



# news release

## **Ontario Energy Board Releases Decision Respecting Hydro One Distribution Rate Application**

**Toronto, April 9, 2010** — Hydro One announced today that the Ontario Energy Board (OEB) issued a decision respecting its 2010/2011 revenue requirement for the distribution of electricity, to be effective May 1, 2010 and January 1<sup>st</sup>, 2011 (Board File No.: EB-2009-0096).

Pending the approval by the Ontario Energy Board of a rate order, the decision would result in an estimated increase of 8.8% or approximately \$4.25 on a typical residential customer bill in 2010 and 11.6% or an approximate additional \$1.30 on a typical residential customer bill in 2011.

On July 13, 2009, Hydro One Networks filed a distribution rate application with the OEB for its 2010/2011 revenue requirement. Changes will affect the Delivery line on customer bills. Hydro One will review the OEB decision in order to determine what the specific bill impacts will be for its customers.

In its application, the Company requested an increase in revenue requirement for 2010 and 2011 so that the Company could undertake work to continue to deliver electricity to people safely, reliably and efficiently. This work includes, but is not limited to:

- Maintaining existing equipment
- Replacing electricity equipment damaged by storms or nearing its end-of-life
- Work to meet the requirements of the *Green Energy and Green Economy Act, 2009*
- Investments to expand and reinforce the distribution system
- Work to comply with the new Federal environmental regulations
- Investments in smart meter and smart grid installations and infrastructure.

Pursuant to its application and as determined by the OEB, the Company expects to incur the following amounts for these specific investments:

- \$130M to respond to customer power outages, which includes replacing damaged or unsafe equipment, and replacing wood poles

- \$90M to connect approximately 16,000 anticipated new customers to the power distribution system
- \$95M to undertake vegetation management work to prevent tree contacts with power lines
- \$25M to connect an approximately 450 anticipated renewable energy projects to the distribution system in 2010 and 2011
- \$30M to maintain and replace equipment at Hydro One's 1,005 power distribution stations

In making its application to the OEB, the Company sought only to recover costs that will allow Hydro One to make prudent investments in its electricity system so that it can continue to provide safe and reliable power, and satisfy demands resulting from customer growth and service upgrades and in order to connect renewable sources of power.

Hydro One's distribution business, which represented approximately 6.53 billion of our total assets of \$15.81 billion as at December 31, 2009, distributes electricity through our approximately 123,500 kilometre-circuit low-voltage distribution system to municipalities and rural areas. Hydro One's distribution system is the largest in Ontario based on assets and spans approximately 75% of Ontario. Customers of the distribution business include 25 local distribution companies that are not directly connected to the transmission system, 36 customers with loads exceeding 5MW and approximately 1.3 million rural and urban customers.

A copy of Hydro One's application is available at:

<http://www.hydroone.com/RegulatoryAffairs/Pages/DxRates.aspx>

#### 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: statements related to OEB decisions, distribution rates and customer bills; statements regarding our planned work; and expectations regarding future expenditures. Words such as "expect," "anticipate," "intend," "attempt," "may," "plan," "will", "can", "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 severe damage to our facilities caused by adverse weather conditions, natural disasters or catastrophic events; anticipated numbers of new customers and renewable energy projects materialize; availability of required services and/or materials; 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. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking statements include, among other things: severe weather conditions, natural disasters or catastrophic events; an inability to procure required services and/or materials; and the risk that anticipated numbers of new customers and renewable energy projects do not materialize.

-2-

-30-

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](http://www.HydroOne.com).