MEDIA RELEASE

Interruption formula used to adjust diesel, stove oil maximum prices

Effective 12:01 a.m., Monday, March 7, the Public Utilities Board's Petroleum Pricing Office (PPO) will increase the maximum prices for diesel by 4.1 cents per litre (cpl) and stove oil by 4.28 cpl, except in regions where a price freeze is in effect.

The PPO is implementing its interruption formula to increase diesel and stove oil prices in the face of extreme volatility on the NYMEX (New York Mercantile Exchange) commodities market.

As per the criteria, Friday, March 4 was the last possible date for the interruption formula to be met before the regular monthly pricing schedule on the 15th. Therefore, there will no further pricing changes until March 15.

David Toms, PPO director (acting), said the ongoing high price for crude oil, which briefly moved above $55 US and has been above $50 US for a couple of weeks, continues to place upward pressure on the prices for distillate fuels, in this case diesel and stove oil.

Additionally, the U.S. Energy Information Administration (EIA) weekly report released March 2 indicated that distillate inventories, which are in the lower end of the normal range, had decreased more than expected over the previous week. This was attributed to the colder-than-normal temperatures in high-consumption regions that, in turn, created a large draw on existing supplies. The report also stated that global demand for diesel itself has increased significantly, especially in China, which further tightens the distillate market.

Another factor affecting fuel prices were several scheduled and unscheduled refinery outages in the U.S., which impacted fuel production and led to further supply fears.

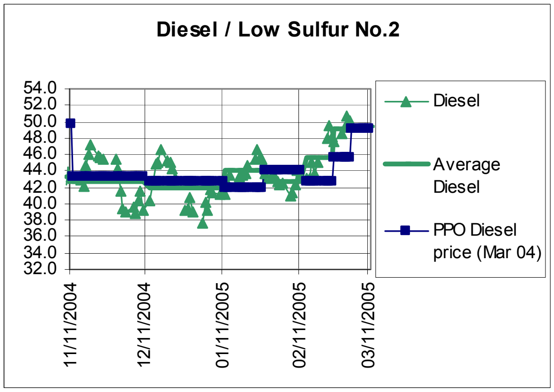
Lastly, the upcoming OPEC (Organization of Petroleum Exporting Countries) meeting March 16 continues to generate speculation on the fuel markets about whether it will maintain or cut output quotas in the coming months.

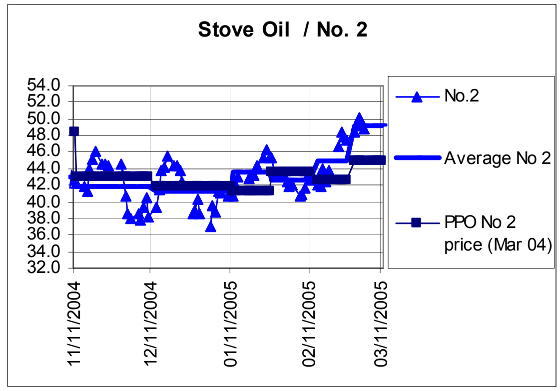
BACKGROUNDER

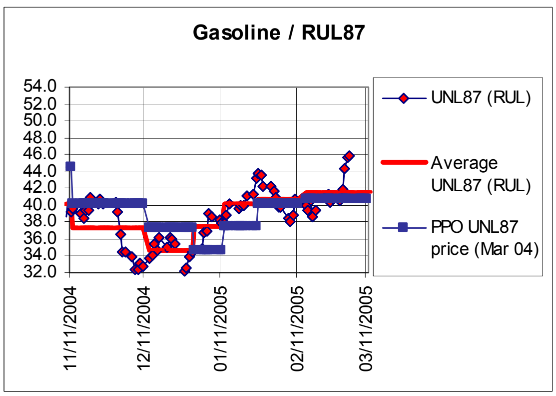
PPO benchmarks are established based on the average prices of refined products in the period since the last time maximum prices were established.

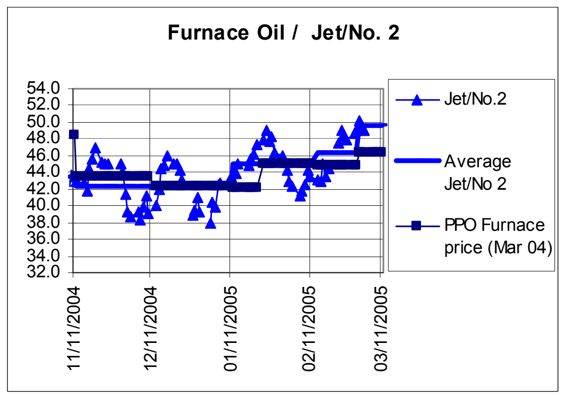
For the interruption formula to be used on gasoline and distillate fuels, the PPO requires the average of market prices to be 3.5 cpl greater or less than the current PPO benchmark prices (except propane, which requires +/- 5.0 cpl) over five market business days. As well, the interruption formula will only be used five days after the last pricing adjustment, and as long as making the change doesn't interfere with the regular pricing schedule.

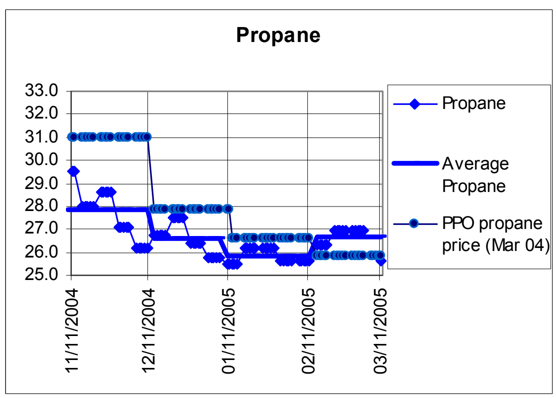
Illustrated in the following five graphs is the market-price performance of diesel, stove oil, and other fuels regulated by the PPO for recent pricing periods up to March 4, 2005:











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