



London Hydro Inc. Annual General Meeting

*For the Financial Year Ending
December 31, 2019*

June 9, 2020

“

...In early 2020, COVID-19 was an unprecedented situation; however, London Hydro maintained its long-standing commitment of a highly reliable grid and excellent customer service. London Hydro remains a strong hometown utility and its strategic journey of technological innovations continues without interruption...

”

Board of Directors

- Gabe Valente, BA, BComm, CPA, CA
Chair
- Connie Graham, BSc, ICDD
Vice-Chair
- Andy Hrymak, BEng, PhD

- Marilyn Sinclair, BA
- Jack Smit, CPA, CGA
- Guy Holburn, MA, PhD
- Michael van Holst, HBSc, BEd

Senior Management Team

- Vinay Sharma, PhD, PEng, FCAE, CDir
CEO
- William Milroy, BASc, PEng
VP Engineering & Operations
- David Arnold, BSc, MAcc, CPA, CA
CFO, VP Finance & Corporate Secretary

- Syed Mir, BSc
CIO & VP Corporate Services
- Elizabeth Carswell, BA, MA, BEd
Sr. Director Human Resources



Another Banner Year For London Hydro

Strong Financial Performance

Leaders in Technology and Innovation

Financial Highlights (\$ in millions)	2019 Actual	2018 Actual
Distribution Revenue	69.7	68.7
Net Earnings	12.0	12.9
Average Return on Shareholder's Equity	7.0%	7.8%
Annual Investments		
Capital Assets	43.0	44.6
Financial Position:		
Total Assets	453.9	428.3
Shareholder's Equity	174.7	169.3
Distributions to the City of London:		
Dividends Declared/Paid	5.0	5.0
S&P Credit Rating	A/Stable	A/Stable



London Hydro Fulfills All Shareholder Objectives

1. Strong Growth in Shareholder Value

- ✓ Competitive Rate of Return: 7% RoE (8.9% on deemed equity)
- ✓ Asset base growth of 6% and shareholder equity growth of 3%
- ✓ Sustained Annual Dividend to the City of \$5M
- ✓ Since 2000, \$211M cash flow provided to the Shareholder

2. Caring for our Customers

- ✓ Cost and rates are again in the lowest quartile among Ontario utilities
- ✓ Consistently high quality and reliability of service
- ✓ High customer satisfaction – 95% for commercial and industrial customers and 91% for residential and small business customers
- ✓ Continued prudent capital infrastructure investment

3. Industry-Leading Performance

- ✓ CS Week - Innovation in Digital Customer Engagement Award for MyWater
- ✓ Centre of Excellence - Youth Project Award for Trickl / RPP Pilot
- ✓ 883,344 hours without a lost time injury (LTI)

Health & Safety



- Successfully achieved **COR certification**
- Strong Health & Safety culture
- Launched the Health & Safety initiative “**Work Safe, Live Safe**” in June 2019
- Implemented multiple programs under this cultural initiative to **improve worker Health and Safety awareness**
- **883,344 hours** without an LTI



Value-added External Services

London Hydro extends internal capabilities to other utilities to gain revenue, grow staff capability and increase brand reputation and demonstrated ability to execute:



1. Electric Meter Sealing and Sampling Services

- Serving over 9 other utilities across Canada
- Over \$154,000 in external sealing revenue 2019
- Sealing high-end Power Quality meters to small kWh suite-meters



2. Expanded Services to EnWin

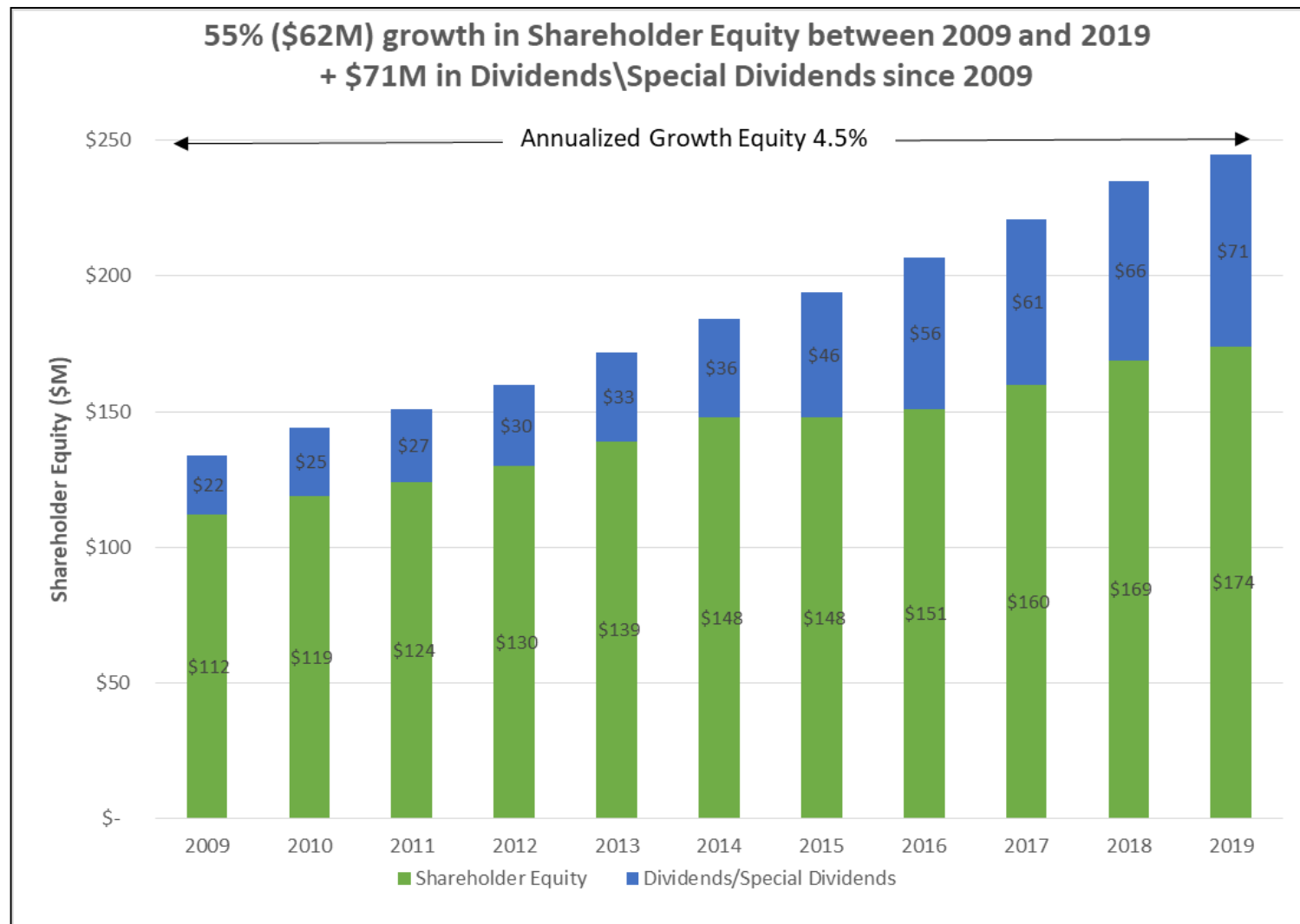
- myEnwin customer self-service portal
- Green Button platform for electricity and water

3. City of London Digital Customer Engagement Solutions

- Signed a new 5-year Agreement for water billing – no increase in price
- New 2019 Features:
 - interval water data
 - water management analytics
 - Customer Leak Detection and notifications

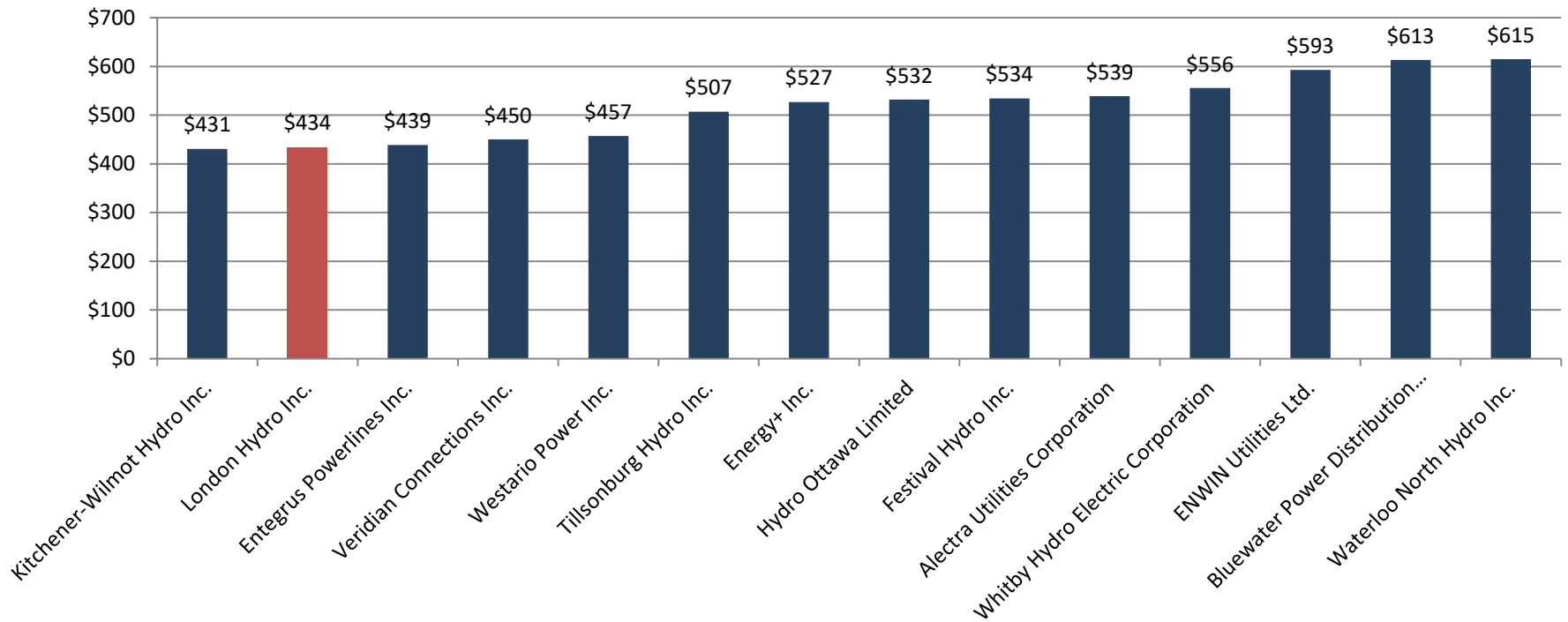


Growing Shareholder Value



London Hydro is a Highly Efficient Utility

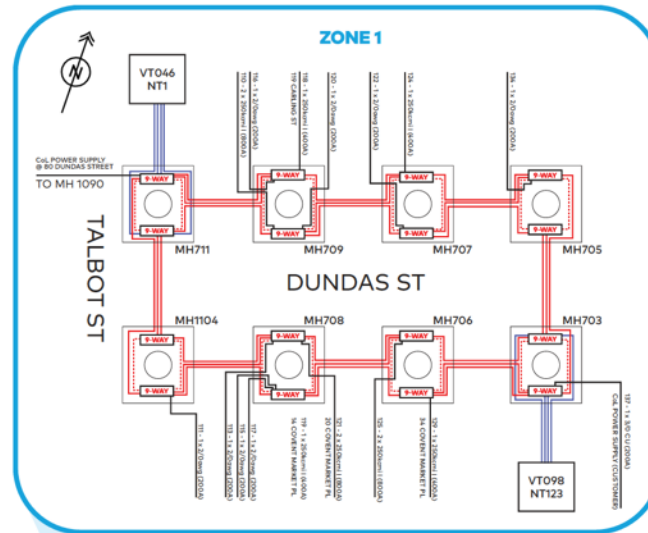
Distribution Revenue Per Customer Annually



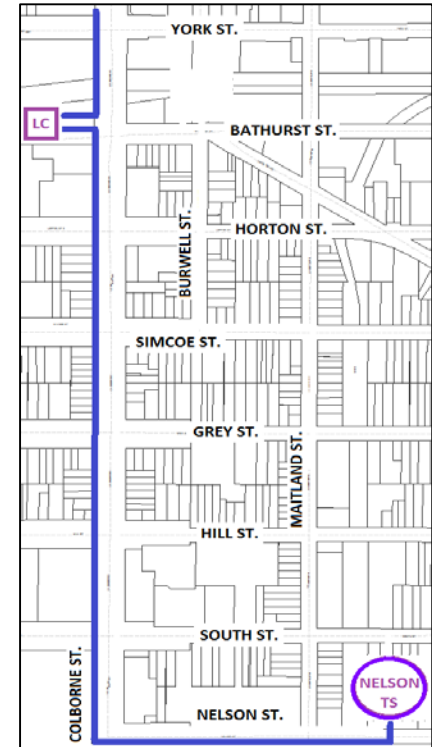
\$35M Capital Plan for Grid Enhancement Innovative Design for Downtown Flex Street



- 26M23 Feeder Build**
(Northwest Supply)
- 12 MW of load re-supplied
 - 4.5 km of overhead feeder built



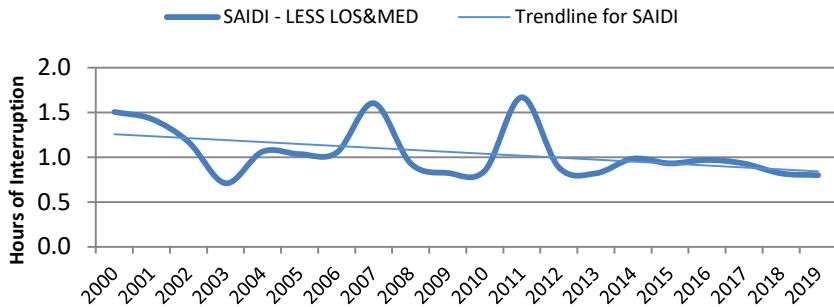
- Dundas Place Phase 2**
- 20 new manholes/670m duct structures
 - 7 new style network transformers
 - 600m of LEAD cable removed



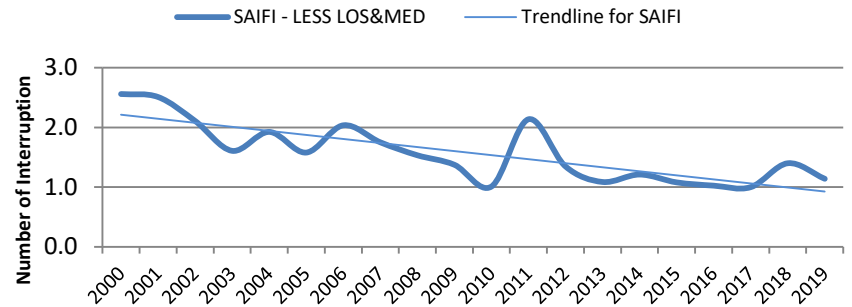
- Nelson 13M26 Feeder Build**
- 3 km of main feeder cable
 - 600Amp automated switch

System Performance

**London Hydro SAIDI Excluding MEDs and LOS
(2000-2019)**



**London Hydro SAIFI Excluding MEDs and LOS
(2000-2019)**



Note:

SAIFI – System Average Interruption Frequency Index
SAIDI – System Average Interruption Duration Index

LOS – Loss of Supply
MED– Major Event Days

Annual Performance																				
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
SAIDI - LESS LOS&MED	1.51	1.43	1.17	0.71	1.06	1.04	1.05	1.6	0.93	0.82	0.85	1.67	0.89	0.82	0.98	0.93	0.97	0.93	0.82	0.80
SAIFI - LESS LOS&MED	2.56	2.51	2.11	1.61	1.92	1.58	2.03	1.75	1.53	1.37	1.01	2.14	1.35	1.09	1.21	1.08	1.03	1.00	1.39	1.14

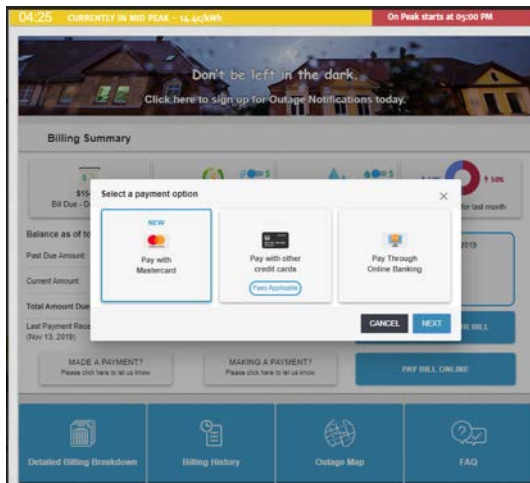
Engaging Our Customers Online

2019 Enhancement Highlights

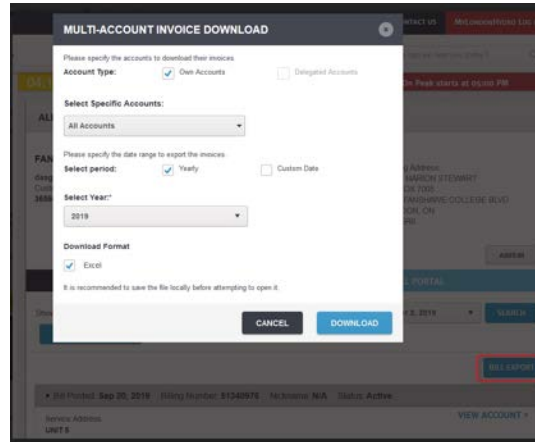
INTERVAL WATER DATA



CREDIT CARD PAYMENTS



DETAILED BILL DOWNLOAD




Only Canadian utility to offer the Mastercard® payment option, without any fees to customers


GO LIVE
June, 2019


CUSTOMER BASE
2022

NUMBER OF PAYMENTS/\$ AMOUNT
4782 payments, \$721,834.18

2019 MyLondonHydro Statistics

 **3,194** MOVE-IN/MOVE-OUT self service

 **10,613** PAPERLESS subscriptions

 **19,840** PAYMENT notifications sent

 **8,792** REGISTRATIONS MyLondonHydro Accounts

London Hydro

Strong, Reliable and Innovative

1. Continue Strong Financial Performance

- ✓ A strong Balance Sheet; excellent debt-to-equity ratio
- ✓ S&P credit rating of A/Stable
- ✓ 6% growth in rate base and shareholder value
- ✓ Prudent investment in modernizing and designing an innovative distribution grid to enhance security, contingency and reliability of supply

2. Strong Customer Focus

- ✓ Industry leading customer satisfaction ratings of 95% and 91% commercial and residential customers, respectively
- ✓ Strategic investment in technology, automation processes to achieve efficiencies and keep rates competitive
- ✓ Increasing investment in digital technologies for innovation and enhanced customer service

3. Valuable Community Partner

- ✓ London Hydro provided \$200,000 in LEAP funding to the Salvation Army
- ✓ Employees donated approximately \$37,000 to local charities, 1,400 lbs. of food to the London Food Bank, and 205 toys to the Salvation Army Christmas Hamper Program.
- ✓ Designed, built and decorated another award-winning float for the London Santa Claus Parade and the Hyde Park Santa Claus Parade, which was awarded the 2019 Committee's Choice Award and the 2019 Best Commercial Float Award, respectively.
- ✓ Strong, sincere and committed employees – 300+ strong