

May 2, 2002

ONTARIO WHOLESALE ELECTRICITY MARKET HAS SUCCESSFUL STARTUP

Ontario's competitive wholesale electricity market had a successful May 1 startup, says Dave Goulding, President and CEO of the Independent Electricity Market Operator (IMO).

Goulding said the average price of electricity on the first day of the market was \$28.38/MWh, or 2.8 ¢/KWh. However, he cautioned that the success of the market must be measured over the long term.

"This is a great start, but the price of power in Ontario will fluctuate. As the market matures we will see the benefits of a competitive marketplace. Competition forces businesses to offer better services, better prices and innovative products," he said.

In the new wholesale electricity market, generators submit offers to supply electric power into the grid in different quantities and prices for each hour of the day. Every five minutes, the IMO calculates a new "on the spot" market price (the market clearing price) by balancing the supply of electricity with demand at that particular time.

Goulding added that he was very pleased with the way the market functioned on its first day, noting that "all the effort and hard work paid off. The processes and systems we designed all functioned properly."

The Independent Electricity Market Operator (IMO) is responsible for operating and regulating Ontario's wholesale electricity system and the new wholesale electricity marketplace -- linking buyers and sellers while directing the flow of electricity on Ontario's transmission system from generators and suppliers to local distribution companies and wholesale buyers.

For more information visit www.theIMO.com.

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Media contact: Kevin Dove
Manager, Corporate Communications
The Independent Electricity Market Operator
Tel: (416) 506-2823
e-mail: media@theIMO.com

**Notes for Remarks by Dave Goulding
President and CEO of
The Independent Electricity Market Operator
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The new competitive wholesale electricity market has been operating since 1:00 a.m. Eastern Daylight Time, and the IMO's tools, processes and systems are working as designed - the lights are on in Ontario as we take the vital first step towards the benefits that a competitive market will deliver.

Today marks an important new beginning for the IMO and for the Province of Ontario. From this starting point, the market will evolve and mature as market participants gain experience, we further refine and enhance our tools and processes, new participants invest in the industry, major and individual consumers develop strategies for participation in the market, and competition strengthens. As the market matures, we should see the increasing benefits of a competitive marketplace, including greater efficiencies, better service, innovation, and the lowest prices over the long term. This will take time. Day One is the start.

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