



St. Catharines Hydro Inc.

Media Release

City of St. Catharines receives first quarter dividend of \$211,000 from St. Catharines Hydro Inc.

St. Catharines, ON (June 29, 2006) --- St. Catharines Hydro Inc. has presented its sole shareholder, the City of St. Catharines, with a first quarter dividend payment of \$211,000.

“The dividend reflects the positive operating results by Horizon Utilities Corporation during the first quarter,” said Robert Marshall, Chair of St. Catharines Hydro Inc.

St. Catharines Hydro Inc. is a corporation which is wholly owned by the City of St. Catharines and is the Holding Company for a 21.1% interest in Horizon Utilities. It also owns 100% of St. Catharines Hydro Generation Inc.

Horizon Utilities is jointly owned with the City of Hamilton and distributes electricity in the Cities of St. Catharines and Hamilton. St. Catharines Hydro Generation Inc. operates the Heywood Generating Station at Port Dalhousie as well as a Digester Gas generating facility at the Port Weller waste water treatment plant.

“This first quarter dividend shows that Horizon Utilities is living up to our expectations in terms of being a valuable asset to our shareholder, the City of St. Catharines,” added Marshall.

Horizon Utilities is the third largest municipally owned electricity distribution company in Ontario and serves over 230,000 residential and commercial customers in Hamilton and St. Catharines. It was formed in 2005 through the merger of St. Catharines Hydro Utility Services and Hamilton Hydro.

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