

Substantially reduced electricity rates for customers one possible benefit of a Horizon Utilities/Brant County Power merger

Horizon Utilities presents Brant County Council with five compelling reasons why a merger of Horizon Utilities and Brant County Power will be the best option for customers

Hamilton/St. Catharines (April 1, 2008) – Horizon Utilities presented a compelling case to Brant County Council today that a merger of Brant County Power and Horizon Utilities provides the best option for the County, employees, and its customers in lowering rates and providing superior financial performance.

Horizon Utilities is the municipal electric utility owned jointly by the cities of Hamilton and St. Catharines. The Board of Directors of Brant County Power is working exclusively on a merger with Brantford Power.

In its presentation, Horizon Utilities made a convincing case to County Councilors that:

1. Horizon Utilities has the best residential and commercial rates
2. Horizon Utilities has the lowest operating costs of any municipal local electricity distribution company in the Greater Golden Horseshoe area
3. Horizon Utilities has a record of delivering full returns and substantial dividends to its shareholders
4. Horizon Utilities is executing the kind of compelling strategy required for acquiring Hydro One service territory
5. Horizon Utilities is committed to its communities and giving back to them

On rates, Neil Freeman, Horizon Utilities' Vice President of Business Development, showed how customers of Horizon Utilities have benefited over those of Brant County Power and Brantford Power. Where residential rates have increased since 1998 in Paris by 45%, St. George by 49% and Brantford by 43%, they have increased substantially less in Hamilton and its former municipalities of Ancaster, Dundas, Lynden, Waterdown, and Stoney Creek.

"Brant County Power residential customers pay \$1.1 million more per year than if they had the rates of Horizon Utilities' customers," said Freeman. "This is a lot of money that families do not have in their wallets and purses to pay for groceries and other household needs."

The benefits of merging with Horizon Utilities are even clearer on commercial rates, according to Freeman. A large company with electrical machinery using 2 million kWh of power would be paying \$4,786 a month to Horizon Utilities in Hamilton and St. Catharines, compared to \$16,330 to Brant County Power, more than three times as much, and \$11,774 to Brantford Power, more than two times as much.

Over the course of a year, this commercial customer would pay \$139,000 more in Brant County and \$84,000 more in Brantford. In Hamilton the yearly cost would be \$57,000.

Freeman commented, "This comparison of commercial rates shows starkly that not all local electricity distribution companies are the same. Brant County Power's high costs and rates would very likely be a significant barrier to any company's decision to locate in, expand in, or remain in Brant County when business costs are so much less elsewhere. Other business costs would have to be dramatically less to overcome this cost difference. Competing will be difficult."

On the future of Brant County Power's employees with Horizon Utilities, Freeman told County Council that all Brant County Power employees would be offered a job with Horizon Utilities, but also given the options of taking voluntary

early retirement and severance packages. Freeman stated: “Brant County Power employees would have better career options and development opportunities by joining with a top-performing utility like Horizon Utilities.

The Horizon Utilities representative also told County Council that they think the Paris-based operations centre of Brant County Power is a terrific facility that would be a welcome asset in Horizon Utilities. Indeed, they said more workers could operate from this facility to handle additional needs. This would be the case if Horizon Utilities is successful in its plan for taking over Hydro One in the County and rural Hamilton.

Horizon Utilities’ strategy for taking over Hydro One in the County is a unique feature of its merger offering that Freeman suggested neither Brant County Power nor Brantford Power could deliver themselves or together. Horizon Utilities’ proposition to Hydro One transcends municipal boundaries, which has been an impediment in the past for Hydro One to sell.

In his final words to Council, Freeman stated that Horizon Utilities has the proven track record of lowering the cost of living and the cost of doing business for customers through two significant mergers and could do the same for residents and businesses in Brant County.

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About Horizon Utilities Corporation:

Horizon Utilities Corporation is one of Ontario’s largest municipally owned electricity distribution companies in Ontario, delivering electricity and related utility services to more than 232,000 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.

Horizon Utilities Corporation is 100 per cent owned by Horizon Holdings Inc., which is 78.9 per cent owned by Hamilton Utilities Corporation and 21.1 per cent owned by St. Catharines Hydro Inc. Hamilton Utilities Corporation and St. Catharines Hydro Inc. are respectively owned 100 per cent by the cities of Hamilton and St. Catharines.

Horizon Utilities Corporation operates out of facilities in Hamilton, Stoney Creek and St. Catharines. For more information, visit: www.horizonutilities.com.

Photos are available upon request.

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