



Omya
North America

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September 15, 2006

Ms. Glenna Carr
Chair, IESO Board of Directors
Independent Electricity System Operator
410 - 655 Bay Street
Toronto, ON M5G 2K4

Dear Ms. Carr:

Please accept this letter as input regarding the Ramp Rate Multiplier issue your Board will be considering September 22, 2006. I would appreciate you sharing this letter with other Board members. Omya Canada Inc. is taking the unusual step of appealing to the Independent Electricity System Operator (IESO) Board of Directors as your decision will have an immediate impact on the competitiveness of our company.

OMYA is the world's number one manufacturer of white fillers (principally calcium carbonate and talc), mining and processing high quality calcium carbonate, a limestone-based natural, environmentally friendly product used in a multitude of beneficial ways in daily life. Dedicated to environmentally sustainable operations, OMYA produces calcium carbonate with the highest environmental criteria in order to meet or exceed the legal requirements under legislation either Provincially or Federally.

Omya Canada Inc. Perth plant is one of the largest and most modern facilities of the Omya Group. Over the last 10 years the plant went through a major expansion with the state-of-the-art technology in terms of environment and process related equipment transforming it into one of the most dust-free and noise-free plants in the world, now recycling approximately 85% of the plant's process water.

Since 2001 electricity rates in Ontario have risen 60%, a higher rate of increase than any other comparable jurisdiction in North America. At Omya Canada Inc, in 2005, we spent \$12,350,000 for electricity in Ontario representing an average of 16 per cent of total costs versus \$2,000,000 in 1996, representing an average of 9 per cent of total costs. We are concerned that the IESO staff and SAC have taken what they admit is an arbitrary decision of setting a new ramp rate at 3X. As you know this would increase electricity prices by \$1.50/ MWh. For Omya Canada Inc, which consumed 144,000 MWh in 2005, that is \$216,000 annually.



Omya Canada Inc.

Competitive electricity pricing is critical to sustaining our investment in Ontario. I urge the IESO Board to ensure further due diligence and a full business case is completed before making a decision with such large impacts to Ontario consumers.

Sincerely,

A handwritten signature in black ink, appearing to read 'O. Chatillon', is written over a horizontal line. The signature is fluid and cursive.

Olivier Chatillon
President

cc: Hon. Rick Bartolucci, Minister of Northern Development & Mines
Hon. Dwight Duncan, Minister of Energy
Chris Hodgson, President, OMA