



CANADIAN NIAGARA POWER INC.

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Company

Media Release

Canadian Niagara Power Inc. Applies for 2009 Distribution Rates

For immediate release

September 11, 2008 (Port Colborne, Ontario) - Canadian Niagara Power Inc. (“CNPI”) announced today it has made an application to the Ontario Energy Board for its distribution rates. If approved, the new rates will become effective May 1, 2009. The average residential customer that consumes 1,000 kilowatt hours per month will see an increase of approximately 7.1% on their total bill which equates to \$8.45 per month. The average General Service customer in the less than 50 kW per month category that consumes 2,000 kWh per month will see an increase of approximately 5.8% on their total bill which equates to \$13.00 per month.

The proposed increased distribution rates are primarily driven by distribution system upgrades, which have resulted in significant capital investment over a five year period. CNPI will have invested \$7.2 million in capital expenditures over this five year period. CNPI's current distribution rates are based on 2004 expenditures.

“Canadian Niagara Power recognizes customers’ sensitivity to rate increases and wishes to inform customers well in advance of the proposed increases,” says Bill Daley, President and CEO of CNPI. “We remain focused on providing safe and reliable electricity to our customers while maintaining high operational efficiencies.”

Effective September 1, 2008 the average residential customer that consumes 1,000 kilowatt hours per month will see a decrease of approximately 1.5% on their total bill, which equates to \$1.90 per month. The average General Service customer in the less than 50 kW per month category that consumes 2,000 kWh per month will see a decrease of approximately 1.25% on their total bill, which equates to \$2.93 per month. The decreases are a result of the removal of the temporary rate adjustment for the recovery of costs related to the historic storm in October, 2006.

As an advocate of responsible energy usage, CNPI urges customers to take conservation measures such as changing to energy efficient lighting, installing programmable thermostats, weather-stripping doors and windows, and taking advantage of the energy conservation programs offered by the Ontario Power Authority in conjunction with the Conservation Bureau.

CNPI is a wholly owned subsidiary of FortisOntario Inc. FortisOntario Inc. is headquartered in Fort Erie and has operations in electricity distribution and transmission and serves approximately 52,000 customers primarily located in Fort Erie, Port Colborne, Cornwall and Gananoque, Ontario and meets a peak demand of 256 MW. FortisOntario is 100% owned by Fortis Inc. of St. John’s, Newfoundland. For more information on FortisOntario, please visit the corporate website at www.fortisontario.com.

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