



CANADIAN
NIAGARA POWER
COMPANY LIMITED



FORT ERIE, ONTARIO / April 17, 2002 / Canadian Niagara Power Company Limited (“CNP”) and the City of Port Colborne (the “City”) announced that it has closed yesterday, effective as of April 15, 2002, an Agreement to lease the Port Colborne Hydro Inc. (“PCHI”) electricity distribution business to Canadian Niagara Power Inc. (“CNPI”). Ontario Energy Board approval of the transaction was received in advance of the closing. This lease represents the first public-private partnership of its kind in Ontario.

Under the terms of the \$15.7 million, ten-year agreement, the City, through Port Colborne Hydro Inc., will receive monthly lease payments from CNPI. CNPI will assume all responsibilities for operations in Port Colborne and CNPI will finance and own all capital additions. CNPI will receive all revenues from the business and will hold an option to purchase the business for fair market value at the end of the ten-year term. The existing PCHI employees have become employees of CNPI. Port Colborne Hydro serves approximately 9,000 customers within the City of Port Colborne. PCHI is contiguous to CNPI’s Fort Erie utility operation which currently serves 15,000 customers.

The City of Port Colborne is located on the north shore of Lake Erie at the entrance to the Welland Canal. It has 19,800 residents and is home to 60 manufacturing and service firms employing nearly 2,300 people. Port Colborne offers a wide variety of tourism, cultural and sightseeing attractions. Complete information is available on the City’s web site at www.portcolborne.com.

CNPI is a wholly owned subsidiary of Canadian Niagara Power Company Limited, which is 50% owned by Fortis Inc. On March 20, 2002, Fortis Inc. announced that it has entered into an agreement to acquire the remaining 50 percent interest in Canadian Niagara Power from National Grid USA, subject to obtaining required regulatory approvals. CNP is headquartered in Fort Erie, Ontario. Fortis Inc. is a diversified services company whose principal assets are electric utility companies. Fortis Inc. is listed on the Toronto Stock Exchange and trades under the ticker symbol FTS.

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