



For Immediate Release

Cornwall, Ontario – May 26, 2008

Cornwall Electric Rates Decreasing July 1, 2008 Due to New Long Term Power Contract with Hydro Quebec

Cornwall Electric customers will see their retail rates decrease by 6.2 percent effective July 1, 2008. Michael Pescod, Regional Manager of Cornwall Electric, attributed this positive announcement to a new 11 ½ year wholesale electricity supply contract negotiated with Hydro Quebec by Cornwall Electric on behalf of its customers.

This new long term agreement replaces an existing short term contract and ensures reliability of supply and rate stability. Furthermore, retail rates are projected to remain below current rates until 2012 and future annual price adjustments will average at or near inflation until 2019.

“Fluctuating wholesale electricity prices have been the largest contributor to price uncertainty in recent years,” said Pescod. “Like all other utilities in Ontario, the cost of electricity in Cornwall is passed through to customers. This new contract provides rate stability and security of supply for more than a decade”.

Cornwall Mayor Bob Kilger said “This new long term contract is wonderful news for all Cornwall Electric customers. In addition to the rate decrease this year and the rate stability for the years ahead, this contract will also help boost Cornwall’s competitive positioning, as our Economic Development Department works to attract new business and residential investment. On behalf of the City of Cornwall I would like to congratulate Cornwall Electric on their success in securing such a positive contract.”

The wholesale cost of electricity represents approximately 85% of the customer’s total bill. The remaining 15% represents the “wires” or distribution charges. The wire charges pay for Cornwall Electric to deliver power safely and reliably from the Cedars Rapids Transmission lines to the customers’ home and businesses and to provide for system maintenance and replacement. Cornwall Electric customers do not pay the debt retirement charge paid by the majority of customers in Ontario.

Cornwall Electric promotes the wise use of electricity and urges customers to conserve energy and consider changing to energy efficient appliances, lighting, shower heads, and installing programmable thermostats, weather stripping and pool pump timers. These measures will reduce consumption and help manage the cost of the service.

Cornwall Electric supplies electricity to 23,300 customers in the City of Cornwall, South Glengarry, South Stormont, and the Ontario portion of the Mohawk Territory of Akwesasne.

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