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For Immediate Release

October 18, 2010

OEB Announces New Electricity Prices

Toronto – Today the Ontario Energy Board (OEB) released electricity commodity prices that take effect November 1, 2010.

Regulated Price Plan (RPP) prices, reviewed semi-annually, are reflected on the “Electricity” line of residential and small business consumer bills.

The new tiered RPP prices and the decrease from current prices are as follows:

- 6.4 cents per kWh up to 1,000 kWh each month (**↓ 0.1 cents**); and
- 7.4 cents per kWh above that (**↓ 0.1 cents**).

Despite a projected rise in market prices over the next 12 months, tiered prices are decreasing because electricity demand was higher than expected during the summer, which resulted in a lower price impact of some fixed generating costs, as well as a decrease in payments made to coal and gas-fired generators.

Effective November 1 for residential consumers, the seasonal threshold below which the lower tiered price applies will change from 600 kWh to 1,000 kWh per month. The threshold for non-residential RPP consumers stays at 750 kWh throughout the year.

Primarily as a result of that threshold change, residential consumers using 800 kWh of electricity a month will see their electricity bills decrease by approximately \$2.80 per month, which is about a 2.6% impact on the total bill.

Time-of-use (TOU) prices are changing in two pricing periods and remaining the same in the third as follows:

- Off-peak Price at 5.1 ¢/kWh (**↓ 0.2 cents**)
- Mid-peak Price at 8.1 ¢/kWh (**↑ 0.1 cents**)
- On-peak Price at 9.9 ¢/kWh (**no change**)

The estimated bill impact with the change in TOU prices and forecast changes in general consumption patterns over the three TOU pricing periods is a decrease of \$1.21, or about a 1.1% decrease in the total bill, for a residential consumer who uses 800 kWh of electricity a month.

As part of its commitment to ensuring that TOU pricing is fair to consumers and appropriately encourages shifting electricity use away from higher priced peak periods, the Board is initiating a consultation process to review the methodology used for setting TOU prices. Preliminary work on this review, which was identified in our 2010-2014 business plan, began in the summer. As part of the consultation, in the near future the Board expects to release an analysis of the current TOU pricing structure and methodology compared to practices and experience elsewhere.

RPP prices are based on a 12-month forecast and are designed to provide stable and predictable electricity pricing as well as to ensure that the price residential and small business consumers pay recovers the payments made to generators that supply the electricity they consume.

The Ontario Energy Board regulates the province's electricity and natural gas sectors in the public interest. It envisions a viable and efficient energy sector with informed consumers served by responsive regulatory processes that are effective, fair and transparent.

For more information, please refer to the attached backgrounder, visit the OEB website at www.oeb.gov.on.ca or contact our Consumer Relations Centre at 416-314-2455 or toll-free at 1-877-632-2727.

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