



London Hydro Inc.

Annual General

Meeting

***For the Financial Year Ending
December 31, 2017***

June 25, 2018

Board of Directors

- Mohan Mathur, DSc, PhD, PEng, FCAE
Chair
- Gabe Valente, BA, BComm, CPA, CA
Vice-Chair
- Connie Graham, BSc, ICD.D
- Marilyn Sinclair, BA
- Jack Smit, CPA, CGA
- Guy Holburn, MA, PhD
- Michael van Holst, HBS, BEd

Senior Management Team

- Vinay Sharma, PhD, PEng, FCAE, CDir
CEO
- Bill Milroy, PEng
VP Engineering & Operations
- David Arnold, CPA, CA
CFO, VP Finance & Corporate Secretary
- Syed Mir, BSc
CIO & VP Corporate Services
- Elizabeth Carswell, BA, MA, BEd
Sr. Director Human Resources

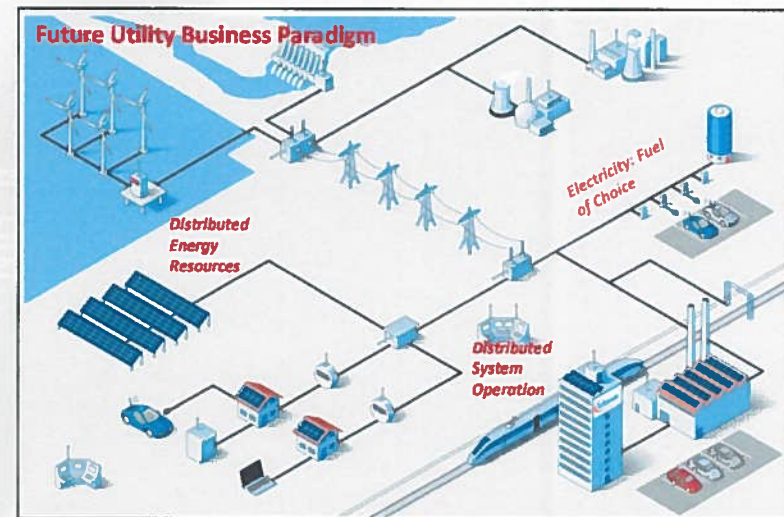
London Hydro is an Award Winning Utility...



Financial Highlights	2017 Actual	2016 Actual
Distribution Revenue	66.5	65.1
Net Earnings	14.1	12.2
Average Return on Shareholder's Equity	9.1%	8.1%
Annual Investments:		
Capital Assets	38.4	37.7
Financial Position:		
Total Assets	380.9	374.5
Shareholder's Equity	159.8	150.8
Distributions to the City of London:		
Dividends Declared/Paid	5.0	5.0
Special Dividend Declared	-	5.0
S&P Credit Rating	A/Stable	A/Stable

...with a Strong Financial Performance

...and is Well Positioned for the Future

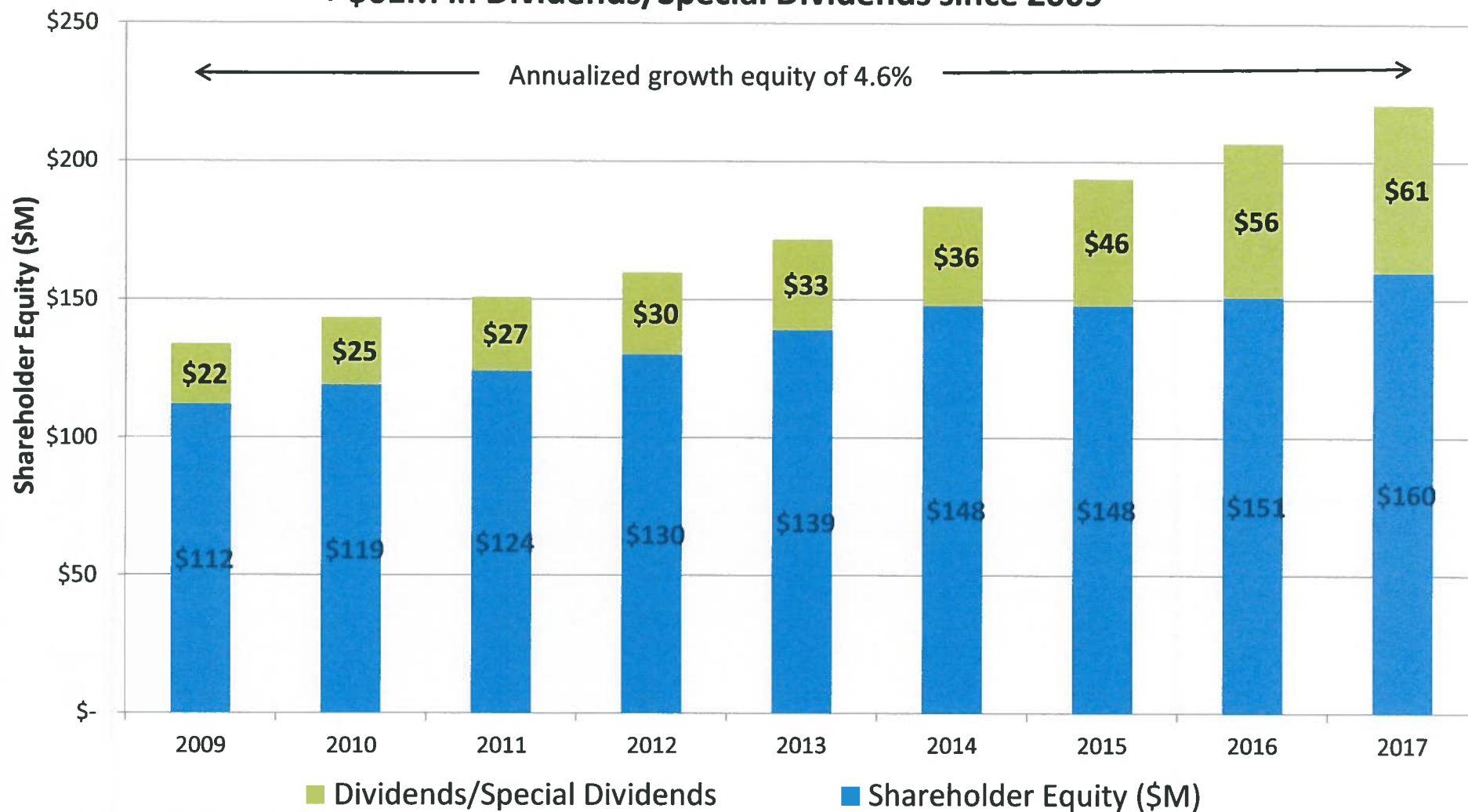


London Hydro Fulfilled All Shareholder Objectives

1. Competitive Rate of Return: **9% RoE**
2. Just and Reasonable Rates for Customers: **Cost and rates in the lowest quartile among Ontario utilities**
3. Successfully maintained the efficiency assessment **rating of 2** (out of a scale of 1 to 5, with 5 being the worst), as determined by the OEB
4. Winner of several **awards for efficiency and innovation:**
 - ✓ EDA's Conservation Leadership + EDA's Customer Service Excellence
 - ✓ Two IHSA Presidents Award for 250,000 hours W/O a Lost Time Injury
 - ✓ CS Week Award for Innovation in Digital Customer Service
5. Regular Dividend: **Consistent and steady annual dividend of \$5M**
6. Since 2000, **\$201M has been provided to the Shareholder** including monetization of the promissory note

Growing Shareholder Value

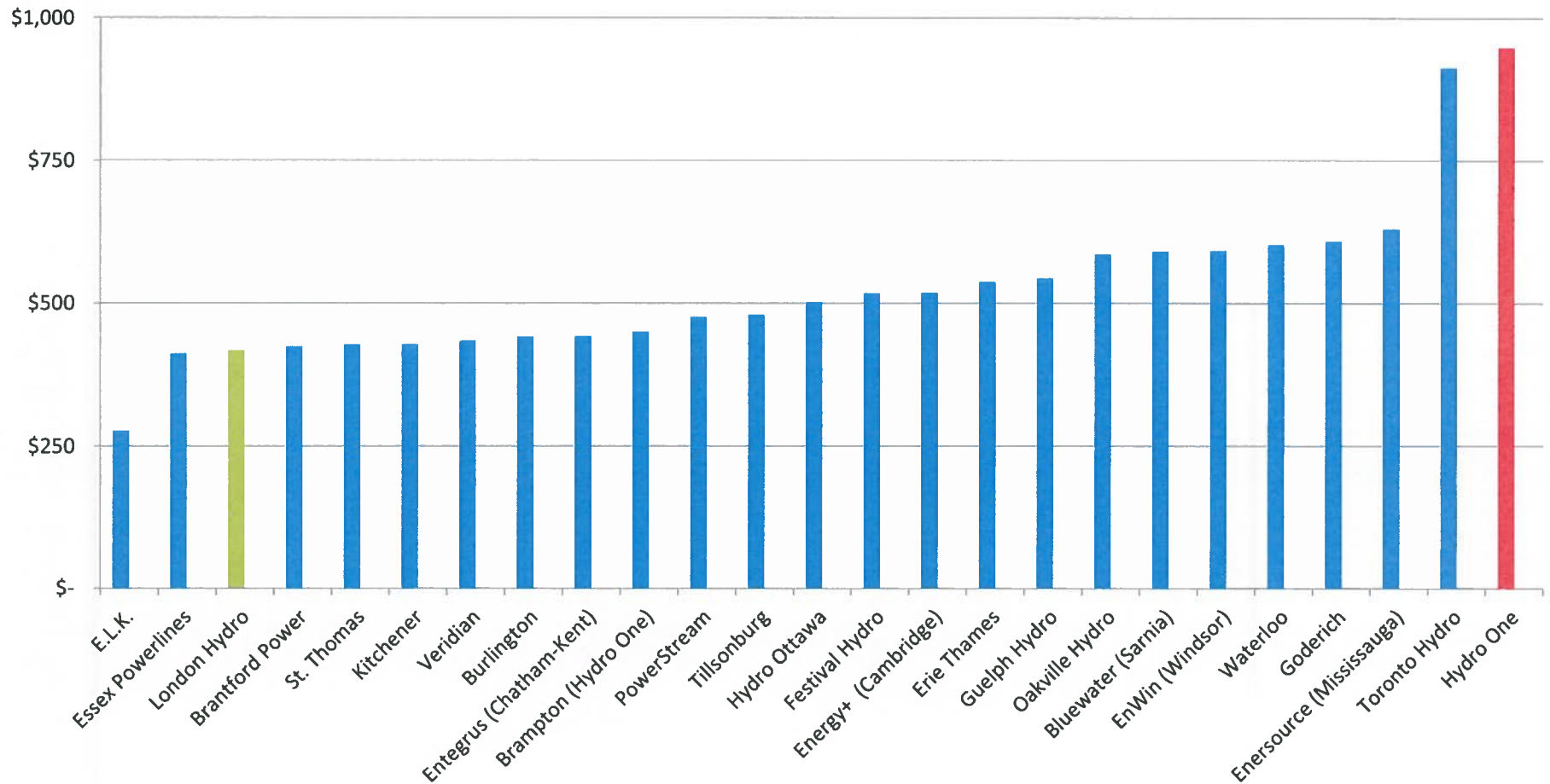
43% (\$48M) growth in Shareholder Equity between 2009 and 2017
+ \$61M in Dividends/Special Dividends since 2009



*Monetized \$70M Promissory Note in 2014

London Hydro has Competitive Rates

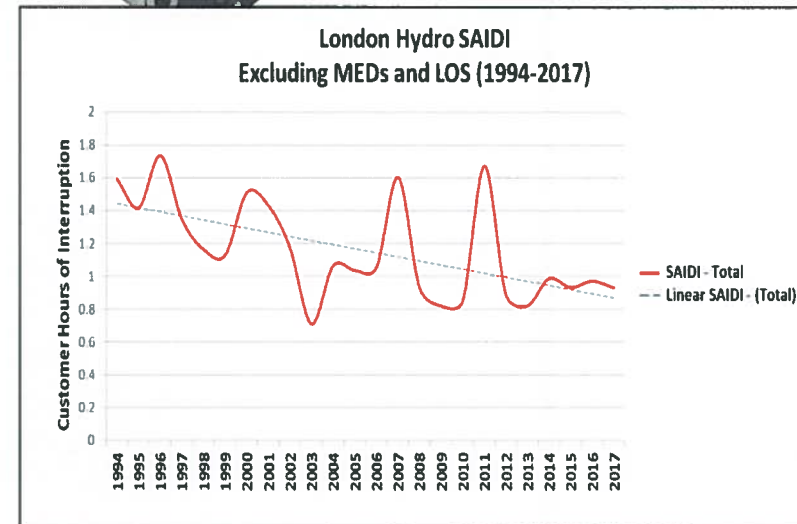
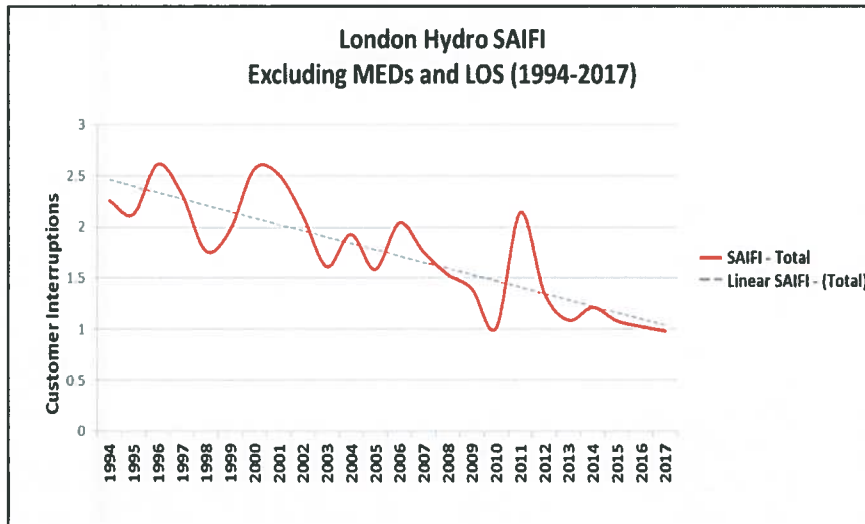
Competitive Rates vis-a-vis Neighbouring and Peer Utilities
Annual Distribution Revenue Per Customer



Value for Money: Higher Reliability of Electricity Supply

Automation and use of Digital Data

- Smart Meters, Automated Switches
- Reclosers, Digital Fault Indicators and Relays



SAIFI: System Average Interruption Frequency Index
LOS: Loss of Supply

SAIDI: System Average Interruption Duration Index
MED: Major Event Days

Infrastructure Investment (\$107M) To Enhance System Reliability

Rebuilding where we live to
**reduce supply
disruption & improve
power quality**



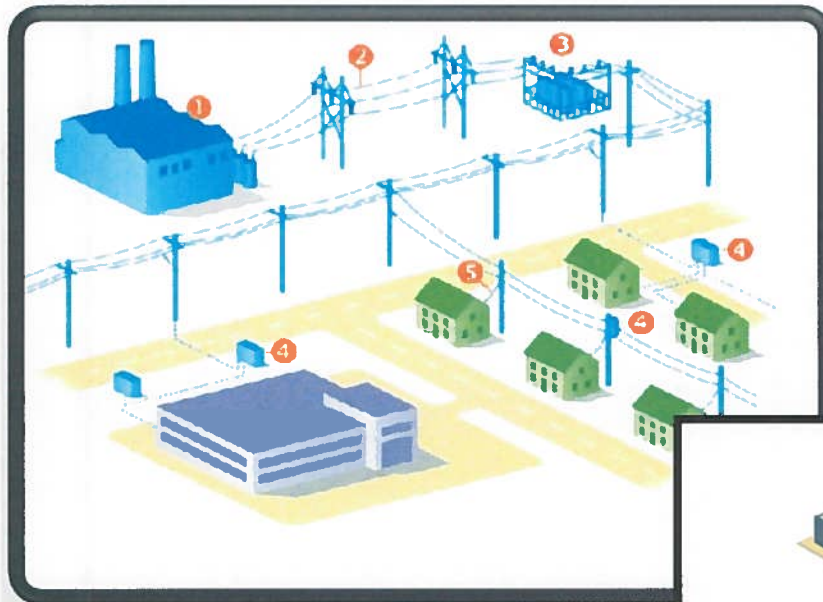
Revitalizing downtown to enhance
**contingency of supply &
increased capacity for
intensification**



Building a smarter network for
increased automation



Legacy to Smart Grid: Future Business Opportunities – Wires and Data



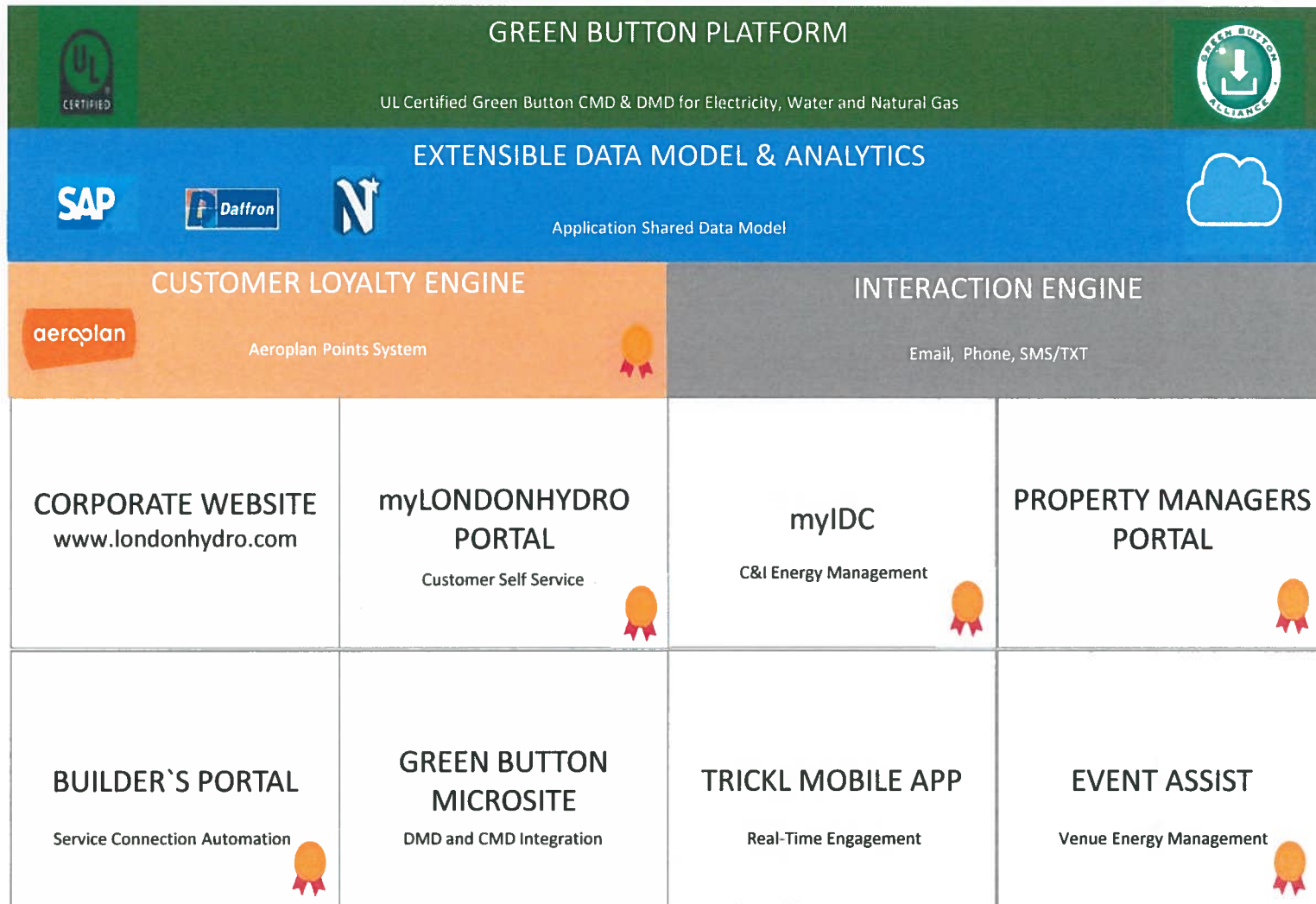
← **Legacy Power System**
One-way power flow from the generating station to the customers

Smart Grid System →
Mesh-network where power flows from all the generating sources to the customers



← **Two distinct businesses:**
*i) Wires and
ii) Data*

A Digital Utility

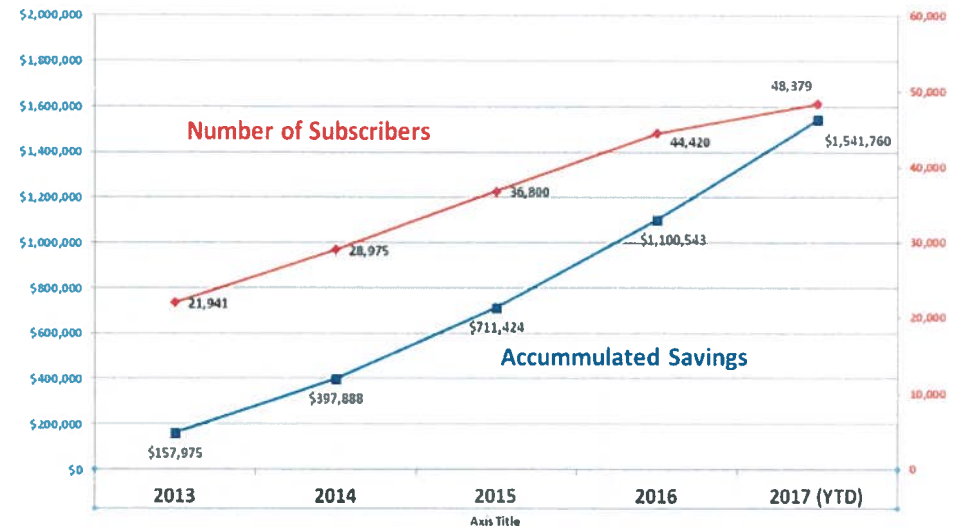


Efficiency From Becoming a Digital Utility

Paperless Billing Subscribers



Paperless Billing Subscribers and Accumulated Savings (Postage)



“Postage” savings of > \$1.5M

Efficiency Through Utility Collaboration

Powered by London Hydro



London Hydro



London CANADA

Festival Hydro



Whitby Hydro Electric Corporation



uniongas

An Enbridge Company



GREEN BUTTON PLATFORM

UL Certified Green Button CMD & DMD for Electricity, Water and Natural Gas



DATA ADAPTERS

DATA INTEGRATION

SECURE APIs



Beyond Electricity...



Future Utility Paradigm:

Business Disruption due to Automation,
Data Management, Data Analytics and
Artificial Intelligence

London Hydro's Competitive Strategy:

Pursue Digital Utility and Data Business Opportunities

Financially Strong, Technically Sound, Valuable Corporation

1. A strong, high performing corporate culture – well established.
 - a. 325 full time employees – 22 new hires & 10 retirements.
 - b. Our employees are community leaders who donated 1,752 lbs. of food to the London Food Bank and \$30,000 to various charities through a London Hydro voluntary payroll deduction program.
 - c. Once again in 2017, London Hydro donated \$200,000 to the Low-income Energy Assistance Program (LEAP). This funding assisted over 400 households.
2. Continued innovation and efficiency through technology leadership – an award winning corporation.
3. Customers and utilities will be more interdependent as opposed to customers becoming grid-independent in the future.
4. London Hydro's strategy will prepare it for the future of increasingly digital, DER, energy conservation and smart applications, while maintaining a strong distribution infrastructure.



Thank you