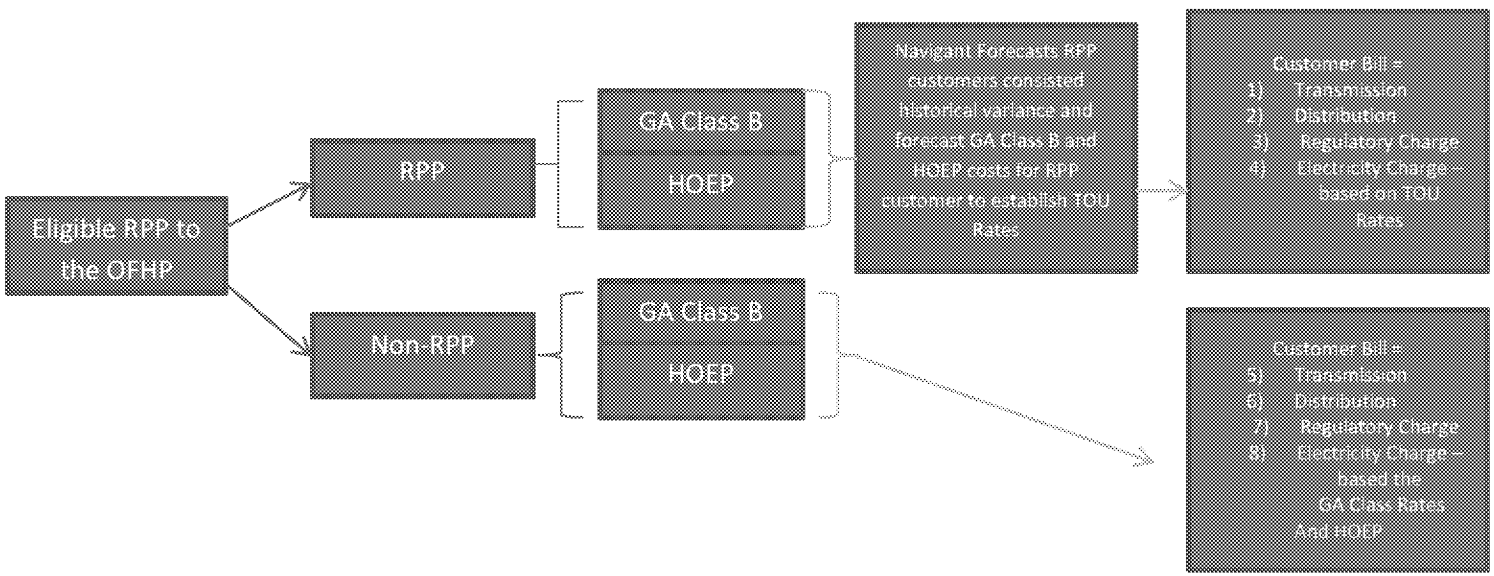
Potential Mechanism and Operation of the GA Financing Program for the Ontario Fair Hydro Plan (OFHP)

- 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	