



THE ORILLIA POWER COMMUNICATOR



FALL 2001

What's New?

New Joint Venture Company to Build High-Speed Fibre Optic Network in Simcoe County

In June of 2001, Orillia Power Generation joined forces with 4 other utilities in Ontario – Barrie, Innisfil, Tay and Hydro One Telecom to form an exciting new joint venture company known as SCBN Telecommunications Inc.

This new company will build a high-speed fibre optics telecommunications system throughout Simcoe County to service the Simcoe Community Access Network (SCAN) Development Corporation. SCAN represents Simcoe County public sector organizations including the public and separate school boards, community college, libraries, health services, hospitals and municipal service. SCBN will install 700 kilometres of fibre optic cable throughout Simcoe County to service both the public and private sectors.

Orillia Power Corporation has been delivering fibre-optic based, high-speed telecommunications access to commercial customers in Orillia for 2-1/2 years and this venture affords us the opportunity to be involved in a much larger network.

This venture is a win-win arrangement that will provide Simcoe County with a state-of-the-art high-speed telecommunications access for internet and data transmission. It will enhance public sector productivity, efficiency and effectiveness as well as provide an internet connection. This is another example of how partnerships and innovation can result in significant benefits for all parties.

The network is expected to be completed by August of 2002.



A Celebration of
Partnership & Innovation

SCAN Broadband Network Solution

Canada's Largest Broadband Community Network



NEW RATES – effective August 1, 2001

The Ontario Energy Board has approved Orillia Power Distribution Corporation's rate application initially submitted to the Energy Board on November 30, 2000. Our application which proposed a 5% overall revenue increase will be in effect for all power consumed on and after August 1, 2001.

Rate impacts on customer classes are estimated to be an average increase of 4.7% for residential, 5.4% for small commercial and 4.8% for large commercial and industrial users. Your bill may vary from this depending on your actual consumption patterns.

Residential Service Charges

Basic Service	\$13.45/month
LDC Energy consumption	\$0.0088/kWh
Generation/Transmission Consumption	\$0.0529/kWh
Surcharge for former Ontario Hydro stranded debt retirement	\$0.0057/kWh

The debt retirement charge was implemented on June 1, 2001 by the Provincial Government. Funds collected from this charge are dedicated towards payment of the stranded debt of the former Ontario Hydro. Most local utilities in Ontario are charging \$7.35 for 1000 kWh, but due to Orillia's local generation capabilities, this rate has been reduced to \$5.70 for every 1000 kWh for a savings of \$1.65 per 1000 kWh.

HAS AN ENERGY RETAILER KNOCKED AT YOUR DOOR?

For your information

- Orillia Power Distribution Corporation is **NOT** associated with any energy marketing company or retailer.
- The Ontario Energy Board (OEB) advises consumers not to share any information, such as utility bills or account numbers with a retailer until if and when they decide to sign with the company.
- Consumers who sign a contract have 10 business days to change their mind and inform the retailer in writing that they wish to cancel the contract.
- If you have any concerns about the conduct of the electricity retailers, contact the OEB at their toll free number: 1-877-632-2727

Remember.... the choice is yours, no one can force you to switch, we can't tell you what to do, but can caution you to read your contract thoroughly and if you don't understand it completely, then don't sign it until you have all your questions answered to your satisfaction.

Visit our website at: www.orilliapower.ca

Email us at: info@orilliapower.ca

~ DEREGULATION DICTIONARY ~

AGGREGATOR/BROKER/MARKETER/RETAILER:

All these terms can be used to describe a company that sells electricity or arranges transactions between or on behalf of electricity generators and customers

DEBT RETIREMENT CHARGE (DRC):

To pay off the residual portion of the former Ontario Hydro's "stranded debt", electricity customers in the province will pay something called the Debt Retirement Charge. This item will appear on every electricity bill after the electricity market opens. The charge for a residential customer (who consumes 1,000 kilowatt hours of electricity per month) will likely be about \$7.00 per month.

HOURLY SPOT PRICE:

This is the hourly price for electricity in the IMO-administered wholesale electricity market. This price changes from hour to hour, day by day, season to season. Wholesale sellers (generators) submit offers and wholesale buyers (loads) submit bids for electricity in different quantities and prices for each hour. The IMO calculates the spot price by balancing the supply of electricity with demand. As demand increases, buyers submit higher bids, which raises the spot price. As demand falls, only less expensive offers from sellers are accepted, and prices drop

INDEPENDENT ELECTRICITY MARKET OPERATOR:

Also known as the IMO or IEMO, this is another Ontario Hydro successor company. It's responsible for ensuring an adequate supply of power for the province, operating its electricity market, and ensuring the safety and reliability of the electricity grid.

LOCAL DISTRIBUTION COMPANY (LDC):

A distributor, such as Orillia Power Distribution Inc., is responsible for safely delivering electricity through the local wires to electricity customers in a specific area or community. Electric utilities are distributors, and will be referred to as Local Distribution Companies - or LDC's

ONTARIO ENERGY BOARD (OEB):

The OEB is the regulator that licenses industry participants, establishes operational codes, regulates the rates for transmission and distribution, approves sales or purchases of regulated utilities and investigates customer complaints, both for electricity and gas

PAYMENTS-IN-LIEU (of taxes) (PILS):

These are forms of proxy taxes paid by government-owned bodies. Among the new PILS that have been imposed by the Act, some are approximately equal to federal and provincial corporate income and capital taxes. This money will go toward paying down the stranded debt. Municipal and provincially owned companies will continue to pay municipal tax to the municipality.

RESIDUAL STRANDED DEBT:

The portion of the stranded debt that is not expected to be covered by dividends and PILS. It is to be financed by a Debt Retirement Charge, currently set at 0.7 cents/kWh, to be added to customers' bills until this Debt is paid off (implemented June 1, 2001).

STRANDED DEBT:

This is the term for the total debt and liabilities accumulated by the former Ontario Hydro, less debt assumed by successor companies (Ontario Power Generation Inc., Hydro One). The stranded debt is held by the Ontario Electricity Financial Corporation, and is to be paid down in several ways - through payments-in-lieu (PILS) from successor companies and municipal utilities, through dividends and asset sale revenues from the Ontario Hydro successor companies, and through the Debt Retirement Charge.

UNBUNDLING:

This is a term you will hear in relation to customer electricity bills. Unbundling is separating the details of all the charges that go into a customer's bill, including the transmission charge, distribution charge, the charge for the commodity of electricity itself, the DRC, etc. In future, each piece is to be calculated separately.

Where to get more information

The following websites provide further details of the changes happening in the electrical marketplace

Ontario Energy Board www.oeb.gov.on.ca

Ministry of Energy,
Science & Technology www.est.gov.on.ca

Independent Electricity
Market Operator www.iemo.com

Municipal Electric
Association www.mea.on.ca



ENERGY SAVING TIPS:

It is getting to that time of year again when old Man Winter is just around the corner waiting to rob you of your hard earned energy dollars. Here are some energy saving tips for you:

- weather stripping and caulking around windows, doors, dryer vents and insulated plates for outlets are inexpensive and easy to apply
- replace your furnace filter at least once a month in the winter – your furnace fan won't have to work as hard with a clean filter
- shut doors to unused rooms & reduce the heat to them – this decreases energy waste
- keep the damper closed on your fireplace when not in use – this keeps the heat from going up the chimney, but don't forget to open it when you light the fire!!
- because heat rises, insulating your ceiling can save up to 30% of heating fuel
- close your drapes after the sun goes down, keep windows closed
- avoid overloading the dryer, but remember that drying one full load takes less energy than drying two small loads

This newsletter is a publication of

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