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For Immediate Release

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OEB Announces Reduction in Electricity Prices

Toronto – Today the Ontario Energy Board (the Board) released electricity commodity prices that will take effect November 1, 2007.

Effective November 1st, the Regulated Price Plan (RPP) prices will be 5.0 cents per kilowatt hour up to the consumption threshold each month and 5.9 cents per kilowatt hour above that. The new prices represent a 0.3 cents per kilowatt hour, or 4.8%, decrease relative to the prices that went into effect in May 2007. The impact of this price reduction on each consumer will depend on how much electricity the consumer uses.

The period from November 1st until April 30th marks the winter price period where residential consumers can use more electricity at a lower price. As in previous years, the amount of electricity charged at the lower price will change from the summer threshold of 600 kilowatt hours per month to the winter threshold of 1,000 kilowatt hours per month. Non-residential consumers eligible for the price plan can continue to use 750 kilowatt hours each month at the lower price throughout the year.

The reduction in electricity prices announced today is primarily due to the need to reduce the surplus in the RPP variance account balance. As a result, a credit of 0.3 cents per kilowatt hour has been included in RPP prices to clear the variance account surplus over the next 12 months.

Another reason for the drop in electricity prices is the expected decrease in the cost of fuels, such as natural gas, used by some electricity generators, relative to the previous forecast. The recent appreciation in the Canadian dollar is a major contributing factor since such fuels are purchased by generators in U.S. dollars.

These prices are reflected on the “Electricity” line of consumers’ bills. The commodity prices announced today apply to consumers who buy their electricity through their utility. Consumers who currently buy their electricity from a retailer and pay their contract price will continue to do so.

The price plan is designed to ensure consumers pay what it costs to supply their electricity while smoothing the daily price variations that occur in the market. When the Board sets prices, it adjusts for past differences between what consumers have paid and what it has cost to supply them, and it incorporates a 12-month forecast for future electricity costs. RPP prices are reviewed and can change twice a year at set dates in the spring and in the fall, taking into account a number of factors.

Time-of-Use (TOU) prices will also be reduced and have been set at 3.0 cents per kilowatt hour (Off-peak), 7.0 cents per kilowatt hour (Mid-peak) and 8.7 cents per kilowatt hour (On-peak). The overall impact for average consumers paying these TOU prices is calculated to be about the same as those paying the regular two-tier prices discussed above.

Currently, Milton Hydro and Chatham-Kent Hydro are the only utilities in Ontario charging TOU prices for some of their residential and small business consumers.

The Ontario Energy Board regulates the province's electricity and natural gas sectors in the public interest. It envisions a viable and efficient energy sector with informed consumers served by responsive regulatory processes that are effective, fair and transparent.

For more information, please refer to the attached backgrounder, visit the OEB website 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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