



For Immediate Release

Cornwall, Ontario – May 1, 2003

Rising Wholesale Electricity Costs Forces Cornwall Electric to Increase Rates

An increase in the wholesale cost of power from its suppliers has forced Cornwall Electric to increase rates effective July 1, 2003.

Bill Daley, President of Cornwall Electric expressed regret at the rate increase but said it was unavoidable due to an increase in the cost of power from the utility's suppliers. "Cornwall Electric purchases electricity on behalf of our customers and sells it for exactly what we pay," said Mr. Daley. "We and other utilities in Ontario do not make any profit on the power—only on the delivery of energy to our customers." He noted that the wholesale cost of electricity represents approximately 85% of the customer's total bill and the increases are a direct result of the volatility of the power market and uncertainties around the power generation sector.

The increase will see electricity rates rise by approximately 1.90 cents per kilowatt-hour. For a typical residential customer using 1000 kilowatt-hours per month, this represents an average increase of \$19.00 per month. The new rate structure will be in place through to June 30, 2004.

"Security of supply and the lowest possible cost are our guiding principles when we are negotiating supply contracts," said Mr. Daley. "Historically this has meant some of the lowest rates in the province for the customers of Cornwall Electric. Despite this year's setback we will continue to aggressively seek out the best rates we can obtain."

Some rates will not increase; including minimum charges for customers who use little or no energy, annual service charges for summer cottages and peak demand charges of business customers.

As an advocate of responsible energy usage, Cornwall Electric urges customers to take conservation measures such as changing to energy efficient lighting, installing programmable thermostats, weather stripping doors and windows, installing high efficiency shower heads and other measures to reduce electrical consumption.

Cornwall Electric supplies electricity to 22,600 customers in the City of Cornwall, South Glengarry, South Stormont, and the Ontario portion of the Mohawk Territory of Akwesasne. The employees of Cornwall Electric take pride in customer service, prompt emergency response and long-term planning.

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