

1K4.4

SET OF EXHIBITS RELATED TO OWEN SOUND, WEST GRAY AND GREY
HIGHLANDS SUBMISSION TO OEB

1. Acquired LDC Cross reference to Municipality
2. Copy of letter from Owen Sound, West Grey and Municipality of Grey Highlands to OEB dated July 4, 2008
3. Excerpt from RP-2005-0020/EB-2005-0378 Interrogatory Response H-4-59 showing commitments made by Hydro One to sellers with respect to rates
 - Artemesia
 - Markdale
 - Georgian Bay
 - Durham
4. Communication from Corporate Communications including attached advertisement:
 - Owen Sound, Chatsworth
 - Markdale, Flesherton

ACQUIRED LDC CROSS REFERENCED TO MUNICIPALITY

1. Durham Hydro-Electric Commission (West Gray)
2. Hydro-Electric Commission of the Township of Artemesia (Grey-highlands)
3. Georgian Bay Energy (Owen Sound, Chatsworth)
4. Markdale (Grey-highlands)



July 4, 2008

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
TORONTO, ON M4P 1E4

Attention: Kirsten Walli, Board Secretary

**Re: Written Arguments for the Hearing regarding an Electricity
Distribution Rate Change - Hydro One Networks Inc. - File No.
EB-2007-0681**

Elected officials for the City of Owen Sound and the Municipalities of West Grey and Grey Highlands have reviewed Hydro One's notice to the Ontario Energy Board for rate harmonization. We are responding with specific concerns and requests relating to both the process and content of Hydro One's application. The Municipality of West Grey holds Intervener status in this matter, and the City of Owen Sound and Municipality of Grey Highlands have Observer status. The respective councils have directed the municipalities to submit the following comments to the Board:

• **UNFAIR AND UNCLEAR NOTICE**

Hydro One's notice in this matter does not constitute a genuine attempt to involve affected consumers in the application before the Ontario Energy Board and violates the rules of natural justice by preventing residents from understanding and responding to the issues. The municipalities draw attention to the Board's procedures, which specifically reference the requirement that the rules of natural justice, as prescribed in the Statutory Powers Procedures Act, be followed.

The notice was inconsistently provided: the notice was published for one day in the Owen Sound Sun Times newspaper on January 23, 2008, and in the Markdale Standard for a week in February, 2008. There is no explanation for the discrepancy in publications periods. Additionally, the municipalities of Grey Highlands and the City of Owen Sound were at no time directly served with a notice despite being the elected representatives for the affected residents.

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**Correspondence to Ontario Energy Board Re: Written Arguments for
the Hearing for an Electricity Distribution Rate Change – Hydro One
Networks Inc. - File No. EB-2007-0681**

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The notice was incomplete: the published notice did not include a deadline for requesting any form of representation at the hearing – despite the fact that deadlines do, in fact, exist.

Upon contacting the OEB office, officials seemed puzzled that the City of Owen Sound had not received direct notice and that the published notice did not contain a reference to deadlines.

The notice is confusing, misleading at best and deceitful at worst: the notice does not use simple language or comprehensive calculations to convey the significance of the matter to the public.

For example:

In the Owen Sound Sun Times newspaper notice the first highlighted message reads **"Average Delivery Rate Increase on the Total Bill."** Most customers would wonder, is the Delivery Rate increasing or the Total Bill?

The notice then moves to a chart and the headings read: **"Average 2008 Increase on Total Bill"** and **"Average Increase on total Bill at the end of 4 Years."** Again most customers would ask, what happened to the aforementioned Delivery Charges?

The next heading on the notice reads: **"How do I know if this might affect me?"** This is misleading as the heading should say: **"This Rate Increase will affect all users of Electricity in Owen Sound."**

Further, Hydro One is masking the real distribution rate increase by only showing it blended with a constant energy charge, thereby lowering the overall percentage increase. Consumers have been given the impression that they are facing an increase of 30% over four years. In fact, the total bill increase could be, for example, in excess of 50% depending on energy rates after the removal of the Rate Protection Plan.

The average Hydro One customer would find it difficult, if not impossible, to assess the net effect of the proposed increase on their bill.

• **HARMONIZATION UNWARRANTED**

Owen Sound, West Grey and Grey Highlands request that the rates do not change. When our locally owned utilities were sold to Hydro One the agreements did not contemplate rate increases for the purpose of

**Correspondence to Ontario Energy Board Re: Written Arguments for
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harmonization. Rather, the agreements provided for differential treatment that reflected our lower income levels and the potentially drastic impact of sharp rate increases on industry, commerce and jobs. Hydro One assured us the rates would be kept low and the spirit of that assurance should continue.

Hydro One is more than capable of administering different rate structures in different parts of the Province. We strongly urge the Board take this into consideration.

However, if the Board does approve the proposed rate increase, we request that it be phased in over a much longer period than that proposed and include a reasonable percentage cap on annual adjustments. This will help minimize serious impacts on residential consumers, industry and commerce during a time of economic slowdown. Alternatively, we suggest that the Board consider ordering a capital contribution to our municipalities to offset the increases.

• **INCREASES EXCESSIVE**

As far as we can determine, from reviewing the ambiguous notice and some 3,600 pages of Hydro One submission materials, the rates appear to be increasing approximately 30 per cent over four years. That's roughly 7 per cent annually, and is simply unacceptable.

The increase is particularly troubling when Westario Power, who operates in the same region, is looking at rate decreases. We respectfully request that the Board investigate this discrepancy before making a final decision.

Ontario's economic engine has historically been fuelled by affordable energy costs. The City of Owen Sound and the Municipalities of West Grey and Grey Highlands call upon the Ontario Energy Board to respect that heritage in its deliberations and decisions.

Alternatively, the Board could order a capital contribution to our municipalities to offset the increases.

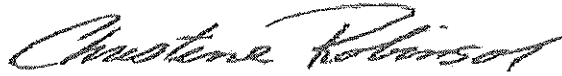
Finally, the municipalities request that the Board direct Hydro One to undertake productivity improvements, such as consolidation of billings and merging of accounts, to provide substantial operational savings to the organization. Such efficiencies are necessary to protect the future economic viability of South Central Ontario.

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**Correspondence to Ontario Energy Board Re: Written Arguments for
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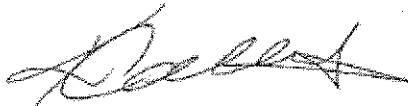
All respectfully submitted by,



Christine Robinson,
Chief Administrative Officer/Clerk
The Municipality of West Grey
402813 Grey Road 4, R. R. #2
DURHAM ON NOG 1R0
519-369-2200 EXT. 222
1-800-538-9647
Fax: 519-369-5962
robinsonC@westgrey.com



Glen Henry
Director of Corporate Services
The Corporation of the City of Owen Sound
808 2nd Avenue East
OWEN SOUND ON N4K 2H4
519-376-4440 EXT. 220
Fax: 519-371-0511
ghenry@e-owensound.com



Kelley Coulter
Chief Administrative Officer
The Municipality of Grey Highlands
P.O. Box 409
MARKDALE ON N0C 1H0
519-986-2811 ext. 231
1-888-342-4059
Fax: 519-986-3643
coulterk@greyhighlands.ca

c: rudra.mukherji@oeb.gov.on.ca
Jennifer.lea@oeb.gov.on.ca

Glen MacDonald, Senior Advisor, Hydro One Networks Inc.
8th Floor, South Tower, 483 Bay St.
TORONTO ON M5G 2P5

Glen.MacDonald@HydroOne.com

Exhibit H
Tab 4
Schedule 59
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Arran- Elderslie

4.11 The Buyer shall, when appropriate and with notice to the Seller, utilize its reasonable efforts to obtain approval from the Ontario Energy Board for distribution rates that would place the current Customers within a bandwidth of comparable municipalities as defined by the Ontario Energy Board in an attempt to establish rates for the distribution of electrical power and energy to the Customers that would be equivalent to those rates that the Commission or Seller, as the case may be, could have charged if it continued to supply the current Customers, for the period to be covered by the Buyer's first rate order after Open Access.

Artemesia

4.12 The Buyer shall, when appropriate and with notice to the Seller, utilize its reasonable efforts to obtain approval from the Ontario Energy Board for distribution rates that would place the current customers within a bandwidth of comparable municipalities as defined by the Ontario Energy Board in an attempt to establish rates for the distribution of electrical power and energy to the customers that would be equivalent to those rates that the Commission or Seller, as the case may be, could have charged if it continued to supply the current customers, for the period to be covered by the Buyer's first rate order after s.26(1) of the Electricity Act, 1998 comes into force (hereinafter referred to as "Open Access").

Blandford Blenheim

4.10 The Buyer shall, when appropriate and with notice to the Seller, utilize its reasonable efforts to obtain approval from the Ontario Energy Board for distribution rates for the distribution of electrical power and energy to the Customers that would be equivalent to those rates that the Commission or Seller, as the case may be, could have charged if it continued to supply the current Customers, for the period to be covered by the Buyer's first rate order after Open Access.

Blyth

4.10 The Buyer shall utilize its reasonable efforts to obtain approval from the Ontario Energy Board for distribution rates that would place the current Customers within a bandwidth of comparable municipalities as defined by the Ontario Energy Board in an attempt to establish rates for the distribution of electrical power and energy to the Customers that would be equivalent to those rates that the Commission or Seller, as the case may be, could have charged if it continued to

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1 Customers that would be equivalent to those rates that the Commission or Seller,
2 as the case may be, could have charged if it continued to supply the current
3 Customers, for the period to be covered by the Buyer's first rate order after Open
4 Access.

5
6 **Durham**

7
8 4.11 The Buyer shall, when appropriate and with notice to the Seller, utilize its
9 reasonable efforts to obtain approval from the Ontario Energy Board for
10 distribution rates that would place the current Customers within a bandwidth of
11 comparable municipalities as defined by the Ontario Energy Board in an attempt to
12 establish rates for the distribution of electrical power and energy to the Customers
13 that would be equivalent to those rates that the Commission or Seller, as the case
14 may be, could have charged if it continued to supply the current Customers, for the
15 period to be covered by the Buyer's first rate order after Open Access.

16
17 **Eganville**

18
19 4.10 The Buyer shall, when appropriate and with notice to the Seller, utilize its
20 reasonable efforts to obtain approval from the Ontario Energy Board for
21 distribution rates that would place the current Customers within a bandwidth of
22 comparable municipalities as defined by the Ontario Energy Board in an attempt to
23 establish rates for the distribution of electrical power and energy to the Customers
24 that would be equivalent to those rates that the Commission or Seller, as the case
25 may be, could have charged if it continued to supply the current Customers, for the
26 period to be covered by the Buyer's first rate order after Open Access.

27
28 **Forest**

29
30 4.9 *Distribution Rates:* The Buyer shall, when appropriate and with notice to the
31 Seller, utilize its reasonable efforts to obtain approval from the Ontario Energy
32 Board for distribution rates that would place the current Customers within a
33 bandwidth of comparable municipalities as defined by the Ontario Energy Board in
34 an attempt to establish rates for the distribution of electrical power and energy to
35 the Customers that would be equivalent to those rates that the Commission or
36 Seller, as the case may be, could have charged if it continued to supply the current
37 Customers, for the period to be covered by the Buyer's first rate order after Open
38 Access.

Exhibit H
Tab 4
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1 the goal that the total paid by all customers in the municipality in aggregate will
2 not increase.

3
4 **Markdale**

5
6 4.10 The Buyer shall, when appropriate and with notice to the Seller, utilize its
7 reasonable efforts to obtain approval from the Ontario Energy Board for
8 distribution rates that would place the current Customers within a bandwidth of
9 comparable municipalities as defined by the Ontario Energy Board in an attempt to
10 establish rates for the distribution of electrical power and energy to the Customers
11 that would be equivalent to those rates that the Commission or Seller, as the case
12 may be, could have charged if it continued to supply the current Customers, for the
13 period to be covered by the Buyer's first rate order after Open Access.

14
15 **Marmora**

16
17 4.10 The Buyer shall, when appropriate and with notice to the Seller, utilize its
18 reasonable efforts to obtain approval from the Ontario Energy Board for
19 distribution rates that would place the current Customers within a bandwidth of
20 comparable municipalities as defined by the Ontario Energy Board in an attempt
21 to establish rates for the distribution of electrical power and energy to the
22 Customers that would be equivalent to those rates that the Commission or Seller,
23 as the case may be, could have charged if it continued to supply the current
24 Customers, for the period to be covered by the Buyer's first rate order after Open
25 Access.

26
27 **McGarry**

28
29 4.10 The Buyer shall, when appropriate and with notice to the Seller, utilize its
30 reasonable efforts to obtain approval from the Ontario Energy Board for
31 distribution rates that would place the current Customers within a bandwidth of
32 comparable municipalities as defined by the Ontario Energy Board in an attempt
33 to establish rates for the distribution of electrical power and energy to the
34 Customers that would be equivalent to those rates that the Commission or Seller,
35 as the case may be, could have charged if it continued to supply the current
36 Customers, for the period to be covered by the Buyer's first rate order after Open
37 Access.

38
39 **Meaford**

40
41 4.11 The Buyer shall, when appropriate and with notice to the Seller, utilize its
42 reasonable efforts to obtain approval from the Ontario Energy Board for

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1 action to address the situation, including application and representation to
2 the OEB.

3 **Erin**

4
5 **7.5 Rate Structure.**

- 6
7 (a) **Freeze on Existing Rates** - The Purchaser covenants that it shall freeze the
8 Commission's existing residential and general service energy rates, as set out in
9 Schedule 10, until Open Access is declared or until December 31, 2000,
10 whichever comes first.
11 (b) **Customer Electricity Bills** - The Purchaser shall use its best efforts to ensure that
12 until January 1, 2003, there will be no overall increase in the electricity bill of the
13 current customers of the Commission.
14

15 **Georgian Bay**

16
17 **6.10 Rate Structure**

- 18
19 (a) The Purchaser commits to freeze the Corporation's existing bundled
20 Residential, General Service and large User rates at their existing level
21 until OEB approved unbundled rates come into effect.
22
23 (b) The Purchaser's commitment until the effective date of the first rate order
24 which is expected in 2003, is to work to ensure that customers do not see
25 an increase in their overall electricity bill. The Purchaser will work
26 towards the goal that the total paid by all customers of the Corporation
27 will not increase.
28

29 **North Grenville**

- 30
31 4.11 Subject to the fact that all energy rates will be subject to the approval and
32 requirements of the OEB, (a) the Buyer shall freeze the Commission's existing
33 residential and General Service energy rates at their existing level until open access
34 is declared or June 20, 2001, whichever comes first; (b) once open access
35 commences, all electricity customers will see unbundled charges appear on their
36 bills; the bills will have a standardized distribution wires charge, regulated by the
37 OEB, and all customers will have the choice of shopping for energy by contracting
38 with a competitive electricity retailer or simply remaining with the Buyer; (c) the
39 Buyer's commitment from the end of the above-mentioned freeze until
40 implementation of second generation PBR (expected in 2003), is to set the local
41 electricity distribution charge to ensure that the average electricity bills paid by
42 customers of the Business in any rate classification will not increase; and (d)

From: OGNIBENE Carrie-Lynn
Sent: Wednesday, January 23, 2008 2:27 PM
To: jharrold@e-owensound.com; gnorris@e-owensound.com; kklages@e-owensound.com
Cc: BESTER Denis; CANCELLA Enza
Subject: Hydro One Networks Distribution Rate Advertisement

Importance: High

Attachments: HON_OwenSoundSunTimes_5.75x12.pdf



HON_OwenSoundS
unTimes_5.75x12....

Good Afternoon Mr. Harold, Ms. Norris, and Ms. Klages:

Further to my conversation with Karen this afternoon, I'm forwarding an electronic copy of the advertisement that appears today in the Owen Sound Sun Times. It pertains to Hydro One's distribution rate application to the Ontario Energy Board (OEB) for our 2008 revenue requirement. We are also seeking the Board's approval to harmonize our various customer rate classifications.

It's hard to believe that it has been almost 7 years since Hydro One purchased Georgian Bay Energy (June 28, 2001 was the closing date). As you may know, those customers whose former municipal utilities were purchased by Hydro One have continued to pay the rates they were paying to their former utilities with some minor adjustments. The proposed rate harmonization would bring these customers' rates in line with existing Hydro One customer rates. The rate impacts will differ depending on the community, and the changes for Owen Sound and Chatsworth customers, if approved by the OEB, are shown in the advertisement. We have also shown rate impacts in the same ad for our customer in the Town of Durham.

I'd appreciate if you would pass this information on to the Mayor and Council and municipal department heads. If customers call your municipal office with questions, please direct them to Hydro One's website or the Customer Communications Centre telephone number noted in the advertisement.

Please don't hesitate to call if you have any questions.

Sincerely,

Carrie-Lynn Ognibene
Senior Advisor, Corporate Relations
Hydro One Networks Inc.
483 Bay Street, 8th Floor, South Tower
Toronto, ON M5G 2P5

Tel: (416) 345-5130 or 1-877-345-6799
Fax: (416) 345-6984

From: OGNIBENE Carrie-Lynn
Sent: Tuesday, January 29, 2008 11:27 AM
To: wmoore@chatsworth.ca
Cc: CANCELLA Enza
Subject: Hydro One Networks Distribution Rate Advertisement

Importance: High

Attachments: HON_OwenSoundSunTimes_5.75x12.pdf



HON_OwenSoundS
unTimes_5.75x12....

Mr. Moore:

Further to our conversation, I'm forwarding an electronic copy of the advertisement that appeared on January 23 in the *Owen Sound Sun Times*. I apologize for not getting it to your municipality prior to the publication date.

The ad pertains to Hydro One's application to the Ontario Energy Board (OEB) to harmonize our various customer rate classifications. This will have an impact on the rates of customers whose municipal utilities were purchased by Hydro One.

It's hard to believe that it has been almost 7 years since Hydro One purchased Georgian Bay Energy (June 28, 2001 was the closing date). As you know, those customers whose former municipal utilities were purchased by Hydro One have continued to pay the rates they were paying to their former utilities with some minor adjustments. The proposed rate harmonization would bring these customers' rates in line with existing Hydro One customer rates. The rate impacts will differ depending on the community, and the changes for former GBE customers, if approved by the OEB, are shown in the advertisement. Hydro One will phase the changes in over four years to minimize the impact.

What does this mean in dollar terms?

Here are a few examples that may be useful: A residential customer in Chatsworth or Owen Sound with consumption of 1,000 kilowatt-hours (kWh) per month is currently paying \$106.19 a month (total bill). With the proposed distribution rate harmonization, in 2008, the same customer would pay \$116.51 a month (or \$10.32 more); and at the end of 4 years, the total bill would have increased to \$128.56 a month (or \$22.37 more a month than in 2007).

A general service energy-billed customer in Chatsworth or Owen Sound with consumption of 2,000 kWh per month is currently paying \$202.34 a month (total bill). With the proposed distribution rate harmonization, in 2008 the same customer would pay \$215.21 a month (or \$12.87 more); and at the end of 4 years, the total bill would have increased to \$263.04 a month (or \$60.70 more a month than in 2007).

I'd appreciate if you would pass this information on to the Mayor and Council and municipal department heads. If customers call your municipal office with questions, please direct them to Hydro One's website or the Customer Communications Centre telephone number noted in the advertisement.

Please don't hesitate to call if you have any questions.

Sincerely,

Carrie-Lynn Ognibene

Senior Advisor, Corporate Relations
Hydro One Networks Inc.
483 Bay Street, 8th Floor, South Tower
Toronto, ON M5G 2P5

Tel: (416) 345-5130 or 1-877-345-6799
Fax: (416) 345-6984

Hydro One Networks is seeking OEB approval to harmonize its customers' rates

Starting in 2000, a number of people across the province became Hydro One Networks customers when we acquired their local utility. While the customers we acquired have seen changes to their delivery rates in recent years, many acquired customers continue to pay rates lower than other Hydro One customers receiving the same type of service.

Hydro One believes that all customers deserve fair, reasonable and affordable rates. In order for rates to be fair, they must be applied consistently across our customer base and reflect the true cost of delivering electricity to homes and businesses. For this reason, Hydro One is seeking to have all its customers pay the same rates for the same services. In some communities this could mean an increase to delivery rates. Under the proposed rate structure, all customers in the same rate class would be charged the same delivery rates, regardless of where they live.

The Ontario Energy Board (OEB) regulates the rates charged by all electric utilities in Ontario, including Hydro One, and must approve any changes to our delivery rates. On December 18, 2007, Hydro One applied to the OEB to harmonize or consolidate the rates in your community with other communities across Ontario served by Hydro One (OEB file number EB-2007-0681).

Based on our application, the delivery rate increase would be phased in over four years. This would limit the increase to less than 10 per cent on the total bill in any one year for an average Hydro One customer. (The average Hydro One residential customer uses 1,000 kWh per month and the average general service energy-billed customer uses 2,000 kWh per month). The table below shows the proposed delivery rate increase by community for 2008 and over four years for an average customer's electricity use.

Average Delivery Rate Increase on the Total Bill

"Community Name" from Hydro One's Electricity Bill	Residential customers using 1,000 kWh per month		General Service energy-billed customers using 2,000 kWh per month	
	Average 2008 Increase on Total Bill	Average Increase on Total Bill at the end of 4 years	Average 2008 Increase on Total Bill	Average Increase on Total Bill at the end of 4 years
Chatsworth	9.7%	20.9%	6.4%	30.0%
Durham	8.9%	10.9%	8.9%	19.5%
Owen Sound	9.7%	20.9%	6.4%	30.0%

How do I know if this might affect me?

You can confirm if you have community-specific rates by checking on page two of your Hydro One bill. If one of the communities listed in the table above appears besides the words "Your service type is Residential – Community Name" or "Your service type is General – Community Name" you will be affected.

If approved by the OEB, the proposed rate increase will affect the Delivery line on your bill. For more information on our rate application, please go to www.HydroOneNetworks.com/2008RateApplication or call 1-866-543-8031. Our office hours are Monday to Friday, from 7:30 a.m. to 8 p.m.

Do I have a say?

Yes, you can participate in the OEB process. The OEB will undertake a public process, which includes a public hearing before rates are approved. Interested parties can intervene, observe or provide written comment. Public participation helps ensure the OEB makes an informed decision on our rates.

Information on how to participate may be obtained by visiting the OEB's website at www.oeb.gov.on.ca or by calling the OEB's Consumer Relations Centre at 1-877-632-2727.



Bringing Power to the People of Ontario™

From: OGNIBENE Carrie-Lynn
Sent: Wednesday, January 23, 2008 4:51 PM
To: coulterk@greyhighlands.ca
Cc: CANCELLA Enza
Subject: Hydro One Networks Distribution Rate Advertisement

Attachments: HON_MarkdaleStandard_5.125x12..pdf; HON_Flesherton
Advance.6.25x11.pdf



HON_MarkdaleStan HON_Flesherton
dard_5.125x12.... Advance.6.25x11...

Ms. Coulter,

Further to our conversation, I'm forwarding electronic copies of the advertisement that appeared today in the *Markdale Standard* and the ad that will appear on January 30 in the *Flesherton Advance*. These ads pertain to Hydro One's distribution rate application to the Ontario Energy Board (OEB) for our 2008 revenue requirement. We are also seeking the Board's approval to harmonize our various customer rate classifications.

It's hard to believe that it has been over 7 years since Hydro One purchased the former Artemesia Hydro Electric Commission which served customers in Flesherton and Priceville (April 28, 2000 was the closing date) and almost 7 years since Hydro One became the electricity service provider in Markdale (June 29, 2001.) As you may know, those customers whose former municipal utilities were purchased by Hydro One have continued to pay the rates they were paying to their former utilities with some minor adjustments. The proposed rate harmonization would bring these customers' rates in line with existing Hydro One customer rates. The rate impacts will differ depending on the community, and the changes for Markdale and Artemesia (Flesherton & Priceville) customers, if approved by the OEB, are shown in the advertisements.

I'd appreciate if you would pass this information on to the Mayor and Council and municipal department heads. If customers call your municipal office with questions, please direct them to Hydro One's website or the Customer Communications Centre telephone number noted in the advertisement.

Please don't hesitate to call if you have any questions.

Sincerely,

Carrie-Lynn Ognibene
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483 Bay Street, 8th Floor, South Tower
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Tel: (416) 345-5130 or 1-877-345-6799
Fax: (416) 345-6984

Hydro One Networks is seeking OEB approval to harmonize its customers' rates

Starting in 2000, a number of people across the province became Hydro One Networks customers when we acquired their local utility. While the customers we acquired have seen changes to their delivery rates in recent years, many acquired customers continue to pay rates lower than other Hydro One customers receiving the same type of service.

Hydro One believes that all customers deserve fair, reasonable and affordable rates. In order for rates to be fair, they must be applied consistently across our customer base and reflect the true cost of delivering electricity to homes and businesses. For this reason, Hydro One is seeking to have all its customers pay the same rates for the same services. In some communities this could mean an increase to delivery rates. Under the proposed rate structure, all customers in the same rate class would be charged the same delivery rates, regardless of where they live.

The Ontario Energy Board (OEB) regulates the rates charged by all electric utilities in Ontario, including Hydro One, and must approve any changes to our delivery rates. On December 18, 2007, Hydro One applied to the OEB to harmonize or consolidate the rates in your community with other communities across Ontario served by Hydro One (OEB file number EB-2007-0681).

Based on our application, the delivery rate increase would be phased in over four years. This would limit the increase to less than 10 per cent on the total bill in any one year for an average Hydro One customer. (The average Hydro One residential customer uses 1,000 kWh per month and the average general service energy-billed customer uses 2,000 kWh per month). The table below shows the proposed delivery rate increase for your community for 2008 and over four years for an average customer's electricity use.

Average Delivery Rate Increase on the Total Bill

"Community Name" from Hydro One's Electricity Bill	Residential customers using 1,000 kWh per month		General Service energy-billed customers using 2,000 kWh per month	
	Average 2008 Increase on Total Bill	Average Increase on Total Bill at the end of 4 years	Average 2008 Increase on Total Bill	Average Increase on Total Bill at the end of 4 years
Markdale	8.9%	17.0%	8.8%	26.8%

How do I know if this might affect me?

You can confirm if you have community-specific rates by checking on page two of your Hydro One bill. If your bill states either "Your service type is Residential – Markdale" or "Your service type is General – Markdale" you will be affected.

If approved by the OEB, the proposed rate increase will affect the Delivery line on your bill. For more information on our rate application, please go to www.HydroOneNetworks.com/2008RateApplication or call 1-866-543-8031. Our office hours are Monday to Friday, from 7:30 a.m. to 8 p.m.

Do I have a say?

Yes, you can participate in the OEB process. The OEB will undertake a public process, which includes a public hearing before rates are approved. Interested parties can intervene, observe or provide written comment. Public participation helps ensure the OEB makes an informed decision on our rates.

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Bringing Power to the People of Ontario™

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Hydro One believes that all customers deserve fair, reasonable and affordable rates. In order for rates to be fair, they must be applied consistently across our customer base and reflect the true cost of delivering electricity to homes and businesses. For this reason, Hydro One is seeking to have all its customers pay the same rates for the same services. In some communities this could mean an increase to delivery rates. Under the proposed rate structure, all customers in the same rate class would be charged the same delivery rates, regardless of where they live.

The Ontario Energy Board (OEB) regulates the rates charged by all electric utilities in Ontario, including Hydro One, and must approve any changes to our delivery rates. On December 18, 2007, Hydro One applied to the OEB to harmonize or consolidate the rates in your community with other communities across Ontario served by Hydro One (OEB file number EB-2007-0681).

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Average Delivery Rate Increase on the Total Bill

"Community Name" from Hydro One's Electricity Bill	Residential customers using 1,000 kWh per month		General Service energy-billed customers using 2,000 kWh per month	
	Average 2008 Increase on	Average Increase on Total Bill at the end of 4 years	Average 2008 Increase on Total Bill	Average Increase on Total Bill at the end of 4 years
Artemesia	9.0%	16.1%	8.8%	14.1%

How do I know if this might affect me?

You can confirm if you have community-specific rates by checking on page two of your Hydro One bill. If your bill states either "Your service type is Residential – Artemesia" or "Your service type is General – Artemesia" you will be affected.

If approved by the OEB, the proposed rate increase will affect the Delivery line on your bill. For more information on our rate application, please go to www.HydroOneNetworks.com/2008RateApplication or call 1-866-543-8031. Our office hours are Monday to Friday, from 7:30 a.m. to 8 p.m.

Do I have a say?

Yes, you can participate in the OEB process. The OEB will undertake a public process, which includes a public hearing before rates are approved. Interested parties can intervene, observe or provide written comment. Public participation helps ensure the OEB makes an informed decision on our rates.

Information on how to participate may be obtained by visiting the OEB's website at www.oeb.gov.on.ca or by calling the OEB's Consumer Relations Centre at 1-877-632-2727.



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