

Electricity Distribution Rates Set to Drop for Residential Customers in Hamilton and St. Catharines

HAMILTON / ST. CATHARINES, ONTARIO – (December 2, 2008) –Horizon Utilities Corporation is pleased to announce, thanks to prudent fiscal and operational management, residential customers in Hamilton and St. Catharines can look forward to a drop in electricity distribution rates this winter. This is the second rate decrease announced by Horizon Utilities in three years.

“Horizon Utilities’ distribution rates appear as part of the ‘Delivery’ portion of the electricity bill. The average residential customer using 1,000 kWh of electricity per month will see a decrease of 7.8 per cent in this part of the ‘Delivery’ portion of their bill,” says Max Cananzi, President and CEO of Horizon Utilities. “This will result in an average savings of about \$2.25 per month.”

Consumers need to keep in mind, however, that electricity distribution rates only cover the costs of delivering electricity within a community and do not cover the actual cost of electricity purchased from the market or an energy retailer and consumed by the customer.

“This rate decrease is clear indication that electric utility mergers, if done correctly, can deliver great benefits to customers and the communities they serve. Horizon Utilities’ customers continue to benefit from the cost savings realized as a result of merging the hydro companies in St. Catharines and Hamilton in 2005 to create Horizon Utilities,” continues Cananzi. “Since then, our employees have been doing an excellent job controlling costs. Our commitment to operate an efficient, customer-focused business, coupled with our efforts to provide customers with programs and information designed to help them conserve electricity, is translating into real savings for our customers.”

Electricity distribution rates vary from utility to utility. These rates reflect the costs required for a local electricity utility to:

- Design, build, maintain and upgrade the infrastructure of the electrical distribution network (overhead and underground hydro lines, poles, a network control centre, etc.)
- Provide skilled electrical workers equipped with specialized vehicles and equipment to respond to emergency outages and handle routine maintenance and repairs
- Perform customer billing and other administrative functions
- Install smart meters to meet the Ontario government’s mandate that every home and small business have a smart meter by 2010. (Smart meters and time-of-use pricing will provide an incentive for customers to shift some of their electricity consumption away from peak hours, thereby reducing the strain on the Province’s electricity network.)

“Horizon Utilities is a good news story. Consumers are often not aware that friends and family members in other communities are paying more for their electricity distribution services,” points out Cananzi. “In fact, thanks to our ongoing efforts, we are very proud to report that Horizon Utilities’ rates are among the lowest in the province. This has been accomplished while expanding our network to add 1,200 new residential customers in 2008 and maintaining a healthy investment in infrastructure to ensure the safety and sustainability of our electricity distribution system over the long term. We are also looking to the future and have been busy behind the scenes upgrading our internal systems to provide employees with the tools and technology they need to further increase efficiencies and provide unparalleled customer service.”

The decrease in residential electricity distribution rates took effect on December 1, 2008 and will be retroactive to May 1, 2008. Savings for the period May 1 to November 30 will be included in rates over the five-month period from December 1, 2008 to April 30, 2009, further reducing customers’ bills during the winter heating season.

Commercial customers will experience a less-than-inflation increase in distribution charges. A typical commercial customer with a monthly demand of less than 50 kW will see an average total bill increase of \$4.25 per month or 0.6%.

About Horizon Utilities Corporation

Horizon Utilities Corporation is one the largest municipally owned electricity distribution companies in Ontario, delivering electricity and related utility services to more than 233,000 residential and commercial customers in Hamilton and St. Catharines. The company is committed to providing best value to its customers through the delivery of a safe and reliable supply of electricity in a cost-effective manner.

For more information, visit: www.horizonutilities.com.

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