

For Immediate Release

Grimsby, Ontario – August 1, 2008

Grimsby Power to Enter into Strategic Partnership with FortisOntario

FortisOntario Inc. (“FortisOntario”), Niagara Power Inc. (“Niagara Power”), and Grimsby Power Inc. (“Grimsby Power”) announced today that they have entered into a non-binding letter of intent for a strategic partnership. The letter of intent provides for the acquisition by FortisOntario of a 10 percent minority interest in Grimsby Power’s electricity distribution business.

The agreement includes a cash payment from FortisOntario to Niagara Power, the sole shareholder of Grimsby Power, plus the provision of services by FortisOntario to Grimsby Power to implement a SAP Customer Information System. This information technology system will replace an existing system, which is scheduled to go out of support at the end of this year.

The transaction is structured to take advantage of the existing transfer tax holiday which expires on October 17, 2008. The transaction is subject to completion of due diligence, negotiation and signing of definitive documentation and regulatory approvals.

Grimsby Mayor Bob Bentley said “FortisOntario was selected following a process of review of several proposals over the past two years. The key features that made the offer attractive to the boards of Grimsby Power and Niagara Power were; retention of local control of the utility, improved capacity for Grimsby to serve its growing customer base, job security for our valued employees and reduced operational and regulatory risk. It’s the shareholder’s opinion that the Fortis proposal is the best one for Grimsby.”

FortisOntario President and Chief Executive Officer Bill Daley commented, “FortisOntario is pleased to enter this strategic partnership as it is consistent with the company’s vision of being an active participant in the electricity distribution sector in Ontario. FortisOntario has a history of serving customers in smaller and medium-sized communities like Grimsby. We are proud of our track record of providing reliable service to our customers and value to the partnerships that it has entered into with other communities in Ontario.”

FortisOntario is headquartered in Fort Erie, has operations in electricity distribution and transmission and serves approximately 52,000 customers primarily located in Fort Erie, Port Colborne, Cornwall and Gananoque, Ontario and meets a peak demand of 256 MW. FortisOntario is 100 percent owned by Fortis Inc. of St. John’s, Newfoundland. For more information on FortisOntario, please visit the corporate website at www.fortisontario.com.

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