



Media Release

For immediate release

Hamilton/St. Catharines, ON November 9, 2004 – The City of St. Catharines and the City of Hamilton have approved a Merger between their respective Local Distribution Companies (LDCs), St. Catharines Hydro Utility Services Inc. and Hamilton Hydro Inc.

The utility will be the third largest local distribution company in the province, delivering electrical power to more than 228,000 residential and business customers.

The current provincial government is on the record as encouraging consolidation in the electricity industry, as it becomes increasingly challenging for small LDC's to remain viable in the face of regulatory and cost pressures.

The approval by both municipal shareholders completes the process that was begun in April 2004 with the signing of the Memorandum of Understanding between the two companies. Since then Board members and management from both organizations have developed a business case for the merger.

“This is a tremendous day for residents and businesses in both cities,” said City of St. Catharines Mayor, Timothy H. Rigby. “We expect the merger will result in several benefits for hydro customers by establishing a much more viable electricity distribution company that can continue to provide its customers with reliable and efficient service.”

“The merger is a win-win situation for both municipal shareholders as well as for customers”, said Hamilton Mayor Larry Di Ianni, “By maintaining competitive local distribution rates, our community remains attractive to new investment which benefits all ratepayers. Customers will reap the benefits in terms of enhanced service delivery and reliability; customers of less efficient utilities may not.”

For information contact:

Timothy H. Rigby
Mayor
City of St. Catharines

Larry Di Ianni
Mayor
City of Hamilton