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For Immediate Release

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OEB Announces New Electricity Prices and Delivery Rates

Toronto – Today, the Ontario Energy Board (the “Board”) released new electricity commodity prices and distribution rates for utilities in the province.

The commodity prices were set under the Board’s Regulated Price Plan (RPP), which helps ensure that the prices consumers pay for the electricity they use better reflects the actual amount paid to generators. These prices are reflected on the “Electricity” line of consumers’ bills.

Starting May 1st, prices for RPP consumers who buy their electricity commodity from a utility will be 5.8 cents per kilowatt hour for electricity use up to a certain threshold per month and 6.7 cents per kilowatt hour for consumption above that threshold. For residential consumers, the monthly threshold for the lower price is set at 600 kilowatt hours during the summer season, from May to October and at 1,000 kilowatt hours for the winter season of November to April. The threshold for non-residential consumers that are eligible for the price plan will remain at 750 kilowatt hours per month throughout the year.

About half the increase in RPP pricing results from the variance between the forecast price paid by consumers and the actual cost of supplying electricity over the last year. The summer of 2005 was the hottest summer experienced in Ontario in the past 30 years, which led to increased electricity demand. Lower water levels also reduced electricity output from hydroelectric plants and forced Ontario to buy electricity from more expensive sources of power. Higher than anticipated prices for natural gas, which is used to generate electricity, also contributed to the large variance.

The remaining half of the RPP price increase is the forecast cost of supplying electricity to RPP consumers over the next year. The new forecast indicates those costs are expected to increase primarily because of an increase in the price of natural gas relative to last year’s forecast for the RPP.

Distribution rates cover the cost of delivering electricity from local utilities to consumers' homes or businesses. This includes the costs to build and maintain power lines, towers and poles, and operate systems locally. It also includes items such as calculating charges and reading meters.

Most utilities applied to the Board to recover these costs from the consumers they serve. These rates, which vary from utility to utility will be also be effective May 1, 2006. They will remain in effect for a year and will be reflected on the "Delivery" line of consumers' bills.

Based on a residential consumption level of 1,000 kWh per month, the impact on the total bill will be a decrease in distribution rates for approximately 25% of residential consumers while the majority of the remaining consumers will see a moderate increase of less than 5%.

For those utilities that did not apply or had their applications delayed, rates will remain the same until these applications are considered by the Board. Eight utilities did not apply to change distribution rates on May 1, 2006.

For most consumers, the total impact of the RPP prices and distribution rates announced today will be in the range of 3% to 15% on their total bill. The increase in the RPP price is the same for all consumers and accounts for the largest share of the impact for most consumers. The range in bill impacts is due to the variation in distribution rates across the various utilities.

For more information, please refer to the attached backgrounder or visit the OEB Web site at www.oeb.gov.on.ca.

The Ontario Energy Board regulates the province's electricity and natural gas sectors in the public interest. It envisions a healthy and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.

For more information on the Board, please visit our Web site at www.oeb.gov.on.ca or contact the Consumer Relations Centre at 416-314-2455 or toll-free at 1-877-632-2727.

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