

# BURLINGTON HYDRO INC.

1340 Brant Street, Burlington, Ontario, Canada L7R 3Z7  
Telephone (905) 332-1851 Fax (905) 332-9644

## **News Release – For Immediate Release**

March 29, 2004

### **Burlington Hydro Reminds Customers of Electricity Price Increases Effective April 1<sup>st</sup>**

#### *Ontario Government Introduces Two-Tiered Pricing Structure*

Burlington - Residential and low-volume customers of Burlington Hydro Inc. will be paying more for electricity starting April 1<sup>st</sup> as the Ontario Government implements a two-tiered pricing structure to better reflect the true cost of electricity while providing consumers with a strong incentive to conserve.

This pricing structure will replace the current 4.3 cents per kilowatt-hour (kWh) price cap on the commodity for residential, small commercial and designated consumers with a 4.7 cents per kWh charge for the first 750 kilowatt-hours of use per month and a 5.5 cents per kWh price for monthly electricity consumption in excess of the 750 kWh ceiling.

Although the 4.3 cent cap was meant to protect consumers from excessively high electricity prices, it has cost Ontario taxpayers approximately \$1 billion since it was introduced in December 2002. The two-tiered pricing structure to be implemented on April 1<sup>st</sup> is expected to remain in place until the Ontario Energy Board introduces a new pricing regime no later than May 1, 2005.

Also beginning April 1<sup>st</sup>, customers of Burlington Hydro will see adjustments to the distribution portion of their bills. The Ontario Government is allowing Burlington Hydro and other local utilities in the province to adjust their distribution rates over a four-year period in order to recover costs incurred in preparing for the introduction of competition in the electricity market.

The increase in the commodity price, combined with the distribution rate adjustment, is expected to increase the average Burlington Hydro customer bill (based on 1,000 kWh consumption per month) by approximately \$6.00 per month.

Burlington Hydro as a local distribution company, acts as a “pass-through” delivery agent for other electricity market participants such as the Independent Electricity Market Operator (market operation charges), Hydro One (transmission charges), Ontario Power Generation and/or Bruce Power (commodity charges), and the Ontario Electricity Financial Corporation (debt charges). Local distribution charges amount to only about 20 cents on the dollar, or 20% of an average monthly electricity bill, yet local distributors are also responsible for collecting the other 80% that goes to government fees, taxes and other electricity market participants.

#### For further information contact:

Anne Rampado, Market Compliance and Rates Specialist  
(905) 332-2260