

FOR IMMEDIATE RELEASE

Espanola, Ontario

January 12, 2018

PREFERRED PARTNER SELECTED FOR ESPANOLA REGIONAL HYDRO

The Town of Espanola and the Township of Sables-Spanish Rivers (the Municipalities) are pleased to announce the acceptance of a letter of intent from North Bay Hydro Distribution Ltd. The Municipalities and North Bay will now proceed with the next phase of the process which includes the completion of due diligence and the preparation of a definitive agreement of purchase and sale. North Bay Hydro President and COO Matt Payne added "We are very excited by the opportunity to create a Northern Partnership with Espanola and Sables-Spanish Rivers that will enhance future sustainability for our communities."

"It is in the best interest of our residents and hydro ratepayers that these services are delivered through the knowledge and experience of North Bay Hydro" stated Les Gamble, Mayor for the Township of Sables-Spanish Rivers.

Both Sables-Spanish Rivers and Espanola Councils agree that their main focus is to ensure affordable, reliable and sustainable electricity to both communities. "This sale ensures the infrastructure upgrades which are required to ensure the long term dependability and reliability of our service will continue while minimizing the impact on our distribution rates. We are confident that North Bay Hydro will bring value to the community in terms of distribution rates and customer service" stated Mayor Ron Piche, Town of Espanola.

The Town of Espanola currently owns 81.0% of Espanola Hydro and Sables-Spanish Rivers the remaining 19.0%; servicing 3,289 customers.

The Government of Ontario continues to promote electricity industry consolidation on a voluntary basis. Various government-sponsored reports have recommended that industry consolidation continue until there are only 8 to 12 mid-sized local distribution companies remaining in the Province, down from 307 in 1998. The electricity sector has become increasingly complex over the past 19 years and, as a result, smaller local distribution companies in Ontario have become overwhelmed by the diverse demands placed on them by the current regulatory, political, economic and technological environment.

For more information contact:



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