

Supplemental Slides

LONDON HYDRO INC. ANNUAL GENERAL MEETING

*For the Financial Year Ending
December 31, 2016*

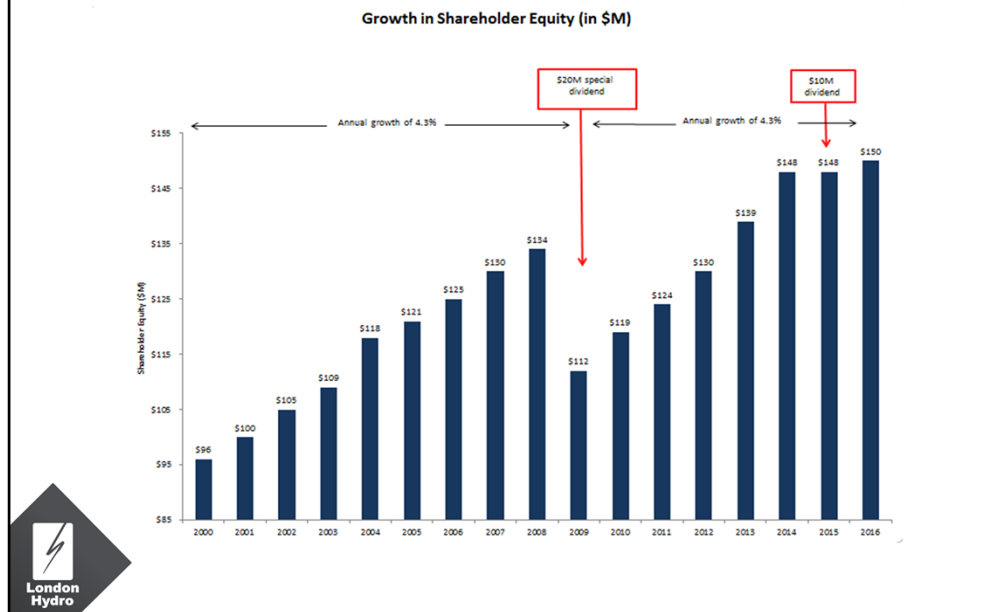


May 29, 2017

Handout Only

For your information, we are providing you some additional background slides. If you require further explanation of these slides please contact London Hydro.

GROWING SHAREHOLDER VALUE



Our Shareholder Equity has grown at an annualized rate of 4.3% ever since the day of our incorporation. Additionally, we have provided our Shareholder special dividends, regular dividends, and transfer of funds at the time of our initial restructuring for total proceeds of \$126 million (since 2000).

LONDON HYDRO DEVELOPED A NEW STRATEGIC PLAN USING A GRASSROOTS APPROACH

Mission: To provide safe, reliable electricity and value-added services.

Vision: To pursue excellence as an industry leader.

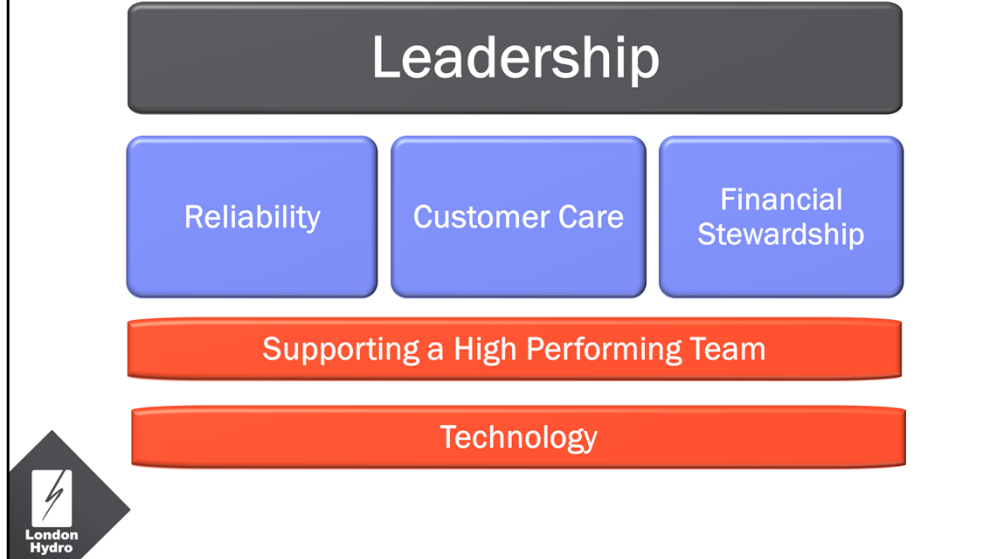
Values:

- *Safety* – Safety is our first priority.
- *People* – Our employees are our greatest strength. Our customers are our primary focus.
- *Integrity* – We are stewards of the public trust and we demonstrate the highest standards of professional ethics and accountability in all our activities. We treat others with respect and courtesy.
- *Agility* – We will be open and adaptable as we embrace the industry's future.
- *Corporate & Social Responsibility* – We are committed to being a financially, socially, and environmentally sustainable company.



Our Strategic Plan is for 5 years (2017–2021). In all that we do, the employees of London Hydro focus on living out our Mission and Vision throughout. As a local distributor, our primary goal is to distribute electricity safely and reliably. Our Vision speaks to growth and leadership through pursuing excellence in everything we do.

OUR STRATEGIC PLAN IS NOW FOCUSED ON ACCOMPLISHMENTS IN SIX CATEGORIES



Our prime focus is on creating a strong corporate culture and advanced technology infrastructure together with a robust asset base; this will help us enhance reliability of service and customer care which inherently will result in good financial performance and industry leadership. Our reliability indices are about one event per customer for an average of one hour disruption per customer, per year. We also provide several smart apps for our customers which helps them reduce their cost of energy management for their operation.

LONDON HYDRO'S RATES ARE COMPETITIVE

WE ARE REDUCING OUR RATES IN 2017

A typical residential customer should receive savings of 51 cents per month.

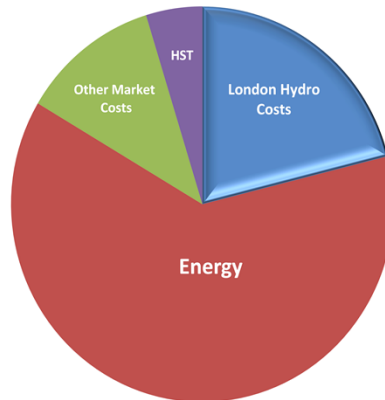
London Hydro is able to do this, in part, due to program efficiencies such as: Aeroplan/Paperless Billing, Green Button, Self Service Website/Smart Apps and Reduction in our System Losses.

Our rates are reviewed and approved by the OEB every five years.



The OEB reviewed and approved our distribution system plan as well as our costs for this year and the next such review will take place in 2022. Between now and 2022, our rates may increase/change slightly depending upon the productivity factors and inflationary measures.

LONDON HYDRO'S COSTS MAKE UP A SMALL PORTION OF THE TOTAL BILL



For a typical residential customer, our costs are between 19% - 21% of the total bill. The majority of the cost of the bill is energy, which includes the Global Adjustment. Please note, while our service costs are very small, but we are at risk for payment of the entire bill to the upstream service provider; in essence, we would take the collection risk of the entire energy market in London.

LONDON HYDRO CONTINUES TO INVEST IN OUR ASSETS TO BUILD AND SERVE THE CITY OF LONDON

1. Revitalizing Our Downtown – Increasing Security and Contingency of Power Supply

- Upgrading the existing 1950's vintage 13.8kV equipment with modern 27.6kV components all supported by a new transformer station - **\$34.4M**

2. Rebuilding Where We Live – Reduce Supply Disruption

- Vintage pole lines, underground cables and transformers dating back 30 to 40 years are being upgraded with modern 27.6kV components with minimal disruption to property owners - **\$57.5M**

3. Enable Growth and Development – Enhancing Corporate Value

- Relocating poles, lines, underground structures and cables for City Road Works. Building new circuits to supply electricity supporting new commercial and residential growth - **\$44.3M**



See notes on next slide.

**LONDON HYDRO CONTINUES TO INVEST IN OUR ASSETS
TO BUILD AND SERVE THE CITY OF LONDON CONT'D**

4. Hardening the Electrical Grid – Increasing Contingency and Security

- Minimizing outages for all London Hydro Customers by building new overhead and underground circuits to support peak loads and provide redundant power supply alternatives - **\$12M**

5. Building a Smarter Network – Distribution Automation

- To enhance reliability and reduce outage times for customers, London Hydro will continue to install smart switching devices. These automatic/computer controlled devices provide continuous grid analysis for quicker restoration of failed circuits - **\$4M**



The expenditures noted are over a five-year period. In total, these dollars amount to approximately \$152 million. This will help us accomplish all of the growth in the downtown core, all of the road widening projects as well as help us in maintaining our high reliability and reduce system losses.

AS A TECHNOLOGY LEADER, LONDON HYDRO IS BUILDING INNOVATIVE SMART APPS FOR OUR CUSTOMERS

Some Examples for **Residential** Customers:



1 Can you tell me when there's an outage?



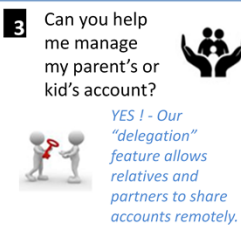
YES ! Our real time notification lets you decide how you receive messages re: ongoing outages and restoration times.

2 Can you help me with my move?



YES ! Our self serve Move In / Move Out functionality takes the hassle and the time out of changing locations.

3 Can you help me manage my parent's or kid's account?



YES ! - Our "delegation" feature allows relatives and partners to share accounts remotely.

4 Can you help me conserve ?



YES ! London Hydro is a leader in providing you access to many powerful solutions to help you conserve e.g. Paperless Billing.

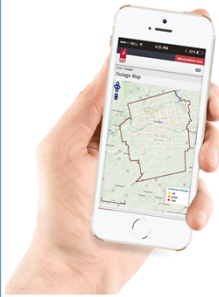


These services help us become more efficient and keep your costs low

See notes on next slide.

SMART APPS FOR OUR CUSTOMERS (CONT'D)

Some Examples for
Commercial
Customers:



1 Can you help me manage my multiple rental properties?



YES ! London Hydro's Property Management Portal self-serve app satisfies regulatory needs and helps you manage new and existing tenants.

2 I own several facilities, can you help me compare?



YES ! Our Interval Data Centre app shows the total energy use for all sites and compares each side by side.

3 Can you help me predict electricity cost 12 months from now?



Budweiser GARDENS



YES ! Our Event Assist app uses machine learning algorithms to help forecast and track your event costs.

4 Can I track my Energy Efficiency programs e.g. lighting replacement?



YES ! Our app lets you make usage notes in real time on the shop floor.



These services provide you convenience 24/7

We have been very innovative in building our computer infrastructure as well as various apps for our customers. Currently, we have four apps for our residential, industrial and commercial customers, and property owners respectively. The acceptance of our apps is extremely high – as much as 40% – primarily due to significant value add that is provided to our customers. Some prominent users of our apps are: Budweiser Gardens, Western University, TVDSB, London International Airport, and the Corporation of the City of London.

LONDONERS SHOULD MAKE USE OF THE GOVERNMENT'S ASSISTANCE FOR RELIEF ON THEIR ELECTRICITY BILL

Low Income Energy Assistance Program (LEAP)

Rate-payer funded emergency financial assistance program for eligible low-income customers of electricity and gas distributors.

London Hydro contributes \$200,000 annually.

LEAP is intended to provide an emergency grant to customers struggling to pay their bills.

Ontario Electricity Support Program (OESP)

- Low income program introduced January 1, 2016. Customers must apply to the program either on-line, telephone or by visiting our social partner, The Salvation Army, Centre of Hope.
- A monthly credit directly to the customer's bill.
- The amount of the credit depends on two factors: i) How many people live in the home and ii) Customer's combined household income.
- As of December 31, 2016 we had 7,117 customers receiving the monthly credits on their hydro bills, ranging from \$30 to \$75. This amount will soon be increased, nearly double.



The government has various programs to help eliminate “energy poverty”. It is disappointing that many customers in London are not availing themselves of these opportunities.

We would like you to promote these programs to your constituents, especially to those who contact you about their bill and ensuing London Hydro collection activity.