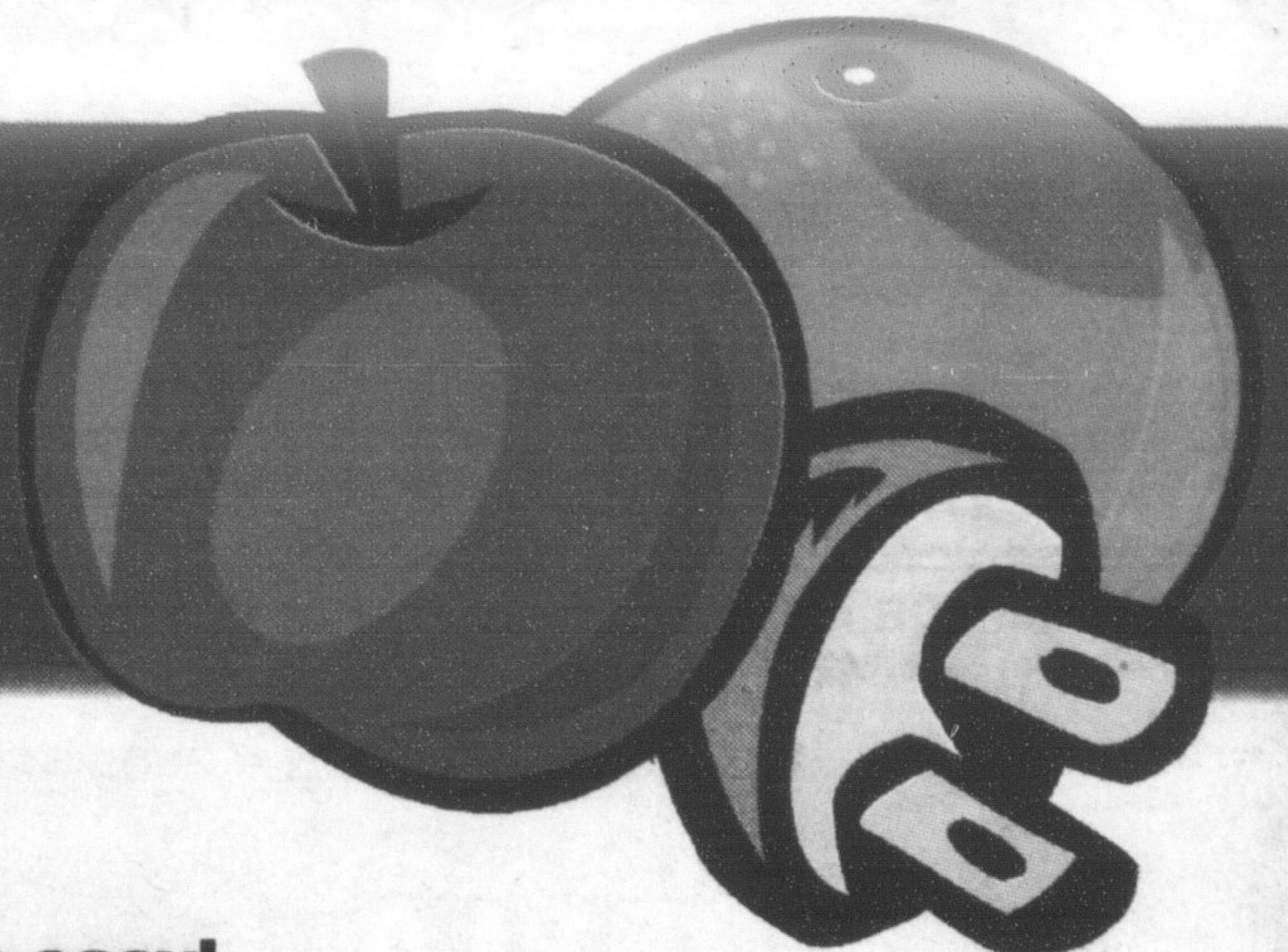


# Understanding the electricity market in the new "age of choice"



## 1 It's easy! As long as you understand your rate

In the past you have seen one rate on your hydro bill. There are three key parts to that electricity rate: **electricity supply, transmission and distribution along with related system charges.** There's no real change here, but in the past you didn't see these charges broken down on the bill. In the future, following market opening, you will.

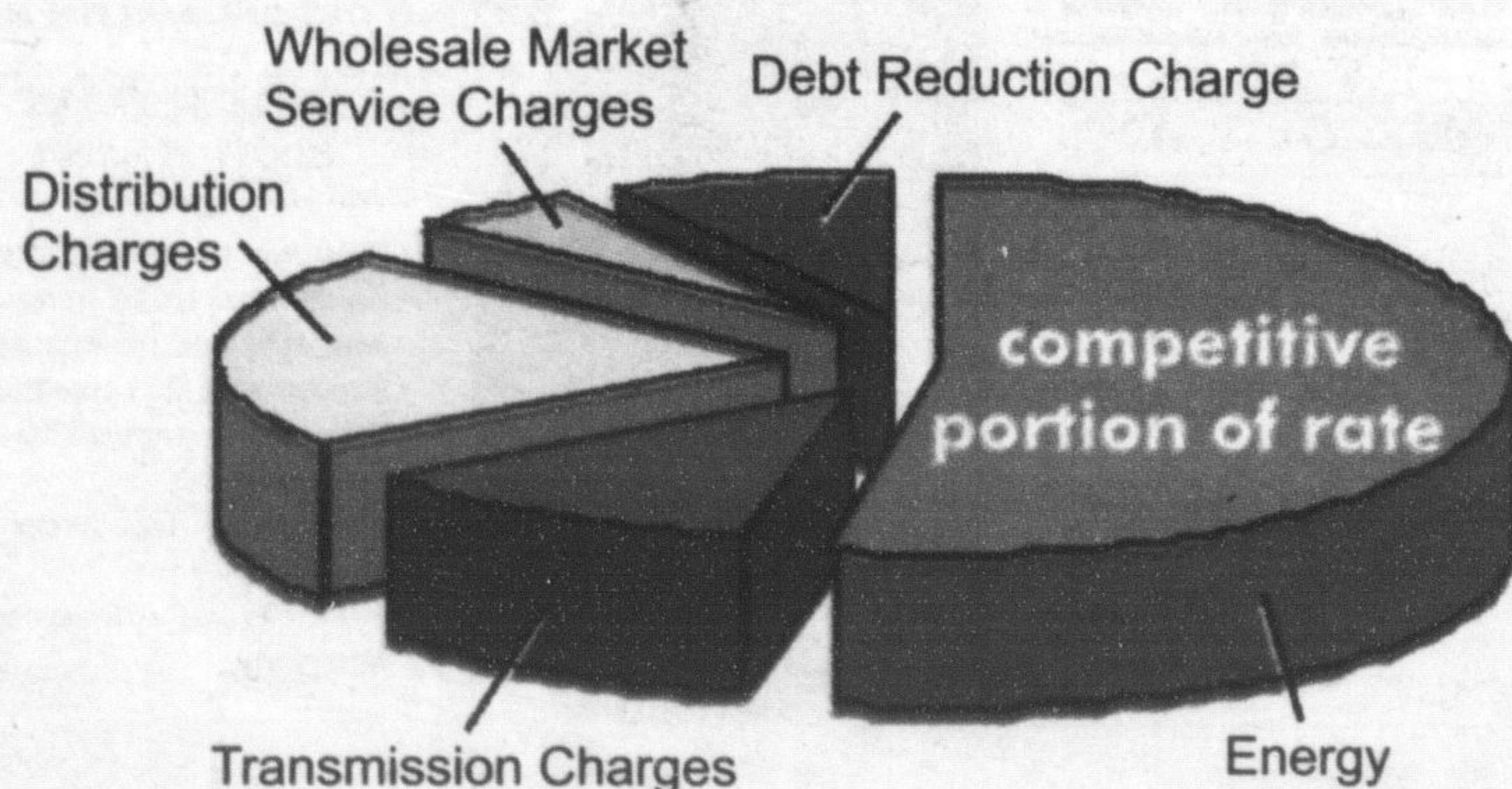
Here are some definitions to help you understand the components of your energy rate. **Electricity supply** is the actual energy commodity. **Transmission** is the delivery of electricity over high voltage lines from where it's generated to a local distribution utility. And **distribution** is the delivery of this electricity over lower voltage lines to your meter.

**When the (anticipated) market opens up in 2001 competition and customer choice will apply only to the electricity supply component (energy) of your bill.**

For an average residential customer, the electricity supply accounts for about 50% of the total bill. **That's the part of the total bill electricity retailers will compete for and consumers will have a choice about.** Electric utilities including Milton Hydro Distribution Inc. will still be responsible for distribution of electricity. **Transmission and distribution will be carefully regulated by the Ontario Energy Board (OEB) and will not be subject to competition.**

With the market opening, your electricity bill will reflect these competitive and regulated changes. You'll get a more itemized listing of charges, broken down to show where your dollar goes. It will also better explain components of your electricity service and help you compare the electricity supply prices of competing retailers.

Here's a look at what will make up your rate



If you have any questions please visit our web site or contact one of our customer service representatives by telephone.

**Milton Hydro Distribution Inc.**  
tel: 905-876-4611 fax: 905-876-2044  
www.miltonhydro.com

## 2 It's easy! As long as you're not comparing apples to oranges

**Understand the price being offered.** The portion of your bill that will become open to competition is expected to be about 50% of your current charges. The balance of your bill includes the costs outlined on the pie chart. **When you are offered a guaranteed fixed price, ask whether that price is the cost of energy only or if it includes all costs.**

## 3 It's easy! As long as you understand your choices

**You do not have to sign a contract, or switch suppliers... the choice is yours.** If you don't do anything you will continue to receive electricity from Milton Hydro Distribution Inc. at the average market price.

**Know your contractual risks and responsibilities.** Contracts signed now can bind you to terms as long as 5 years, at rates that could turn out to be below or above the average market price. Read the fine print.

**Don't be rushed. No definite date has been set for the opening of electricity competition though it's expected to occur sometime in 2001.** The new electricity market is not fully developed or implemented yet. As market opening draws closer you can expect to see more retailers offering a broad range of products and services. Our best advice to you is to stay informed. For up-to-date information you can call the Ministry of Energy Science and Technology at their toll free number 1-888-668-4636 or visit their Web site at [www.est.gov.on.ca](http://www.est.gov.on.ca).

## 4 It's easy! As long as you ask the right questions

Before you sign a contract with an electricity retailer make sure that you know what you will be getting. We suggest asking the following questions:

1. What is the agents number and company name?
2. Does the retailer hold a valid license from the Ontario Energy Board?
3. Can you exit the contract if you are not happy? Will any penalty costs apply?
4. What is the price being offered? How does it compare to other competitive offerings? Is the price fixed or will the price automatically change in the future?
5. What kinds of power sources will the supplier use? Are cleaner or 'green energy' sources available?
6. What is the term of the contract?

If you have any concerns about the electricity retailer call the Ontario Energy Board Customer Service Centre at 1-877-632-2727