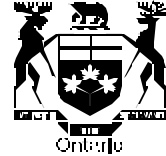


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May 28, 2001

TO: All Market Participants

RE: Proposed Amendments to the Retail Settlement Code

On April 12, 2001, the Board communicated details of its self-certification process to market participants. That letter stated that the Board would be proposing amendments to the Retail Settlement Code (Code) to make market readiness a condition of licence.

Attached to this letter are the amendments to the Retail Settlement Code which the Board proposes to make in accordance with section 17.5 of the Distribution Licences. In addition, the Board proposes to amend section 7.1 of the Code. Section 7.1 sets out the requirements for retailer-consolidated billing. The proposed amendment allows distributors to bill customers directly for certain irregularly recurring, miscellaneous non-energy charges. Section 13.5 provides that certain distributors or classes of distributors are exempt from the requirements of the proposed Chapter 13 of the Code. This reflects the fact that a number of distributors who may still be owning or operating a distribution system on the first self-certification date, will likely not be owning or operating a distribution system when the market opens. These are distributors that, subject to Board approval, are being taken over by other distributors. The Board notes that being exempted from Chapter 13 of the Code does not relieve a distributor from any of its other obligations, including filing for rate approvals.

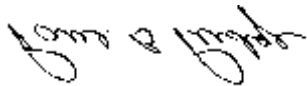
All persons are invited to comment on the proposed amendment. In particular, the Board invites submissions from any distributor which believes it should be exempted from the requirements of the proposed Chapter 13 of the Code. Please forward your comments by June 8, 2001 to the following address:

Russ Houldin, Advisor, Energy Licensing
Ontario Energy Board
P.O. Box 2319
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Fax: (416) 440-7656

Should you require additional information about these proposed amendments, please contact Russ Houldin at (416) 440-8112 or at www.houldiru@oeb.gov.on.ca.

Yours truly,

A handwritten signature in black ink, appearing to read "Paul Pudge". The signature is written in a cursive style with some loops and flourishes.

Paul Pudge
Board Secretary