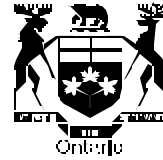


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October 12, 2001

TO: All Licensed Electricity Distributors & Retailers

**RE: Amendment to the Retail Settlement Code: Service Transaction
Requests and Embedded Retail Generators**

On September 4, 2001, the Board asked distributors and retailers for comments on proposed amendments to the Retail Settlement Code ("RSC") concerning service transaction requests ("STRs"), embedded retail generators and retail market readiness. The Board provided the opportunity for parties to comment on the proposed amendment by September 10, 2001.

The Board has reviewed the comments received and has previously approved and published amendments to Chapter 13 of the code concerning retail market readiness. The Board has now approved amendments to Chapters 1, 3, 9 and 10, concerning STRs and embedded retail generators, with modifications that incorporate certain comments received.

The Board notes for greater clarity that the amendments concerning embedded retail generators (Chapters 1, 3 and 9) allow for the continuation of existing distributor arrangements for "net metering".

The Board also notes that the amendments concerning STRs refer to a future date at which STRs may be submitted to distributors. Until the Board fixes a date after which retailers may submit and distributors may receive and process STRs, distributors shall not process any STRs and shall return any STRs requesting transfers of customers. At the time of fixing such date, the Board may also introduce an approach to the management of STRs that will make the transition to a competitive electricity market as smooth as possible.

Contd....2

In addition, for greater certainty, the Board makes it clear that these amendments are not included in the Baseline documents for Market Readiness.

The revised Code with the amendments to chapters 1,3,9 and10 is available on the Board's website at www.oeb.gov.on.ca. Any questions regarding these amendments may be directed to Mr. Russ Houldin, Energy Advisor at 416 440-8112 or houldiru@oeb.gov.on.ca.

Yours truly,

Paul Pudge
Board Secretary