	(per kWh)	\$0.0700

General Service Non-time of Use (Less than 50 kW)

Monthly Service Charge	(per month)	\$17.99
Distribution Volumetric Rate	(per kWh)	\$0.0091
Cost of Power	(per kWh)	\$0.0679

General Service Non-time of Use (Greater than 50 kW)

Monthly Service Charge	(per month)	\$264.04
Distribution Volumetric Rate	(per kWh)	\$ 0.8890
Demand Charge	(per kW)	\$ 4.0784
Cost of Power Charge	(per kWh)	\$0.0440

General Service Time of Use (Greater than 50 kW)

Monthly Service Charge	(per month)	\$4,159.61
Distribution Volumetric Rate	(per kW)	\$ 1.0695
Cost of Power - Winter Peak	(per kW)	\$ 9.5524
Cost of Power - Summer Peak	(per kW)	\$ 7.1786
Cost of Power - Winter Peak	(per kWh)	\$ 0.0630
Cost of Power - Winter Off-Peak	(per kWh)	\$ 0.0345
Cost of Power - Summer Peak	(per kWh)	\$ 0.0516
Cost of Power - Summer Off-Peak	(per kWh)	\$ 0.0235

Intermediate Use

Monthly Service Charge	(per month)	\$ 4,834.82
Distribution Volumetric Rate	(per kW)	\$ 0.9335
Cost of Power - Winter Peak	(per kW)	\$ 8.7146
Cost of Power - Summer Peak	(per kW)	\$ 7.9881
Cost of Power - Winter Peak	(per kWh)	\$ 0.0643
Cost of Power - Winter Off-Peak	(per kWh)	\$ 0.0353
Cost of Power - Summer Peak	(per kWh)	\$ 0.0531
Cost of Power - Summer Off-Peak	(per kWh)	\$ 0.0243

Large Users Time of Use (5000 kW or more)

Monthly Service Charge	(per month)	\$ 9,808.55
Distribution Volumetric Rate	(per kW)	\$ 0.4348
Cost of Power - Winter Peak	(per kW)	\$ 12.4851
Cost of Power - Summer Peak	(per kW)	\$ 8.4634
Cost of Power - Winter Peak	(per kWh)	\$ 0.0615
Cost of Power - Winter Off-Peak	(per kWh)	\$ 0.0338
Cost of Power - Summer Peak	(per kWh)	\$0.0508
Cost of Power - Summer Off-Peak	(per kWh)	\$ 0.0232

	Winter	Summer
Diversity Adjustment Credit (per kW)	\$ 1.76	\$ 2.04
(these credits will be discontinued upon Market Opening)		

Street Lighting (Non-Time of Use)

Monthly Service Charge	(per connection)	\$ 0.3600
Distribution Volumetric Rate	(per kW)	\$ 0.8047
Cost of Power	(per kW)	\$21.8002

Sentinel Lights (Non-Time of Use)

Monthly Service Charge	(per connection)	\$ 1.4982
Distribution Volumetric Rate	(per kW)	\$ 6.0500
Cost of Power	(per kW)	\$ 10.1359

Un-metered Scattered Loads

Un-metered scattered loads include traffic lights, telephone booths, cable amplifiers and radio antennae. kWh usage is based on connected load estimates. Charges per account will be as follows:

Monthly Service Charge	(per month)	\$ 3.77
Distribution Volumetric Rate	(per kWh)	\$0.0226
Cost of Power	(per kWh)	\$0.0625

Specific Service Charges

Late Payment	1.5% when due and 1.5% monthly thereafter
Returned Cheque - actual bank charges plus	\$ 10.00
Collection Charge	\$ 10.00
Reconnection - during regular hours	\$ 30.00
Reconnection - after regular hours	\$100.00
Occupancy Charge/Account Setup Fee	\$ 20.00
Meter Dispute Charge	\$ 20.00
Arrears Confirmation	\$ 20.00
Temporary Service	\$125.00
Transformer Ownership Credit - per kW of billing demand for transformation that meets utility transformer loss specifications	\$0.60 per kW
Primary Metering Adjustment	1% of kW and kWh billed