



**MEDIA
RELEASE**

September 18, 2008
For Immediate Release

Thunder Bay Hydro Subsidiary Announces Sale of Its Water Heater Assets to Consumers' Waterheater Income Fund

Thunder Bay, ON – Thunder Bay Hydro's wholly owned subsidiary, Thunder Bay Hydro Energy Services Inc. has entered into an agreement to sell its water heater rental assets to the Consumers' Waterheater Income Fund (CWIF). The assets include 5,979 electric and natural gas water heaters being rented by local customers.

"We believe that the move is a fiscally responsible one for our company, our shareholder and our customers. This transaction is consistent with the trend in our industry and will allow Thunder Bay Hydro to focus on the core business of distributing electricity within the city of Thunder Bay," states President and CEO, Robert Mace. "By providing for a fairly long transition period, we are confident that our water heater tank rental customers will see a smooth changeover and continue to enjoy the same high level of service they are accustomed to receiving from Thunder Bay Hydro."

A transition period lasting through the spring of 2009 is anticipated. During this time, customers will continue to contact Thunder Bay Hydro for billing and service inquiries. Concurrently, customers will be contacted by the new owner and arrangements will be made to transfer billing and service calls. After the transition is complete, all billing or service inquiries will be directed to the new owner.

-30-

For More Information -
Eileen Dias
Communications and Events Coordinator
Thunder Bay Hydro
(807) 343-1141