

**Ontario Energy
Board**

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**Commission de l'énergie
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**To All Licensed Electricity Distributors
All Licensed Electricity Retailers
All Other Interested Parties**

Consultation on Regulated Price Plan Time of Use Prices

The Ontario Energy Board is commencing a consultation on the price setting methodology and structure of Time of Use ("TOU") prices under the Regulated Price Plan ("RPP"). The Board is reviewing the pricing structure to ensure that the design is fair and meets the objective of ultimately reducing overall power system costs. The initiative to review the RPP, and in particular TOU prices, was identified as part of the Board's 2010-2011 Business Plan issued in April 2010.

In the Board's view, a review of TOU pricing is timely given the implementation of TOU pricing that is proceeding across the province in accordance with the Board's August 4, 2010 Determination. A significant number of Ontario consumers are already on TOU pricing and, accordingly, the Board is now in position to conduct a review based on better and fuller data than was available at the time of the last review in 2008.

The Board engaged The Brattle Group over the summer to prepare an analysis of the current TOU pricing structure and methodology. Brattle's analysis will entail using consumer load profile and consumption data, which the Board is in the process of obtaining from those distributors that have implemented TOU. Brattle will prepare a report which will be released shortly.

A stakeholder meeting to review and discuss The Brattle Group report and other issues identified by Board staff will be held shortly. Details regarding the consultation process and the stakeholder meeting will be issued in due course. Interested parties with questions regarding this consultation are encouraged to send their questions to the Market Operations hotline at market.operations@oeb.gov.on.ca.

Yours truly,

Kirsten Walli
Board Secretary