



For Immediate Release

Cornwall, Ontario – May 1, 2006

Cornwall Electric Customers to See Lower Than Expected Price Increase

Cornwall Electric customers will see an increase in rates of 4.44% effective July 1, 2006. This increase is due to the escalation in the wholesale cost of power from Hydro Quebec, the energy supplier of Cornwall Electric. The increase is less than anticipated as a result of the contract signed with Hydro Quebec which is based on wholesale market power prices

For a typical residential customer using 1000 kilowatt-hours per month, this represents an average increase of \$5.02 per month. The new rate structure will be in place until June 30, 2007.

Michael Pescod, Regional Manager of Cornwall Electric attributed the lower than expected rate increase to a combination of factors including recent strengthening of the Canadian dollar and determined negotiations with Cornwall Electric's energy supplier.

"Cornwall Electric purchases electricity on behalf of customers and sells it at the same amount" said Pescod. "Like all other utilities in Ontario, Cornwall Electric does not mark up the cost of the commodity." He also noted that the wholesale cost of electricity represents approximately 85% of the customer's total bill and the increases are a direct result of changing market prices. The remaining 15% represents the "wires" or distribution charges. Cornwall Electric customers do not pay the debt retirement charge paid by the majority of customers in Ontario. Also, Cornwall Electric customers are not subject to rate increases recently announced by the Ontario Energy Board for the rest of Ontario that come into effect May 1, 2006.

"Security of supply at the lowest possible cost is our fundamental principle when negotiating supply contracts," said Pescod. Cornwall Electric promotes the wise use of electricity and urges customers to conserve energy by changing to energy efficient lighting, installing programmable thermostats, weather stripping on doors and windows, timers on pool pumps and high efficiency shower heads. These measures will reduce electrical consumption and help manage the cost of the service. All Cornwall Electric customers will be included in the upcoming Provincial Energy Conservation Programs.

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.

- 30 -

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