

**FOR IMMEDIATE RELEASE
FROM ESSEX POWERLINES CORPORATION**

December 6, 2013

**Essex Powerlines Corporation responds to Ontario's Liberal Government
recently released Long Term Energy Plan**

The Ontario Liberal Government Long Term Energy Plan ("LTEP") released on December 2, 2013 indicates that electricity rates will need to increase 33% over the next three years and 42% in the next five years.

Many of our customers are continuing to struggle as the Ontario economy, especially in Windsor/Essex, continues to rebound. While local industry has recently shown signs of moderate recovery, we are still feeling the impact of a weak economy and the challenges of globalization.

Essex Powerlines Corporation would therefore like to bring clarity to our customers on where these increases are coming from on their electricity bill and what Essex Powerlines is trying to do by working with customers in order to mitigate these anticipated price increases.

As your local distribution company we have **absolutely no** control over these recently announced cost increases as they represent the Provincially controlled portion of the electricity bill. While these increased costs will appear on your Essex Powerlines bill, it is important to understand that these are pass-through costs that flow back to the various government energy agencies such as Hydro One, IESO, OEFC, OPG and others.

Today, Essex Powerlines represents approximately 21% of a customer's electricity bill and we are quite satisfied that our portion of the

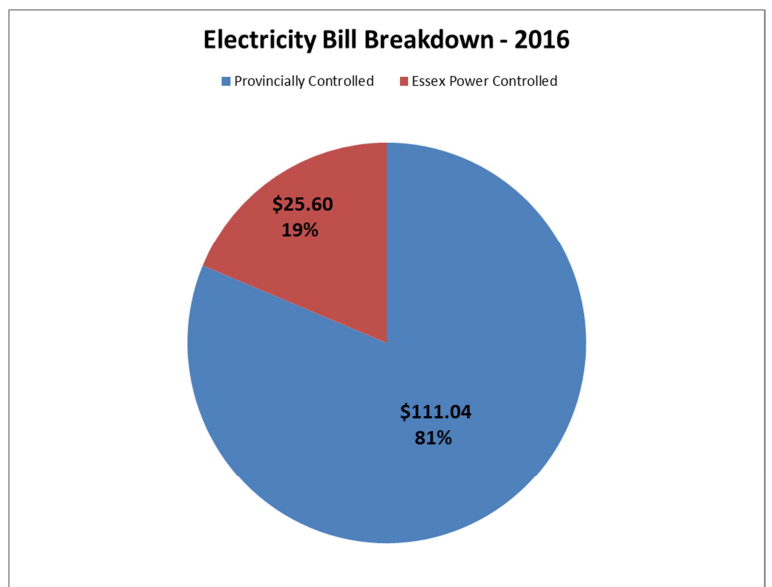


Figure 1 - Essex Powerlines Portion of Residential Electricity Bill

electricity bill costs has stayed relative flat since 2005. However, the impacts of the proposed Provincial increases are alarming. As indicated in Figure 1 above, by 2016 we will only represent 19% of the overall electricity bill as Essex Powerlines continues to hold the line on cost and rates all the while Provincial charges grow at double digit rates.

The chart below tracks the cost related to the local service provided by Essex Powerlines versus the Provincial charges on the electricity bill since 2005 and projects out to 2016 based on the recent LTEP.

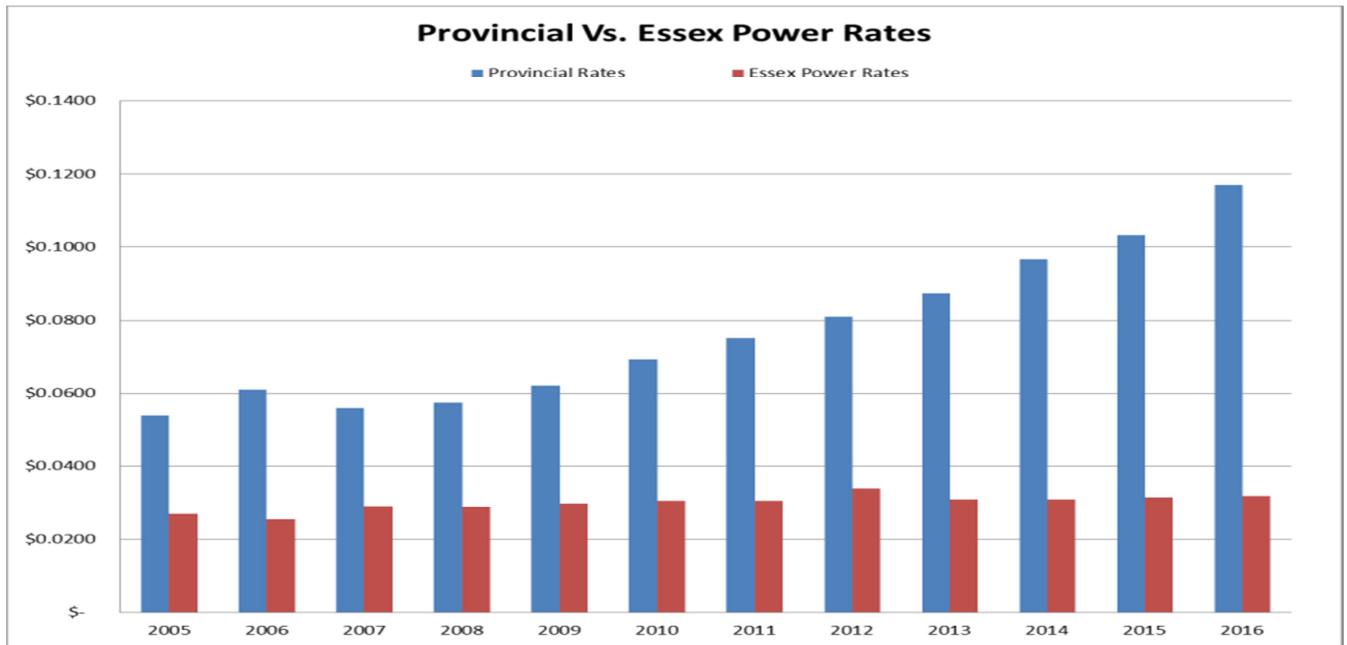


Figure 2 - Provincial Vs. Essex Powerlines Rates

While the local distribution charges have remained stable over this entire period the Provincial charges increases should clearly be a concern to consumers.

Essex Powerlines is locally owned and controlled by four local municipalities in the areas that it serves and therefore has a higher degree of accountability to the type and cost of service it provides. Our Shareholders would simply not accept increases in our cost structure such as those that are being proposed in the LTEP for the Provincial charges.

As a further illustration of yearly percentage rate changes, Figure 3 below provides a comparison of inflation rates to the increases that consumers are seeing to the various portions of their electricity bill.

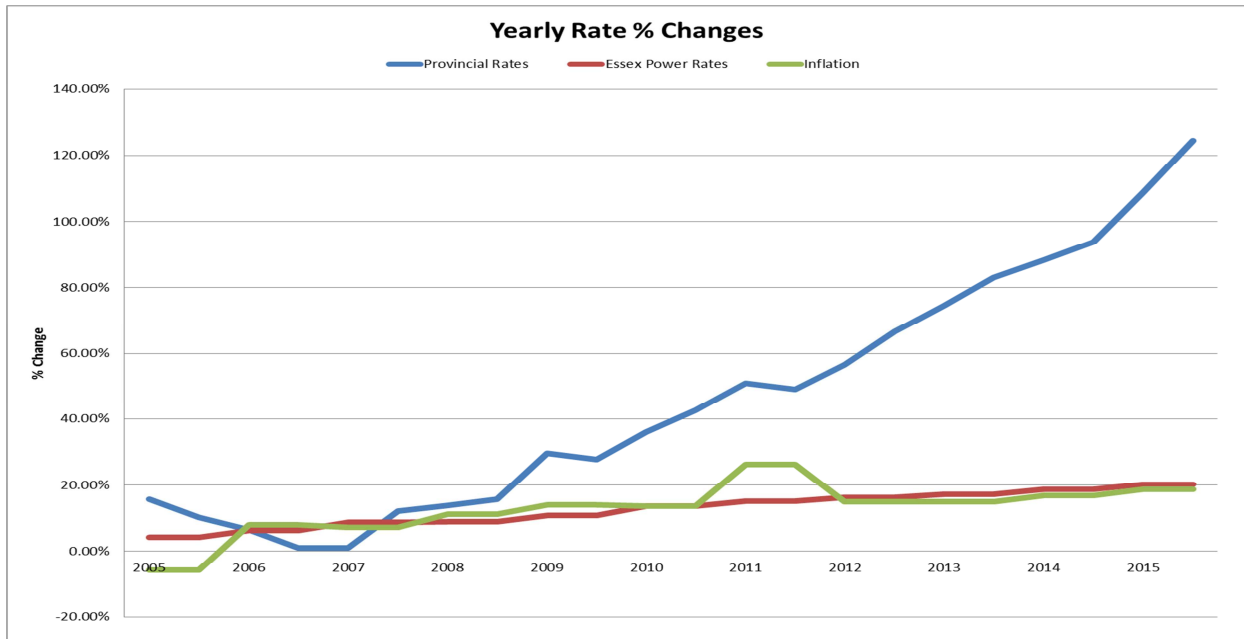


Figure 3 - Historical Rate % Changes

Essex Powerlines was pleased, however to hear that as part of the LTEP our role in Conservation programs will be expanding and we will be able provide a more customized set of offerings to our customers. Consumers will need to be engaged in these programs to mitigate future rate increases. Essex Powerlines will continue to work at the ground level as we have done in the past in order to find ways for our consumers to reduce their energy costs.

The recent announcement of the closing of Heinz in our Leamington service area, eliminating approximately 700 permanent jobs is a clear sign that we need to be as diligent as ever in order to maintain lower and reasonable costs for all our customers. While Essex Powerlines is committed to finding additional efficiencies in the distribution sector, the Provincial government must also focus on controlling the escalating costs on the remaining 80% of the electricity bill through stringent review of all Provincially owned agencies and policies.

For more information contact:

Name: Joe Barile
 Title: Legal, Human Resources, Regulatory Advisor
 Tel number: 226-252-6258
 Email: jbarile@essexpower.ca