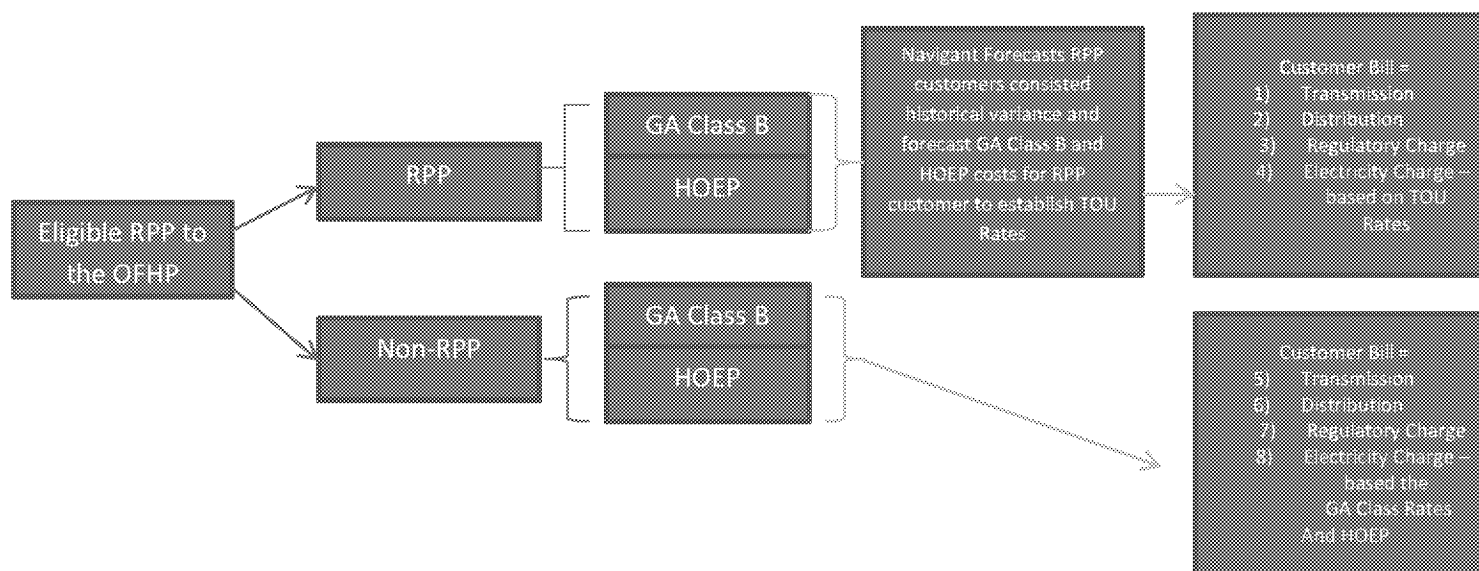


Potential Mechanism and Operation of the GA Financing Program for the Ontario Fair Hydro Plan (OFHP)

- The OEB has contracted Navigant Consulting will produce an annual forecast (12 months forward) semi-annually to determine the establishment of the TOU and Tier Rates for residential customers part effective May and November of each year for the Regulated Price Plan customers.
 - Part of the Navigant Forecast is a projection of the GA Costs and Market Costs for the RPP customer group.
 - According to the xxx Report – Navigant indicates the RPP customer group is about 52% of the Class B customer group.
- 1) No change to GA Cost calculation
 - 2) GA Class A and Class B as per the normal process
 - 3) Existing TOU Rates are based on a forecast of GA Class B
 - 4) Flow of Generation Costs to OFHP Eligible RPP Customer's Bill



5) RPP Customer Bill to determine the targeted residential monthly bill reduction of 25% (illustrated example)

Toronto Hydro Residential Monthly Bill assuming 750KWh

Transmission	=	x	
Distribution	=	x	
Regulatory (includes RRRP and OSEP)	=	x	
Electricity			
On-Peak	=	x	TOU RATES are based on estimated GA Class B Rate and HOEP
Off-Peak			
Mid-Peak			
Total Bill before Taxes	=	x	
HST	=	x	
Base - Total Bill with Taxes	=	x	Goal is to obtain a Bill 25% below this bill TARGET \$xxx
Adjustments			
OESP and RRRP via Gov't Budget	less	x	
Rebate 8% via Gov't Budget	less	x	
OPG Financing Required	less	x	
HST	plus	x	
New Bill		x	