For immediate release

Agreement reached to secure Bruce Power's future

Restart of Units 1 and 2 first phase of $4.25 billion investment

TIVERTON, ON – Oct. 17, 2005 – Bruce Power announced today that it has reached a definitive agreement with the Ontario Power Authority and will now launch a $4.25 billion investment program to secure the long-term future of its site, beginning with the restart of Bruce A Units 1 and 2.

The agreement is subject to a favourable income tax ruling from the Canada Revenue Agency, which we hope to receive shortly.

Restarting those units will boost Bruce Power's output to more than 6,200 MW, making it the source of about 25 per cent of Ontario's electricity on a typical day. Following the restart, the company's eight units will supply the annual power needs of more than four million homes.

Under terms of this long-term agreement, Bruce Power will restart Units 1 and 2 so they can operate for an additional 25 years. When needed, Unit 3 will undergo a similar refurbishment with new steam generators and fuel channels, while Unit 4's steam generators will be replaced as required.

The combined effect of these projects means Bruce Power will continue to generate clean electricity for Ontario until 2035 and beyond instead of closing its final unit in 2018 as previously planned.

"This agreement is transformational for Bruce Power," said Duncan Hawthorne, President and Chief Executive Officer. "Instead of shutting down units beginning in 2009, we have created a new future where we start bringing units back to service that year. Our employees and our communities can now look forward to a new era of security and growth."

Work to restart Units 1 and 2 will begin immediately upon closing with the first unit expected to be online in 2009, subject to approval by the Canadian Nuclear Safety Commission (CNSC). An Environmental Assessment for an expanded Bruce A restart is currently underway and a final report is expected to be submitted to the CNSC later this year.

Under terms of the agreement, Bruce Power will be paid $63/MWh based on current fuel costs for all of the output from Bruce A. Electricity from Bruce B will continue to be sold into the Ontario spot market and to various customers under fixed-priced contracts.

Bruce Power also announced today that its structure will be revised. TransCanada Corporation, BPC Generation Infrastructure Trust (BPC), an investment entity of OMERS, the Power Workers' Union (PWU) and The Society of Energy professionals have formed a new partnership, Bruce Power A Limited Partnership (BALP), that will obtain a sublease of the Bruce A facility. Cameco Corporation is not an investor in BALP. TransCanada and BPC will each own a 47.4 per cent interest in BALP and the remaining interest will be owned by the PWU and The Society of Energy Professionals.

Cameco, along with TransCanada and BPC, will maintain its existing 31.6 per cent interest in Bruce B and the Bruce Power Limited Partnership (BPLP), which is responsible for the overall management of the site. The PWU will continue to hold a four per cent interest and The Society of Energy Professionals a 1.2 per cent interest in BPLP. Day-to-day operations will be unaffected by this reorganization.

PWU President Don MacKinnon praised today's announcement as a key step in helping Ontario meet its growing energy needs.

"The need to maximize Ontario nuclear assets is a key point in the better energy plan that the Power Workers' Union is currently proposing to the people of Ontario," MacKinnon said. "Today's declaration of the $4.25 billion investment to fully restart and rehabilitate the four Bruce A units is the immediate action required to effectively fulfill that need in a timely fashion. Bruce Power's commitment will go a long way towards ensuring the future of electricity from nuclear power in Ontario -- electricity that will be smog free, greenhouse-gas free and affordable."

Andrew Müller, President of the Society of Energy Professionals, also applauded the agreement as a clear signal that nuclear energy will play a vital role in Ontario's energy mix for years to come.

"This deal demonstrates the support of the provincial government for the nuclear power industry in Ontario, and the crucial role Bruce Power plays," Müller said. "It's very good news for our members and their careers and for the Bruce community."

Before Units 1 and 2 return to service, all major life cycle items such as fuel channels and steam generators will be replaced. In addition, all ancillary systems will be upgraded to modern codes and standards. The company anticipates the project work force, which will be primarily hired through local union halls, to peak at more than 1,500 full-time workers during the approximately four-year construction period.

"This will be one of the largest engineering projects Ontario has seen since these generating stations were first built," Hawthorne said. "This will be a challenging job, but the experience we gained during the restarts of Units 3 and 4 will be brought to bear throughout the process. I am confident we have the skills and capabilities on our site and through our contractual arrangements with high quality companies to successfully deliver this important project."

Units 1 and 2 were first brought into service in 1977 by the former Ontario Hydro. Unit 2 was laid up in 1995 and Unit 1 in 1997, when Ontario Hydro opted to temporarily lay up some units to concentrate its resources on other reactors in its nuclear fleet.

Crafting an agreement to now restart those units has been the culmination of many months of detailed negotiations between Bruce Power and the province and thorough reviews by independent financial and technical advisors.

"We are pleased to have passed this very detailed examination and been awarded this contract," Hawthorne said. "It has been the source of many questions among our employees and community leaders, but given the magnitude of the transaction they understood the need for such a thorough review. Now, it's time to move onto the next phase of what will be a defining project for Bruce Power."

About Bruce Power
Bruce Power is Ontario's largest independent generator and a partnership among TransCanada Corporation, BPC Generation Infrastructure Trust, Cameco Corporation, the Power Workers' Union and The Society of Energy Professionals.

Media Availability
Following a 10 a.m. press conference at the Bruce Power Visitors' Centre, Duncan Hawthorne will also be available to discuss details of this announcement with the media from 1:30 to 2:30 p.m. at Bruce Power's Toronto office at 69 Yonge St., Suite 1100.

For further information:

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