

Electricity Distribution Rates Drop Once Again for Residential Customers in Hamilton and St. Catharines

HAMILTON / ST. CATHARINES, ONTARIO – (April 30, 2009) –Horizon Utilities Corporation announced today that, thanks to prudent fiscal and operational management, residential customers in Hamilton and St. Catharines can look forward to another drop in electricity distribution rates effective May 1. This is the third rate decrease announced by Horizon Utilities in four years.

“Consumers are often not aware that each of the approximately 80 electric utilities in Ontario charge different distribution rates based on their cost structure,” pointed out Max Cananzi, President and CEO of Horizon Utilities Corporation. “In these tough economic times, we believe we have a corporate responsibility to keep costs in line. We take this responsibility seriously and pride ourselves on the fact that Horizon Utilities distribution rates are among the lowest in the province. If people ask around, they may be surprised to discover how much friends and family members living in other communities are paying for their electricity distribution services.”

Horizon Utilities has managed to keep costs down while expanding the distribution network to add 1,200 new residential customers in 2008; maintaining a healthy investment in infrastructure to ensure the safety and sustainability of the electricity distribution system over the long term; and installing smart meters that will help consumers better manage their electricity costs when time-of-use rates are implemented.

“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,” added Cananzi.

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 modest decrease of 0.4 per cent in the ‘Delivery’ portion of their bill. This will result in an average savings of about \$0.11 per month.

It is important for consumers to note 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.

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.

Commercial customers will experience a small 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 \$0.50 per month or 1.2%.

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 230,000 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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For more information, please contact:
Sandy Manners, Director of Corporate Communications
Horizon Utilities Corporation
Tel: 905-317-4707 Cell: 905-308-1473
Email: sandy.manners@horizonutilities.com
Website: www.horizonutilities.com