

London Hydro

Annual General Meeting

*For the Financial Year Ending
December 31, 2021*

June 7, 2022



**London
Hydro**



...The pandemic and the ensuing economic lockdown of the past two years has impacted all of us. In spite of these challenges, London Hydro has remained steadfast in ensuring reliable and safe distribution of electricity to our customers...

London Hydro has been cognizant of the impact the pandemic has had on our customers and has taken real action to assist our community in various ways. London Hydro provided \$433,000 to the most vulnerable members in our community...



Board of Directors

- Gabe Valente, BA, BComm, CPA, CA
Chair
- Connie Graham, BSc, ICDD
Vice-Chair
- Andy Hrymak, BEng, PhD
- Tania Goodine, BA, MBA
- Jack Smit, CPA, CGA
- Guy Holburn, MA, PhD
- Michael van Holst, HBS, BEd

Senior Management

- Vinay Sharma, PEng, PhD, FCAE, CDir
CEO
- William Milroy, BSc, 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

A Successful Year For London Hydro Despite Business Disruptions

*Leaders in Award-Winning
Technology and Innovation*

&

Strong Financial Performance



Financial Highlights (\$ in millions)	2021 Actual	2020 Actual
Distribution Revenue	73.7	70.2
Net Earnings	20.5	5.6
Average Return on Shareholder's Equity	11.1%	3.1%
Annual Investments		
Capital Assets	37.4	43.8
Financial Position:		
Total Assets	521.9	514.4
Shareholder's Equity	191.5	174.9
Distributions to the City of London:		
Dividends Declared	5.0	5.0
S&P Credit Rating	A/Stable A/Stable	

*Without mark-to-market unrealized adjustment, net earnings are \$10.2M and RoE is 5.6%.

Strong Balance Sheet: Well-timed Debt Arrangements

- \$200M total debt
 - \$85M with TD Bank maturing June 30, 2032 at a fixed rate of 1.53% + 0.44% stamping fee for an all-in rate of 1.97%
 - \$40M with RBC maturing June 30, 2022 at a fixed rate of 2.7% + 0.28% stamping fee for an all-in rate of 2.98%
 - \$85M with RBC maturing June 30, 2022 at a fixed rate of 2.46% + 0.36% stamping fee for an all-in rate of 2.83%

- A future contract has been signed with TD for \$125M commencing on June 30, 2022 with a maturity date of June 30, 2032 at a fixed rate of 1.69% + 0.44% stamping fee for an all-in rate of 2.13%

London Hydro Fulfills All Shareholder Objectives

1. Strong Growth in Shareholder Value

- Competitive Rate of Return: 5.6% RoE (Deemed RoE 6.9%), excluding mark-to-market adjustment
- Net assets growth of 4.9%
- Sustained Annual Dividend to the City of \$5M
- Since incorporation, \$221M cash flow provided to the Shareholder

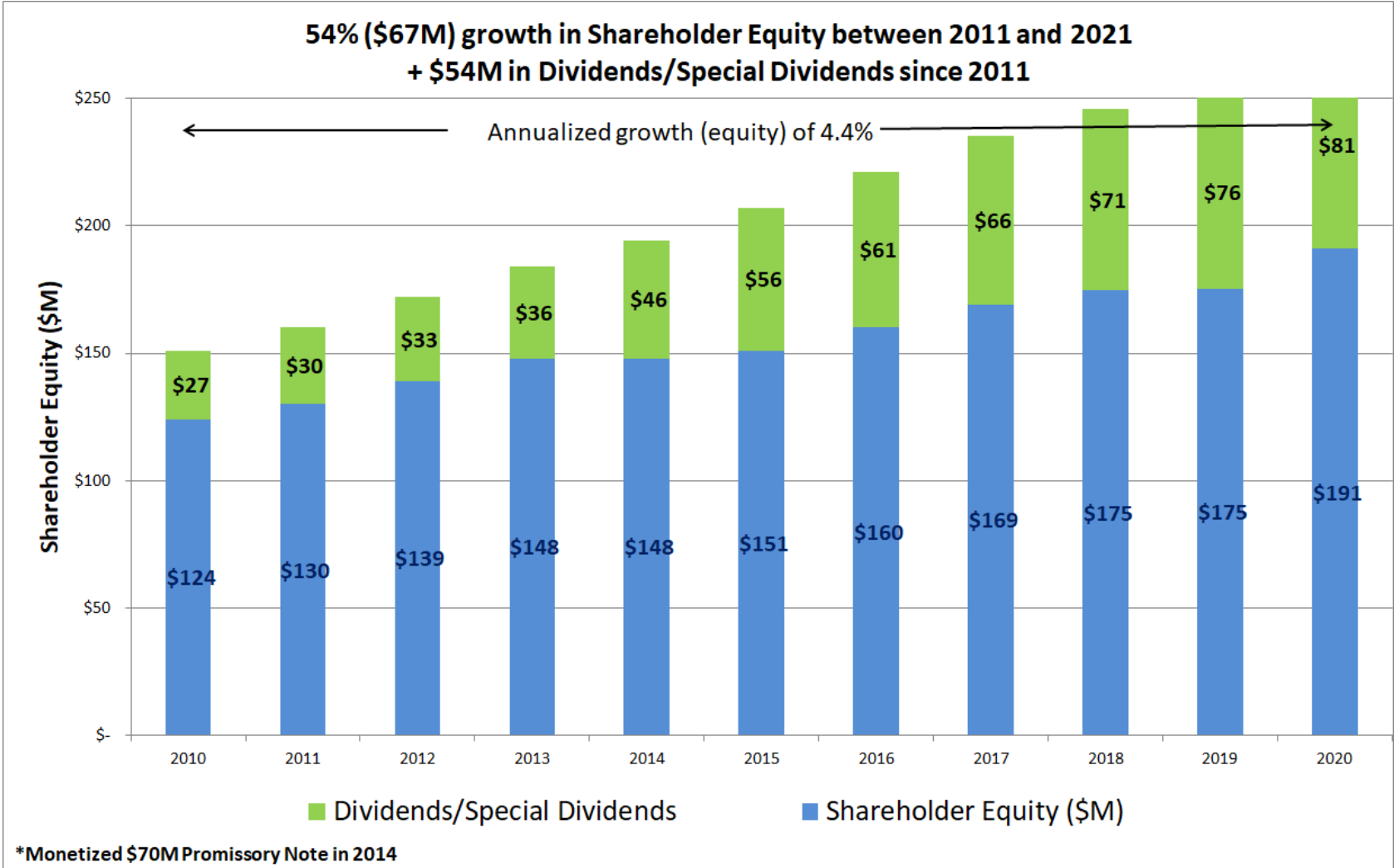
2. Caring for our Customers

- Cost and rates are again in the lowest quartile among Ontario utilities
- Consistently high quality and reliability of service
- High customer satisfaction – 94% for residential and small business customers
- Continued prudent capital infrastructure investment – modernizing the grid

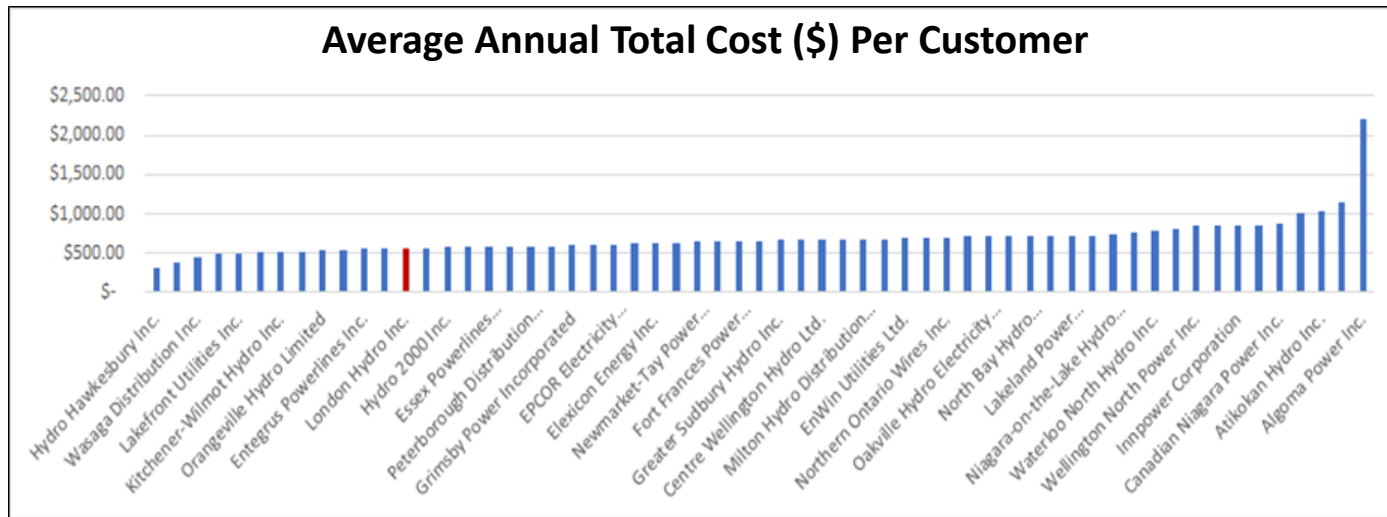
3. Industry-Leading Innovation

- CS Week's award for Innovation in Digital Customer Engagement
- EDA award for Customer Service Excellence
- Canada's Clean16 Top Sustainability Leaders award

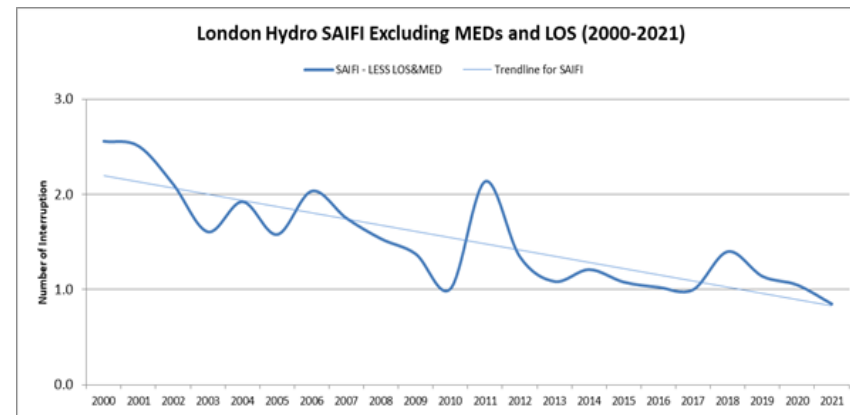
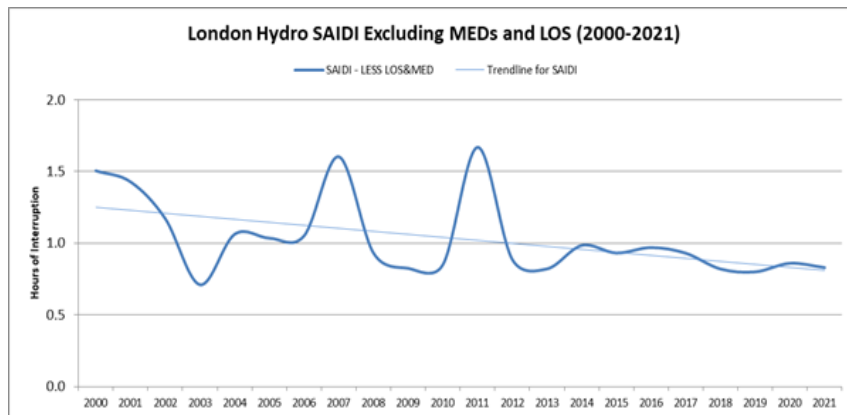
Growing Shareholder Value



London Hydro is a Low Cost and High Reliability Utility



High Reliability

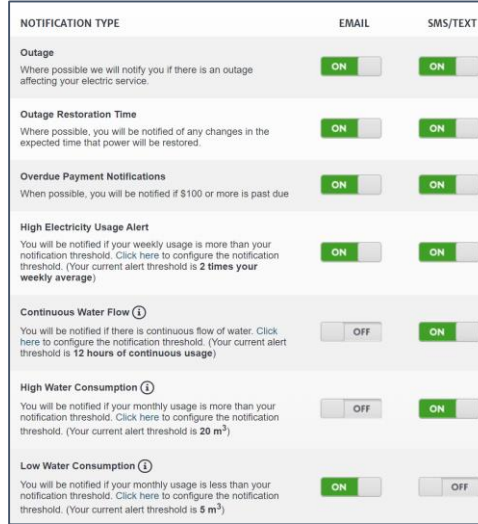
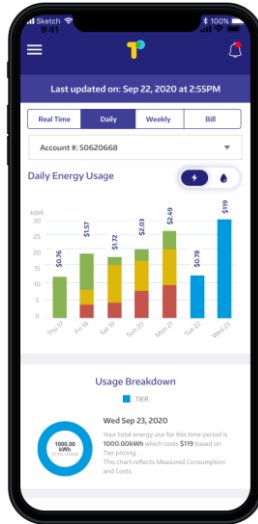
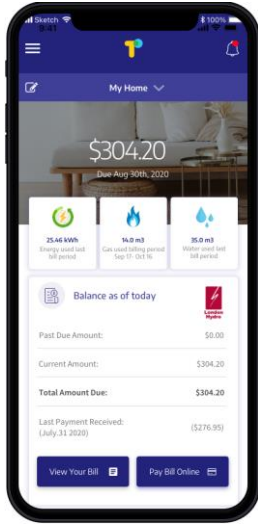


Notes:

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

LOS – Loss of Supply
 MED– Major Event Days

2021 Enhanced Customer Engagement



DIGITAL CUSTOMER STATISTICS



12,424

MOVE-IN/MOVE-OUT/TRANSFER
Online Self Serve



74,750

PAPERLESS ACTIVE SUBSCRIBERS



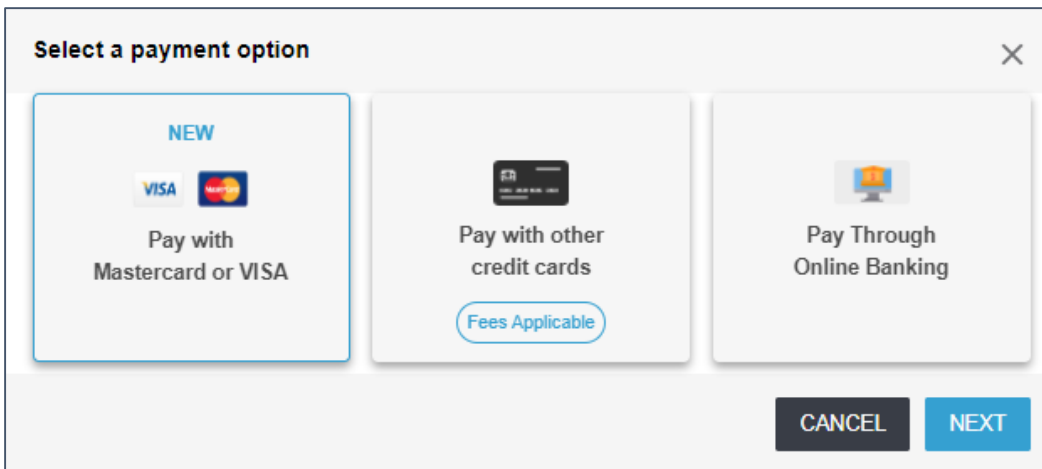
25,585

NOTIFICATION SUBSCRIPTIONS



93,519

MyLH ACTIVE ACCOUNTS



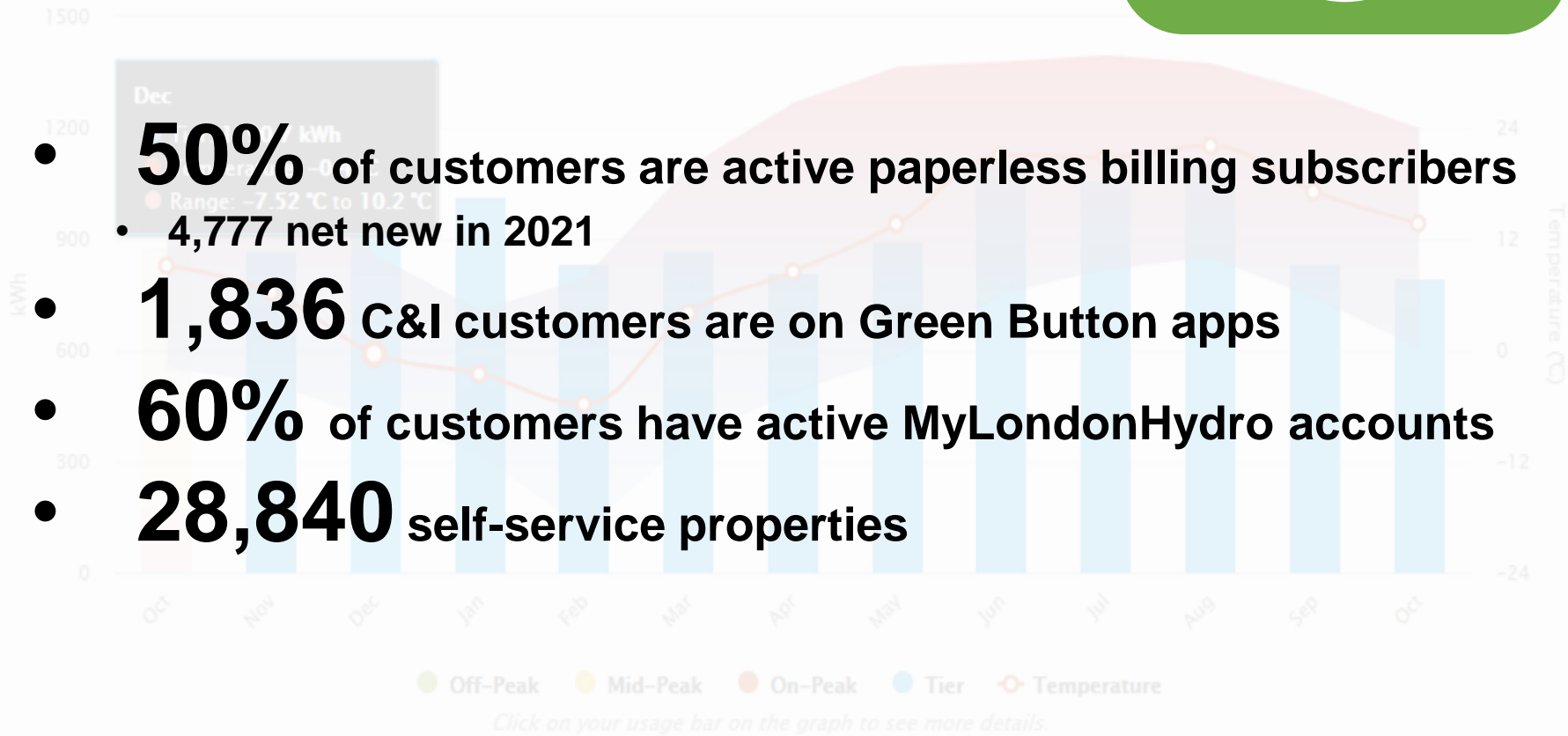
35,736

MyLH CREDIT CARD PAYMENTS

Digital Utility Vision

DIGITAL CUSTOMERS – Customer Engagement Tools

USAGE DATA
SOURCED FROM



- **50%** of customers are active paperless billing subscribers
- **4,777** net new in 2021
- **1,836** C&I customers are on Green Button apps
- **60%** of customers have active MyLondonHydro accounts
- **28,840** self-service properties

[About This Data](#)

Digital Utility Vision – cont'd

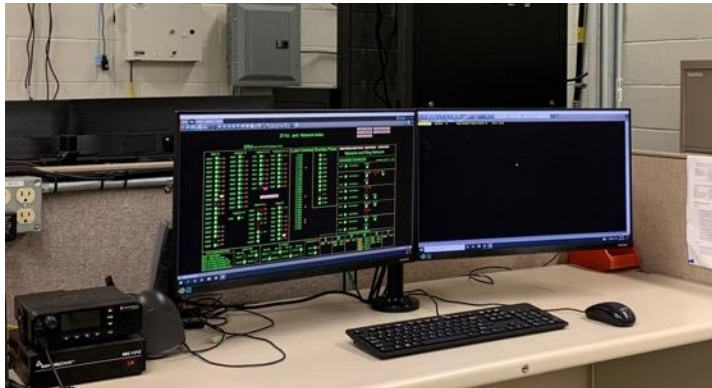
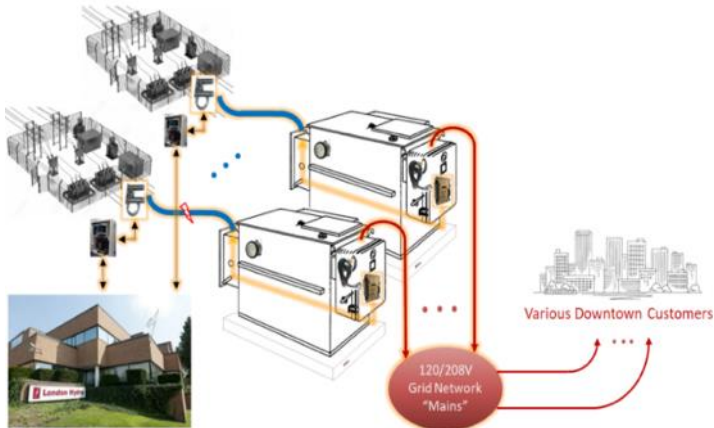
London Hydro's commitment and investment in Green Button Technologies validated by Ontario's mandate for Green Button Implementation across electricity and natural gas sectors.



Green Button Mandate for Ontario - Supporting Ontario's commitment to Green Button Implementations across Electricity and Natural Gas utilities:

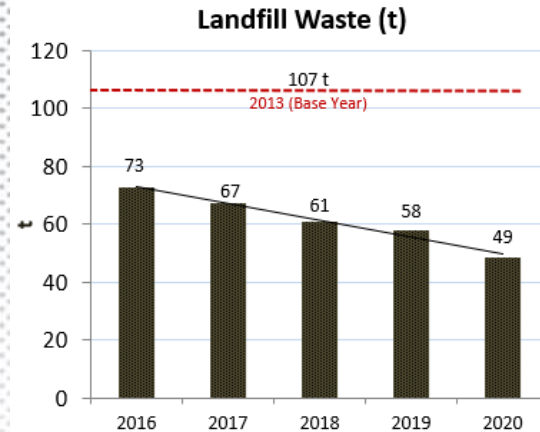
- November 1, 2021 - Ministry announcement hosted at London Hydro
- Support of OEB regulation through participation in task-force and overall support of ministry's journey through knowledge transfer and supporting data
- Enwin, Festival Hydro and Enbridge representation during event outlining their support and commitment to Green Button
- North America wide media coverage e.g. CTV News, Toronto Star, Global News, Power Grid International, Quinte News, etc.

Modernizing the Grid: Leveraging Technology for Grid Performance



- Leveraged Tan Delta Cable testing to optimize asset life
- Established Fully Redundant Operating Centre at Sub 15 with fiber optic link to 111 Horton
- Commissioned the Downtown Digital Grid that uses power line carrier to communicate with underground devices
- Installed advanced remote network monitoring and control TRTL system (Transformer Ruggedized Telemetry Link)
- The first utility in Ontario to establish a secure ICCP (Inter-Control Center Communications Protocol) link between London Hydro and Hydro One

Continued Environmental Leadership



- Paperless Billing (74,750 customers)
- ≈ 1,750 trees saved over 8 years
- Operating 11 solar installations (460 kW capacity)
- Generating 700,000 kWh per year (equivalent to 90 homes)
- In 2020, recycled 1,651 tonnes
- 54% waste to landfill reduction since 2013
- 10 Plug-in Hybrid Electric Vehicles (PHEV)
- 17 Hybrid Vehicles
- 18 EV Chargers Installed

London Hydro is a Strong, Reliable and Innovative “Community-Owned” Utility

1. Continue Strong Financial Performance

- A strong Balance Sheet; excellent debt-to-equity ratio; S&P credit rating of A/Stable

2. Strong Customer Focus

- Industry leading customer satisfaction rating of 94% for residential customers

3. Valuable Environmental and Community Leadership

- London Hydro provided \$433,000 in LEAP funding to the Salvation Army
- London Hydro and its employees donated \$1,945 to the London Food Bank, \$2,265 to the Salvation Army Christmas Hamper Program, \$10,000 to Reconciliation Canada, and \$28,000 to E.C.C.O. charities
- London Hydro continues to manage the pandemic disruptions and global supply chain effectively
- Our 300+ strong, sincere and committed employees persevere every day to serve Londoners and keep the lights on