



Owen Sound

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March 20, 2008

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ONTARIO ENERGY BOARD

VIA FAX AND REGISTERED MAIL

25/3/08
Board Secretary
Ontario Energy Board
P.O. Box 2319
TORONTO ON M4P 1E4

EB-2007-0681

| OEB BOARD SECRETARY | |
|---------------------|-----------------------|
| File No. | Sub File: <i>4(2)</i> |
| Panel | <i>EK / PV / PS</i> |
| Licensing | <i>RM / VC</i> |
| Other | <i>MM</i> |
| | |
| | |

Dear Board Secretary:

Re: Hydro One Increase Hearing – OEB File No. EB-2007-0681

On behalf of the Council of The Corporation of the City of Owen Sound, we hereby apply for observer status at the Ontario Energy Board Hearing regarding the above noted file No. EB-2007-0681. The City will also be submitting written comments.

We note that your public notice (copy enclosed) did not contain reference to any deadlines with respect to filing this request and we therefore assume that our request will be honoured. Your early confirmation of same will be appreciated.

Yours truly,


Glen E. Henry, C.M.O.
Director of Corporate Services

c: J. Harrold, City Manager
W. Ritchie, Director of Financial Services

OWEN SOUND • 150 YEARS



JULY 27 TO AUGUST 5

THE SOUND IS CALLING YOU HOME

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™