GLOSSARY

- Adjustment Factor: When electricity is delivered over a power line, it is normal for a small amount of power to be consumed or lost as heat. Equipment, such as wires and transformers, consumes power before it gets to the home or business. The adjustment factor accounts for these losses.
- **Conventional Meter:** A meter other than an interval meter or an eligible time-of-use meter.
- **Debt Retirement Charge:** The debt retirement charge pays down the debt of the former Ontario Hydro.
- Delivery Charge: This is the cost of delivering electricity from generating stations across the Province to Milton Hydro then to your home or business. This includes the costs to build and maintain the transmission and distribution lines, towers and poles and operate provincial and local electricity systems. A portion of these charges are fixed and do not change from month to month. The rest are variable and increase or decrease depending on the amount of electricity that you use. This charge includes: Customer Charge: a fixed monthly charge to recover costs such as meter reading, billing and account maintenance.
- **Distribution Charge:** based on your usage to recover the cost to deliver electricity through Milton Hydro's distribution network.
- **Transmission Network Charge:** based on your usage to recover costs of transporting electricity from the generators to Milton Hydro across the high-voltage transmission grid.
- Transmission Connection Charge: based on your usage to recover costs to connect Milton Hydro's distribution network to the transmission grid.
- **Electing Spot Consumers:** An RPP eligible consumer with an interval meter that has elected to be billed on spot market price.
- Electricity Charge: This is the cost of the electricity supplied to you during this billing period and is part of the bill that is subject to competition. The electricity consumed is multiplied by the adjustment factor. Milton Hydro collects this money and pays this amount directly to our suppliers.
- **Spot Market Price:** for a given hour, the Hourly Ontario Energy Price (HOEP) established by the IESO for that hour.
- **Interval Meter:** A meter that measures and records electricity use on at least an hourly basis.

- **IESO:** Independent Electricity System Operator. The IESO administers the wholesale electricity market in Ontario, schedules and dispatches the electricity system to maintain a safe, reliable electricity supply, and settles the wholesale market with all wholesale market participants.
- **Non RPP Consumers:** Consumers billed on spot market price.
- OPG Rebate: Is a rebate from Ontario Power Generation (OPG) on revenues above a set limit for its unregulated generation covering the period April, 1, 2005 to April, 30, 2006.
- **Provincial Benefit:** The price of generation in Ontario is set by a competitive market. Certain generators receive payments through regulation or contract that differ from the market price. Your portion of the net adjustment arising from these different payments is included on your bill
- **RPP:** Regulated Price Plan designed by the Ontario Energy Board to better reflect the price paid to generators for electricity.
- RPP Consumers: Low-volume consumers and designated consumers, such as municipalities, hospitals, schools, colleges, and universities, who have not signed or renewed a contact with a retailer after Dec. 9, 2002. A low volume consumer includes all residential consumers and business consumers with a demand less than or equal to 50 kW or the consumption is less than 250,000 kWh per year.
- Regulatory Charge: This is the cost of administering the wholesale electricity system and maintaining the reliability of the provincial grid. Regulated by the Ontario Energy Board (OEB) the charge includes:
- Wholesale Market Services Charge: based on your usage to recover the costs charged by the IESO to operate the Provincial electrical system and Rural Rate Protection. SSS Administration Charge: a fixed monthly charge to recover administrative costs of providing Standard Supply Service. Applicable to SSS Consumers only.
- Standard Supply Service: where consumers have not chosen to sign a contract with a licensed retailer, Milton Hydro, as required by the OEB, will provide the electricity.

Security deposit may be required.

Security Deposit Policy available upon request or by accessing our Conditions of Service at: www.miltonhydro.com

VIEW YOUR ACCOUNT ONLINE

You have the ability to find account information fast and easy, any time of the day or night. All you need is a computer and internet access.

Customers can:

- View current statements and due dates
- · View meter reading information
- · Compare monthly usage
- · View billing history
- Submit move requests

Advantages:

- Secure and Private
- Convenient
- Access your bills online anywhere,
 24 hours a day, 7 days a week
- Best of all, it's **FREE**



Milton Hydro Distribution Inc.

55 Thompson Road South, Milton, Ontario, L9T 6P7 T: 905-876-4611

F: 905-876-2044

email: customerservice@miltonhydro.com www.miltonhydro.com

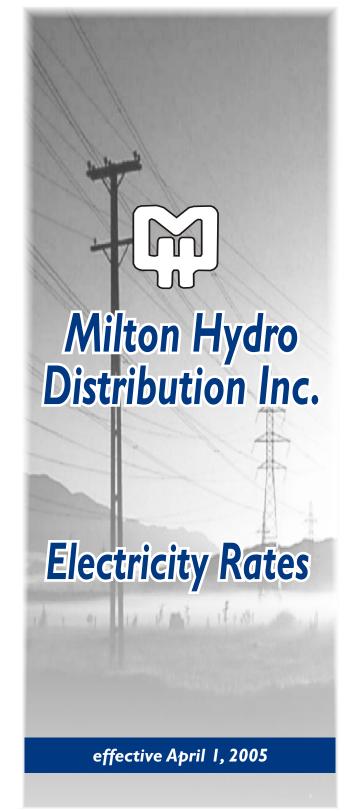
All rates are approved by the Ontario Energy Board

For more information visit their web site

www.oeb.gov.on.ca

or contact them toll free at

1-877-632-2727



RESIDENTIAL

| Electricity** | See "Electricity Pricing" |
|----------------------------|---------------------------|
| Customer Charge | \$14.88/month |
| Distribution | \$0.0141/kWh |
| Transmission Network | \$0.0057/kWh |
| Transmission Connection | \$0.0050/kWh |
| Regulatory includes: | |
| SSSAdministration | \$0.25/month* |
| Wholesale Market Service** | \$0.0062/kWh |
| Debt Retirement Charge | \$0.0070/kWh |
| | |

SENTINEL LIGHTS

| Electricity** See"Electricity Pr | icing" |
|---|--------|
| Delivery includes: | |
| Customer Charge \$0.46/connection per r | nonth |
| Distribution \$3.3951/Ma | ıx kW |
| Transmission Network \$1.6083/Ma | x kW |
| Transmission Connection \$1.4113/Ma | x kW |
| Regulatory includes: | |
| SSSAdministration \$0.25/connection per m | onth* |
| Wholesale Market Service** \$0.0062 | /kWh |
| Debt Retirement Charge \$0.0070 | /kWh |
| | |

STREET LIGHTS

| Electricity** See "Electricity Pricing" |
|---|
| Delivery includes: |
| Customer Charge \$0.17/connection per month |
| Distribution \$0.5057/Max kW |
| Transmission Network \$1.6002/Max kW |
| Transmission Connection \$1.3824/Max kW |
| Regulatory includes: |
| SSS Administration \$0.25/connection per month* |
| Wholesale Market Service** \$0.0062/kWh |
| Debt Retirement Charge \$0.0070/kWh |

MISCELLANEOUS CHARGES

| Returned Cheque | 00.0 |
|---|---------|
| • | |
| Account Set-up | \$25.00 |
| Easement Certificate | \$10.70 |
| Collection of Account | \$ 9.00 |
| Reconnection Charge (if disconnected for non-paymer | nt) |
| During business hours | \$20.00 |
| Outside business hours | \$50.00 |
| Off Cycle Meter Read | \$10.00 |
| (Excluding final reads) | |

All rates are subject to a 1.5% monthly interest charge (19.56% per annum)

GENERAL SERVICE

50kW or Less

| Monthly Demand of 50kW or Less |
|---|
| (incl. unmetered scattered loads) |
| Electricity** See "Electricity Pricing" |
| Delivery includes: |
| Customer Charge \$16.05/month |
| Distribution \$0.0170/kWh |
| Transmission Network \$0.0052/kWh |
| Transmission Connection \$0.0045/kWh |
| Regulatory includes: |
| SSS Administration \$0.25/month* |
| Wholesale Market Service** \$0.0062/kWh |
| Debt Retirement Charge \$0.0070/kWh |
| |

More than 50kW

| MoreThan 50kW Demand Monthly and Up to 1000 kW - Interval Metered |
|---|
| Electricity** See"Electricity Pricing" |
| Customer Charge \$76.83/month |
| Distribution \$2.3365/Max kW |
| SSS Administration \$0.25/month* |
| Transformer Allowance \$0.60/Max kW |
| Minimum Distribution (in previous 11 months) \$0.60/Max kW |
| Transmission Network \$2.3626/Peak kW |
| Transmission Connection \$2.0552/Max kW |
| Wholesale Market Services** \$0.0062/kWh |
| Debt Retirement Charge \$0.0070/kWh |
| |

More than I000kW

| MoreThan I 000kW Demand Monthly and Up to 5000 kW - Interval Metered |
|--|
| Electricity** See "Electricity Pricing" |
| Customer Charge \$987.95/month |
| Distribution \$2.7665/Max kW |
| SSS Administration \$0.25/month* |
| Transformer Allowance \$0.60/Max kW |
| Minimum Distribution (in previous 11 months) \$0.60/Max kW |
| Transmission Network \$2.3238/Peak kW |
| Transmission Connection \$2.0215/Max kW |
| Wholesale Market Services** \$0.0062/kWh |
| Debt Retirement Charge \$0.0070/kWh |

Large User

| MoreThan 5000kW Demand Monthly - Interval Metered |
|--|
| Electricity** See "Electricity Pricing" |
| Customer Charge \$4,406.84/month |
| Distribution \$2.3357/Max kW |
| SSS Administration \$0.25/month* |
| Transformer Allowance \$0.60/Max kW |
| Minimum Distribution (in previous 11 months) \$0.60/Max kW |
| Transmission Network \$2.5164/Peak kW |
| Transmission Connection \$2.2608/Max kW |
| Wholesale Market Services** \$0.0062/kWh |
| Debt Retirement Charge \$0.0070/kWh |
| - |

${\bf *Applicable \, to \, SSS \, Consumers \, Only }$

ELECTRICITY PRICING

A) Standard Supply Service (SSS) Consumers

a) Regulated Price Plan (RPP) Consumers Conventional Meters

Residential Consumers

| Residential Consumers | |
|----------------------------------|--------------|
| April I 2005 to October 31 2005: | |
| First 750 kWh | \$0.050/kWh* |
| Balance kWh | \$0.058/kWh* |
| November I 2005 to April 30 2006 | |
| First 1000 kWh | \$0.050/kWh* |
| Balance kWh | \$0.058/kWh* |
| Non Residential Low Volume and | |
| Designated Consumers | |
| April I 2005 to March 2006: | |
| First 750 kWh | \$0.050/kWh* |
| Balance kWh | \$0.058/kWh* |
| | |

Interval Meters (Smart Meters)***:

| Time | Time-of-Use | Price** |
|----------------------------------|----------------|-------------|
| Weekends & Holidays | | |
| All Day | Off-peak | \$0.029/kWh |
| Summer Weekdays (Ma | ıy I - Oct 31) | |
| 7 am to 11 am | Mid-peak | \$0.064/kWh |
| II am to 5 pm | On-peak | \$0.093/kWh |
| 5 pm to 10 pm | Mid-peak | \$0.064/kWh |
| 10 pm to 7 am | Off-peak | \$0.029/kWh |
| Winter Weekdays (Nov 1 - Apr 30) | | |
| 7 am to 11 am | On-peak | \$0.093/kWh |
| II am to 5 pm | Mid-peak | \$0.064/kWh |
| 5 pm to 8 pm | On-peak | \$0.093/kWh |
| 8 pm to 10 pm | Mid-peak | \$0.064/kWh |
| 10 pm to 7 am | Off-peak | \$0.029/kWh |
| | | |

^{***}Until Milton Hydro announces when these rates come into effect, RPP consumers will be billed as if they had a conventional meter.

b) Electing Spot Consumers

Spot Market Price Provincial Benefit OPG Rebate

c) Non Regulated Price Plan (Non RPP) Consumers

Spot Market Price Provincial Benefit OPG Rebate

B) Retailer Consumers

Contract Price with Retailer Provincial Benefit OPG Rebate (Subject to Retailer contract)

YOUR RIGHT TO PRIVACY

Milton Hydro is your provider of electricity distribution services and in some cases, a billing agent for your water and wastewater services. Providing these services requires that we collect and keep certain personal information about you. We have developed policies and procedures in compliance with the Personal Information Protection and Electronic Documents Act (PIPEDA) to protect your privacy. Our Privacy Policy can be accessed on our web site www.miltonhydro.com or you can call us to obtain a copy.

Personal Information

We need certain information from you in order to:

- Provide you with electricity service and bill for electric and/or water and wastewater services;
- Facilitate the pre-authorized payment option;
- · Assist us in the collection of accounts;
- Respond to your inquiries about electricity and/or water use and billing:
- Prevent fraud with respect to both you and our company;
- Meet legal and regulatory requirements.

The nature of personal information we collect may include:

- Information we receive from you such as your name, address, contact information and general financial, credit and reference information;
- Facts about your historical and current consumption of electricity and water;
- Information about your transactions with us, such as meter number, account number, account balances, payment history, and account activity.

Protecting your Information

Access to records is restricted to those users that have a legitimate need for it.

Our business resource contractors provide a comparable level of protection with regard to customer personal information, to comply with PIPEDA and our policy.

Because of the structure of the electricity sector in Ontario, it may be necessary to share your billing and consumption information to third party billing and settlement agencies. For example, if you have signed a separate contract with a retailer, we may provide your billing and consumption to them. Our billing, settlement and regulatory relationships with third parties are governed by licenses and codes which are established by our regulator, the Ontario Energy Board. As required by law or regulation, your information may also be shared or disclosed to other agencies or organizations.

Request for Information

You have the right to request access to your personal information which we have collected and to request amendments to ensure its accuracy and completeness. If you would like to make a request, please send it in writing to the attention of our Privacy Officer at our office or send an email to privacyofficer@miltonhydro.com.

Consent

Certain personal information is required in order to continue to provide electricity distribution services and bill for water and wastewater services. If you wish to discuss your options for withdrawing your consent to our collection, use, or disclosure of your personal information, please contact our office.

^{**}Adjusted by Adjustment Factor