

**ELECTRICITY
PRICES
CHANGING
MAY 1, 2006**

**WHERE CAN
I FIND OUT
MORE
ABOUT...**

**DISTRIBUTION
RATES ARE
CHANGING**



Spring/Summer 2006

Ontario Energy Board

ELECTRICITY PRICE NEWS

The Ontario Energy Board (OEB) has developed the following consumer information to help you better understand changes to your electricity prices as of May 1, 2006.

ELECTRICITY PRICES CHANGING MAY 1, 2006

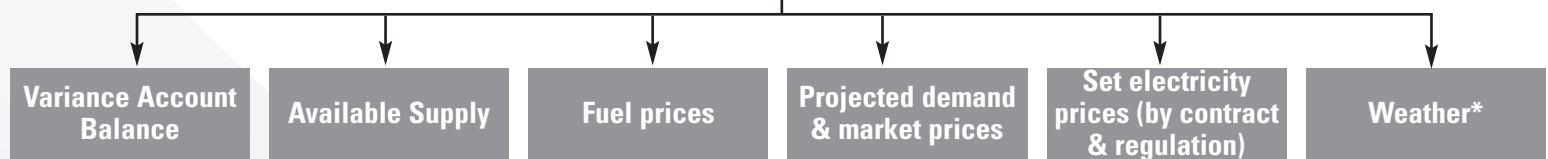
The OEB has announced new electricity prices for Regulated Price Plan (RPP) consumers who buy their electricity commodity from a utility. *If you are currently buying your electricity from a retailer (or have recently signed a new contract) and are paying their contract price, you will continue to do so.*

The new prices, effective May 1, 2006, are 5.8 cents per kilowatt hour for electricity use up to a certain threshold per month and 6.7 cents per kilowatt hour above that threshold. For residential consumers, the monthly threshold for the lower price is set at 600 kilowatt hours during the summer season, from May to October.

The threshold for non-residential consumers that are eligible for the price plan will remain at 750 kilowatt hours throughout the year.

When setting new RPP prices, the OEB takes into account a forecast of the prices paid to electricity generators, contract prices for generation and the outstanding balance in the variance account which has been tracking the difference between what you have paid and what it cost to generate the electricity you used since April 1, 2005. This information is then converted to the prices that you pay on the "Electricity" line of your bill.

FACTORS CONSIDERED IN SETTING RPP PRICES



** Normal weather is assumed in RPP forecasts*

The OEB will reset RPP prices more frequently – every six months if necessary. This helps ensure that you are paying closer to the actual amount paid to generate the electricity you use while continuing to smooth electricity prices, so you are protected from day-to-day price volatility.

YOU HAVE OPTIONS WHEN BUYING ELECTRICITY

As an electricity consumer in Ontario, you can choose to remain on the Regulated Price Plan OR to purchase your power from an electricity retailer. For more information, visit the OEB Web site or talk with a retailer.

WHAT IS THE RPP VARIANCE ACCOUNT?

It's the difference between what you have paid for the electricity you used and the actual cost of that electricity. If you remain on the RPP, the difference will be rolled into RPP prices for the next period. If you leave the RPP by signing a retail contract or moving outside the province, you will need to settle your share of the difference.

WHERE CAN I FIND OUT MORE ABOUT...

- **...how electricity is bought and sold in Ontario?**

Visit the Web site for Ontario's Independent Electricity System Operator (IESO) at www.ieso.ca and explore the *Consumer Information* section.

- **...electricity conservation?**

Check out the Web site of your local utility, learn helpful information via the powerWISE® Web site at www.power-wise.ca, go to the Ontario Power Authority's Conservation Bureau site at www.conservationbureau.on.ca OR visit the Ministry of Energy's site at www.energy.gov.on.ca and click on the *Conservation* link from the top red navigation bar.

- **...Ontario's plans for its electricity future?**

Go to www.powerauthority.on.ca to see what the Ontario Power Authority has planned. Click on *Power System Planning* from the top blue navigation bar.

- **...the Ontario Energy Board and what it does?**

Simply go to the *Consumer Information* section of our Web site at www.oeb.gov.on.ca.

- **...who is licensed as an electricity retailer in Ontario?**

From the Ontario Energy Board Web site at www.oeb.gov.on.ca, click on *Licences* from the top yellow navigation bar to find all licensed electricity retailers.



“TIME-OF-USE” PRICES

The Regulated Price Plan (RPP) also sets out “time-of-use” (TOU) prices for those few utilities that have both systems and meters capable of tracking and reporting hourly electricity use and have implemented TOU pricing. While TOU pricing is not yet mandatory, it is expected to increase in use as the government’s smart meter initiative is rolled out over the next several years.

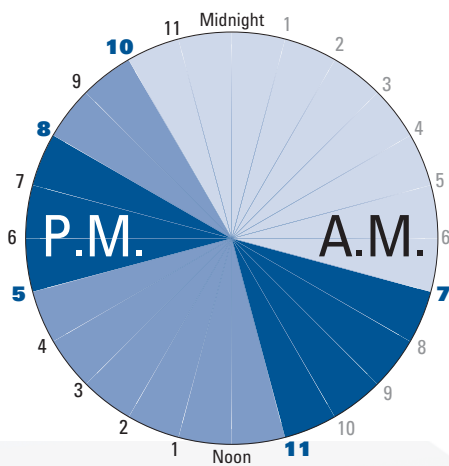
On-peak price = 10.5 cents per kWh

Mid-peak price = 7.5 cents per kWh

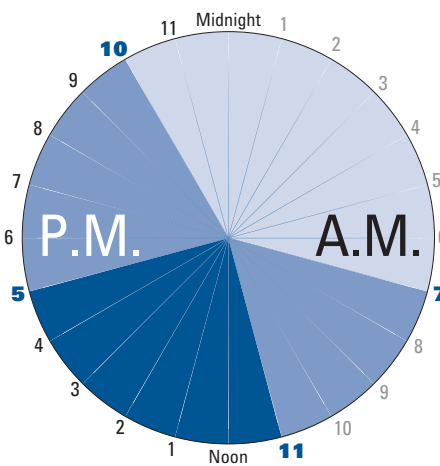
Off-peak price = 3.5 cents per kWh

THESE CHARTS SHOW THE ON-PEAK, MID-PEAK AND OFF-PEAK PERIODS OF THE DAY.

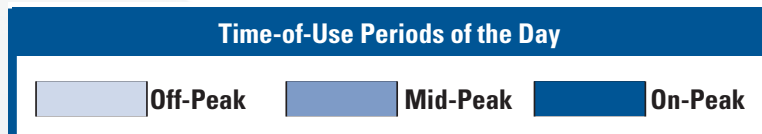
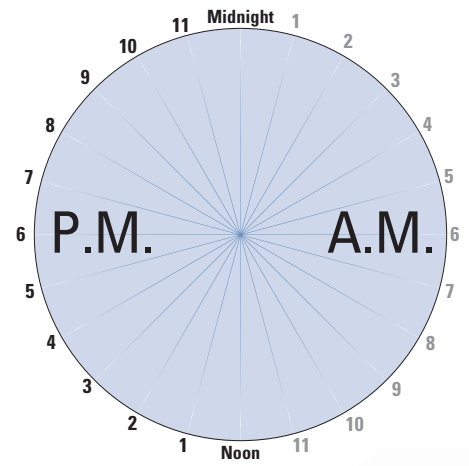
WINTER – WEEKDAYS



SUMMER – WEEKDAYS



ALL WEEKENDS



DISTRIBUTION RATES ARE CHANGING

As of May 1, 2006, there may also be a change to the distribution rates you pay under the "Delivery" line of your bill. This rate change will vary from utility to utility.

Most utilities applied to the OEB for distribution rate changes. The applications were reviewed through a public process to determine what costs utilities could pass on to consumers.

Distribution rates reflect the cost of delivering electricity to your home or business. This includes the costs to build and maintain power lines, towers and poles, and operate the systems locally. It also includes items such as calculating your charges and reading your meter.

A portion of these charges is fixed (i.e. maintenance, administration, etc.) and does not change from month to month. The rest of the charges are variable and increase or decrease depending on the amount of electricity you use.

For more information on your distribution rates, please contact your local utility.

DID YOU KNOW?

From now on, every May 1st and November 1st your electricity prices could change to include an updated OEB price forecast for the next period and any difference in what you have paid and what the electricity has actually cost.

SUMMER SEASON REMINDER

As of May 1st, the threshold for the amount of electricity residential consumers can use at the lower price changes to 600 kilowatt hours per month for the summer season (May 1st to October 31st). The winter season residential threshold of 1,000 kilowatt hours per month will be effective from November 1st to April 30th. The threshold for non-residential RPP consumers is 750 kilowatt hours per month for all seasons.

CONTACTING THE ONTARIO ENERGY BOARD

If you have questions about the electricity and natural gas sectors or have a concern with an energy supplier and cannot resolve the issue with the supplier, you can contact the Board for more information or to register a complaint.

Keep this information handy:

Toll free: 1-877-632-2727
Toronto local: 416-314-2455
E-mail: info@oeb.gov.on.ca
Web site: www.oeb.gov.on.ca

If you prefer regular mail, please write us at:

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2701
Toronto ON M4P 1E4