

news release



One Million Smart Meters Installed - Hydro One Networks and Hydro One Brampton Reach Important Milestone

Toronto, June 22, 2009 — Hydro One Networks and Hydro One Brampton announced today they have completed the installation of one million smart meters in the homes and businesses of customers. This is amongst the largest smart meter deployments by a utility in North America. Hydro One Networks and Hydro One Brampton commenced smart meter installations in late 2006, in support of the provincial government's goal to have a smart meter in every home and small business in Ontario.

Smart meters, when teamed with time-of-use pricing, will provide a financial incentive for people to shift some electricity usage from on-peak (higher cost) periods to off-peak (lower cost) periods. Ontario is introducing time-of-use rates to help consumers better manage electricity costs and to contribute to energy conservation by reducing their electricity use during peak times. Hydro One Networks and Hydro One Brampton customers will start to convert to time-of-use pricing in 2010.

"Smart meters, when combined with time of use rates, are central to creating a culture of conservation in Ontario," said Energy Minister George Smitherman. "They provide real time information, helping Ontario consumers make smart decisions about how and when they use electricity. The rates reflect the reality that electricity costs the most when demand is highest. Shifting electricity use to low demand times can help consumers manage their energy costs."

"Smart meters will provide our customers with opportunities to participate in time-of-use and other electricity demand management initiatives and collectively, make a significant contribution to energy conservation for this province," said Laura Formosa, President and CEO of Hydro One. "We are pleased to have reached this important smart meter milestone and to support the Province's smart meter initiative."

"Smart meters and time-of-use pricing will make wholesale changes to how and when our customers use their electricity," said Roger Albert, President and CEO of Hydro One Brampton. "Giving our customers the tools to make smart energy use decisions is one of the most powerful ways to help this province reach its green potential."

Approximately 400,000 more Hydro One customers are scheduled to have their smart meters installed. As smart meters are installed and communications established, Hydro One will switch customers to automated meter reading, thus reducing the need to access customers' properties, eliminating estimated billing, and reducing vehicle emissions associated with reading meters manually across Hydro One's huge service territory. Both Hydro One Brampton and Hydro One Networks are well on their way to reading some meters remotely and are already saving costs associated with meter reading.

Hydro One delivers electricity safely, reliably and responsibly to homes and businesses across the province of Ontario and owns and operates Ontario's 29,000 kilometre high-voltage transmission network that delivers electricity to large industrial customers and municipal utilities, and a 123,000 kilometre low-voltage distribution system that serves about 1.3 million end-use customers and smaller municipal utilities in the province. Hydro One is wholly owned by the Province of Ontario.

FORWARD-LOOKING STATEMENTS AND INFORMATION

Our oral and written public communications, including this document, often contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and include beliefs and assumptions made by the management of our company. Such statements include, but are not limited to: expectations regarding developments in the statutory and operating framework for electricity distribution and transmission in Ontario including changes to codes, licenses, rates, rate orders, cost recovery, rates of return, rate structures and revenue requirements in both our transmission and distribution businesses and the timing of decisions from the OEB; expectations regarding our financing activities; statements regarding the pension asset transfer; statements regarding future capital expenditures and our investment plans; expectations regarding the results of our projects; statements regarding future pension contributions; the estimated impact of the changes in the forecast long-term Government of Canada bond yield (used in determining our regulated rate of return) on our results of operations; and statements about IFRS. Words such as "expect," "anticipate," "intend," "attempt," "may," "plan," "will", "believe," "seek," "estimate," and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. We do not intend, and we disclaim any obligation to update any forward-looking statements, except as required by law. These forward-looking statements are based on a variety of factors and assumptions including, but not limited to the following: no unforeseen changes in the legislative and operating framework for Ontario's electricity market; no unfavourable decisions from the OEB and other regulatory bodies concerning outstanding rate and other applications; no unforeseen changes in rate orders or rate structures for our distribution and transmission businesses; a stable regulatory environment; and no significant event occurring outside the ordinary course of business. These assumptions are based on information currently available to us, including information obtained from third party industry analysts. Actual results may differ materially from those predicted by such forward-looking statements.

For more information, please contact Hydro One Media Relations 24 hours a day at 1-877-506-7584 (toll-free in Ontario only) or 416-345-6868. Our website is www.HydroOne.com.