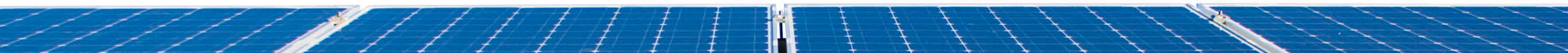






Agenda

1. Introductions
2. Safety
3. Net metering
4. Solar panels
5. Break
6. NOTL Hydro future plans
7. Confidential discussion

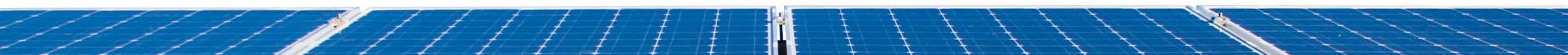




Niagara On-The-Lake HYDRO

- Over **100 years** of distributing electricity in Niagara-on-the-Lake
- NOTL Hydro is one of the smaller LDC's in Ontario
 - 9,500 Customers
 - 133km² operating territory
 - Over 400km underground and overhead distribution lines
- 100% owned by the Town of Niagara-on-the-Lake
- 18 full-time employees
- **Lowest Delivery Charge** in the Niagara Region

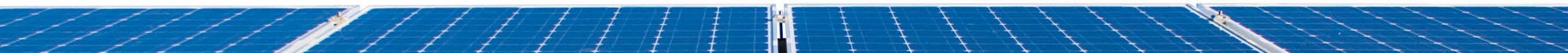
www.notlhydro.com





Safety #1

Never approach a downed electric wire. It could still be alive at a very high voltage. Touching it could be fatal.

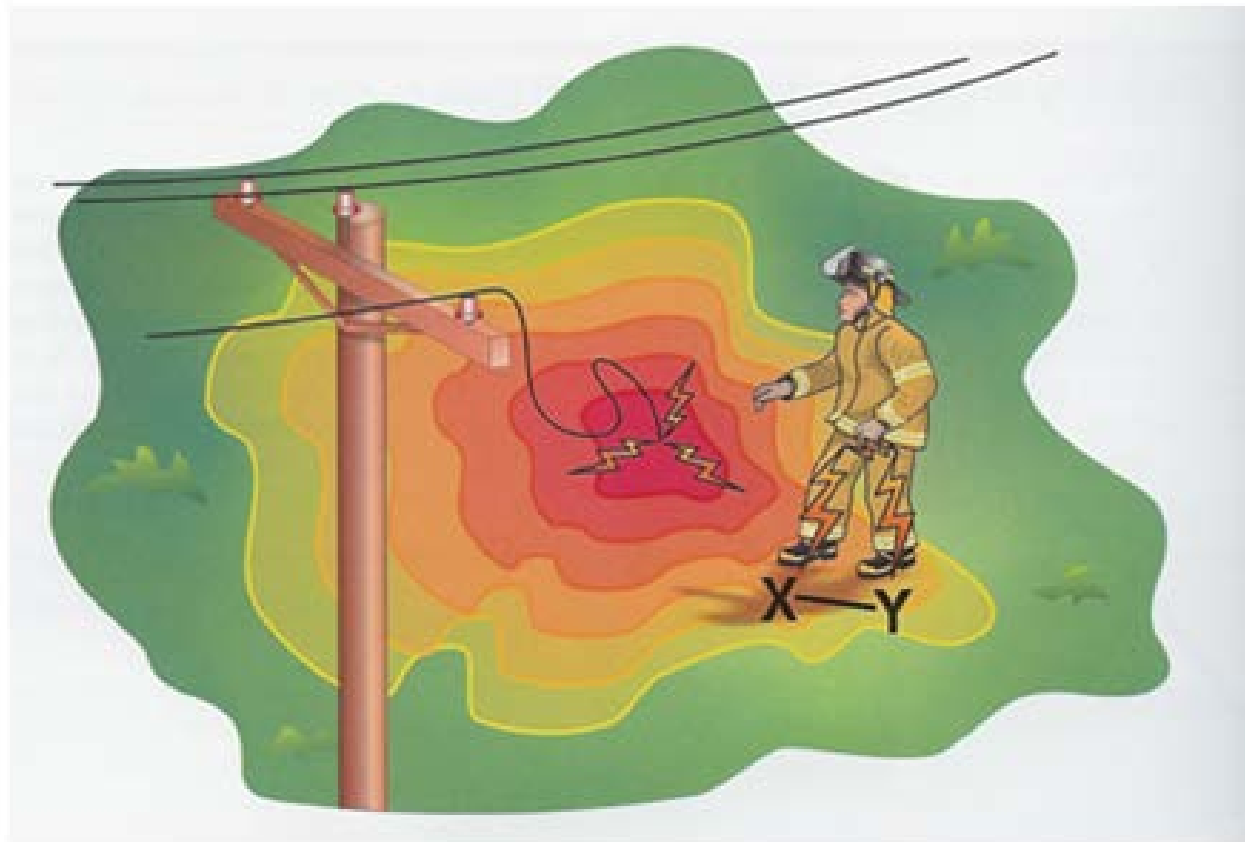


Safety #2

Keep your distance from a downed wire.

The ground itself becomes electrified.

You could still be fatally electrocuted.



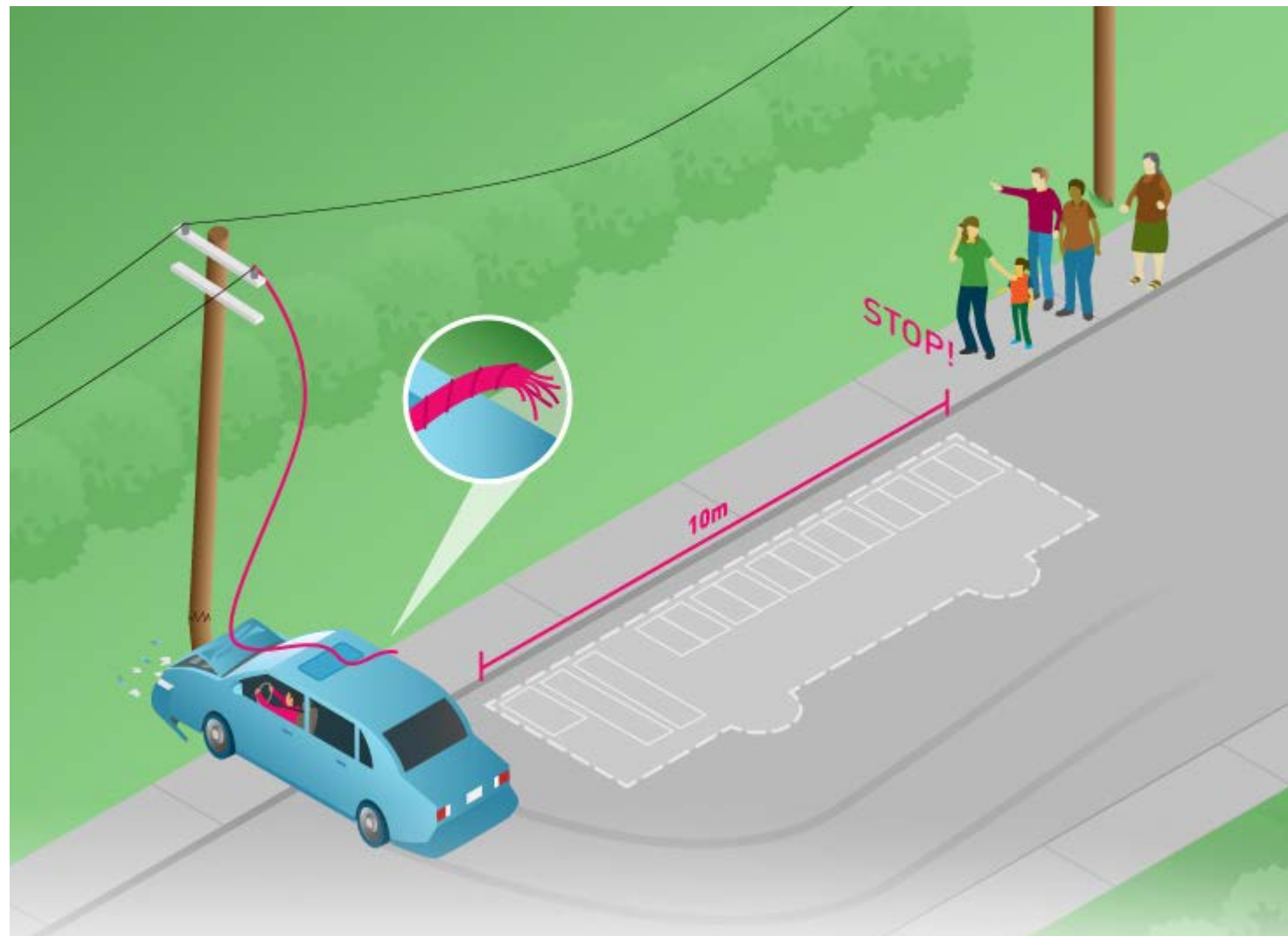
Step Potential

Safety #3

If an electric wire falls on a vehicle you are in stay in the vehicle.

You are safe in the vehicle.

The act of leaving the vehicle could mean electrocution.





Solar Power





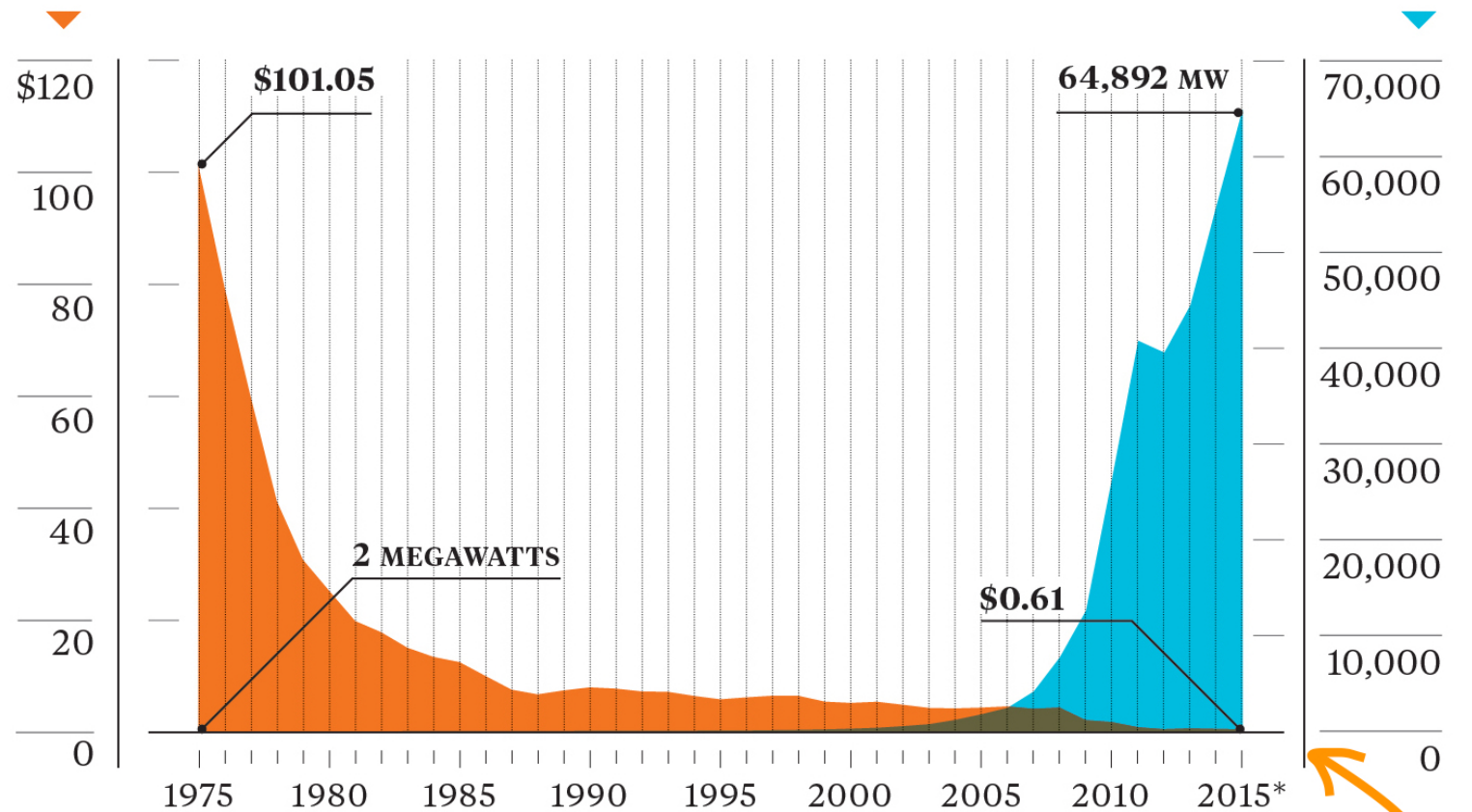
Solar Power

Solar on Fire

As prices have dropped, installations have skyrocketed.

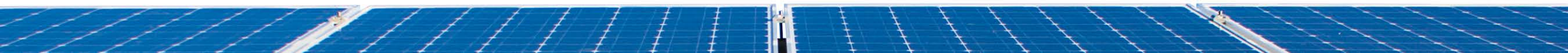
Price of a solar panel per watt

Global solar panel installations



Down to \$0.37 in Late 2017

*Estimate. Sources: Bloomberg, Earth Policy Institute, www.earth-policy.org

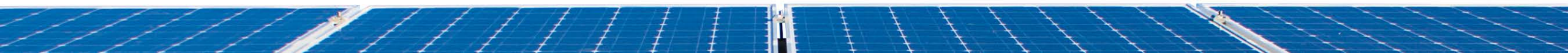




Net Metering

Net metering is a contract between the LDC and the customer with solar generation:

- Customer uses electricity generated and gives the excess to LDC for a credit
- Credit calculated based on prevailing costs
- When customer uses electricity from LDC (at night or winter) the credit is applied
- Credits not used for 12 months disappear
- No cash payments for electricity ever made to customer

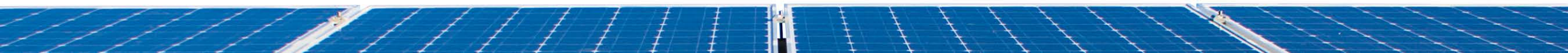
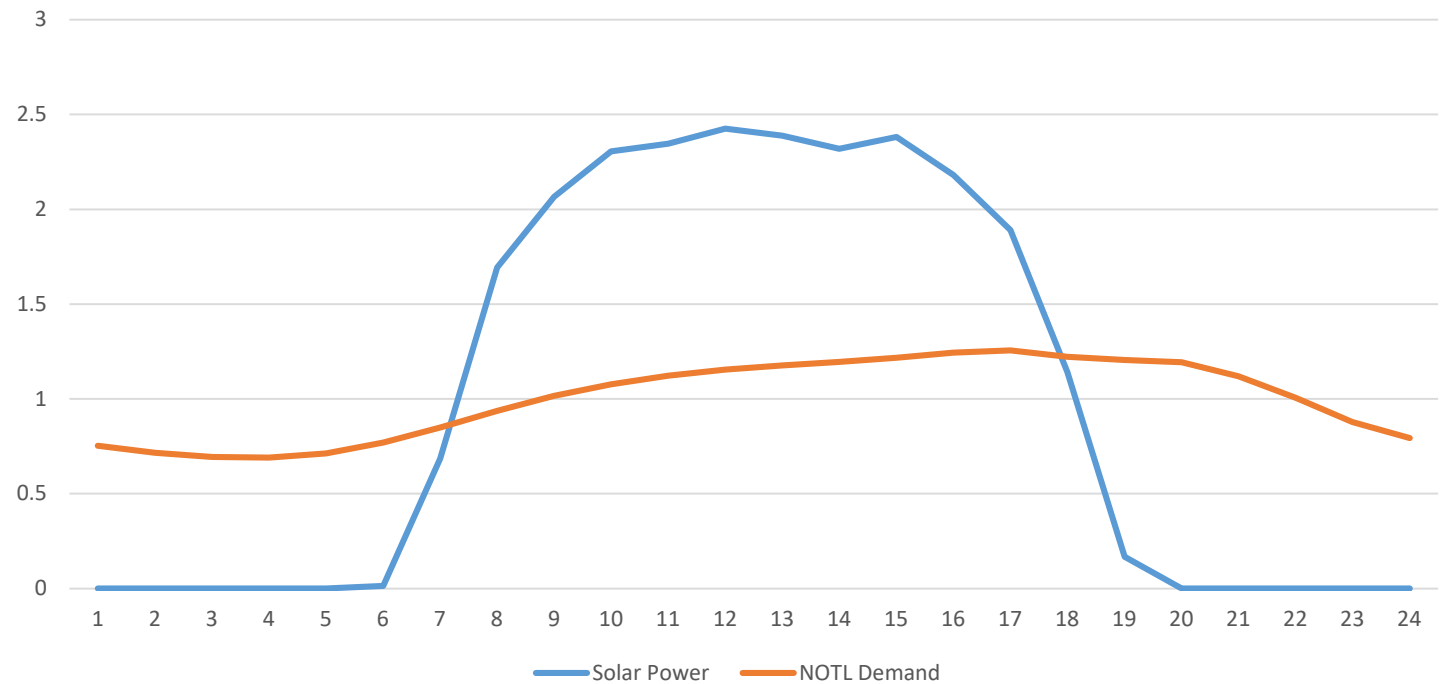




Net Metering - Daily

- Excess power generation during day is provided to grid for a credit
- Solar power generates no electricity at night so power is taken back from the grid and credit is used

Daily Distribution of NOTL Demand vs Solar Supply - Sept 2015



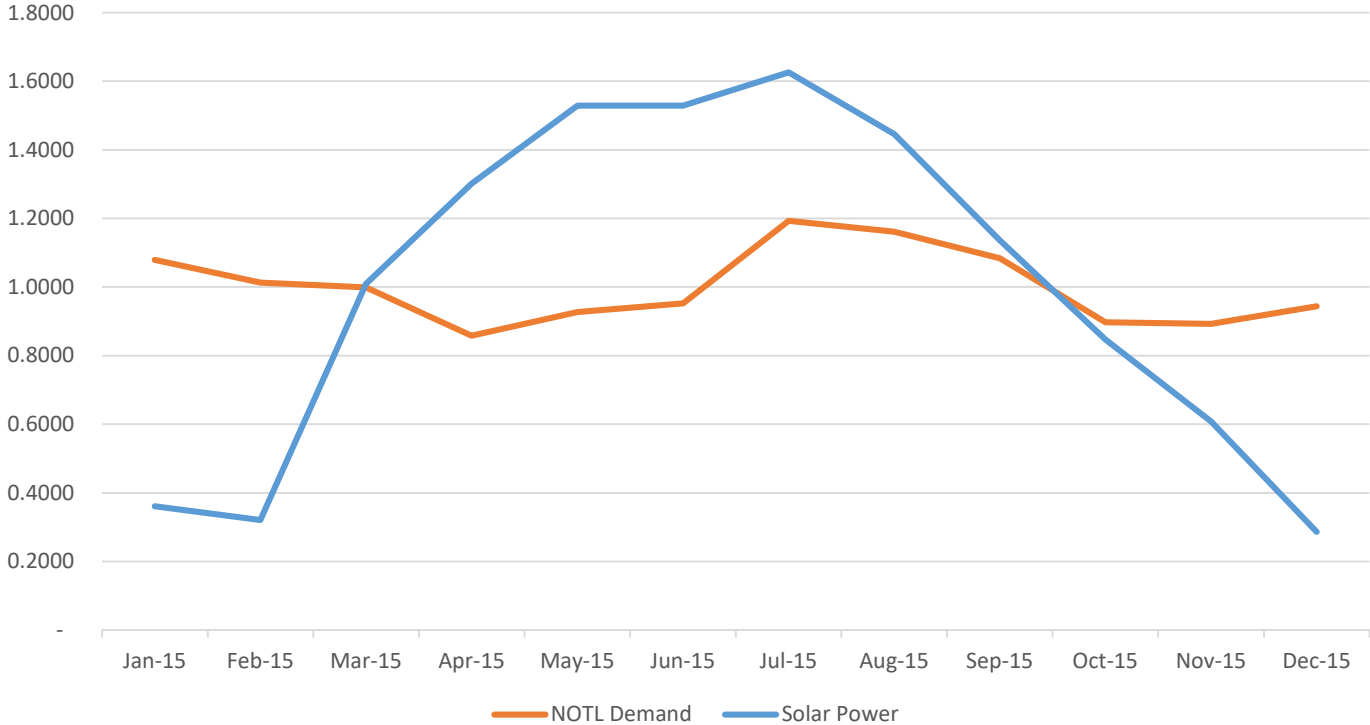


Net Metering - Annually

- Excess generation in summer creates a credit at each month-end that is carried forward
- Solar generation very low in winter so credits are used



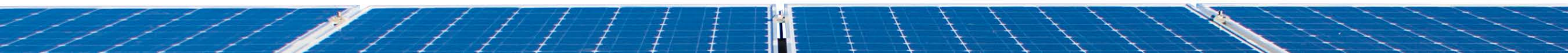
Annual Distribution of Electricity Demand/Supply





Net Metering - Other Notes

- Net metering only available for renewable energy. Solar is the most common form of renewable energy
- Customer will always have at least a fixed monthly charge for use of the grid
- Generation must be connected to home or business behind the meter - use a qualified electrician
- Ministry of Energy looking at virtual net metering and third party ownership

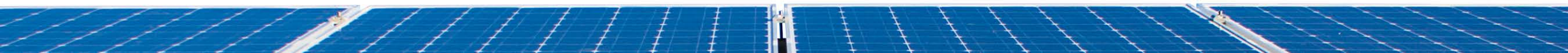




Net Metering - Capacity Issue

STATION	YORK MTS1 (41mVA)			NOTL MTS2 (50mVA, 25mVA)		
	FEEDER	M1	M2	M3	F1	F2
TOTAL CONNECTED GENERATION	500.95	679.54	2217.20	611.84	346.69	454.42
REMAINING CAPACITY AVAILABLE	-66.55	-22.87	1014.87	-117.84	515.78	455.85

- Our distribution lines can only handle a certain amount of generation due to power quality issues
- Three of six lines are at capacity which means the lines cannot handle more generation
- NOTL Hydro is working on various solutions but no simple fix





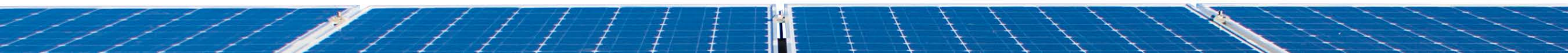
BREAK





NOTL Hydro - Future Plans

1. Governance
2. Rates
3. Advocacy
4. Reliability
5. Local service
6. Conservation
7. Capital Plans
8. Generation





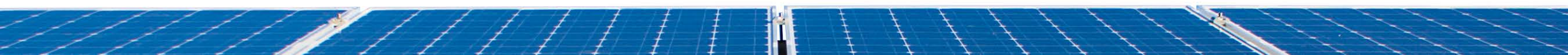
Governance - Mission and Values

Mission

Niagara-on-the-Lake Hydro Inc. is a trusted partner for our customers. Niagara-on-the-Lake Hydro continuously seeks to provide low cost energy delivery, high reliability and high power quality.

Values

1. No compromise on health and safety
2. Operate with integrity in all our dealings
3. Anticipate and meet the needs of our customers
4. Build value for our shareholder
5. Develop and maintain a strong team of employees
6. Be financially prudent
7. Respect the environment





Governance - Board of Directors

Independent

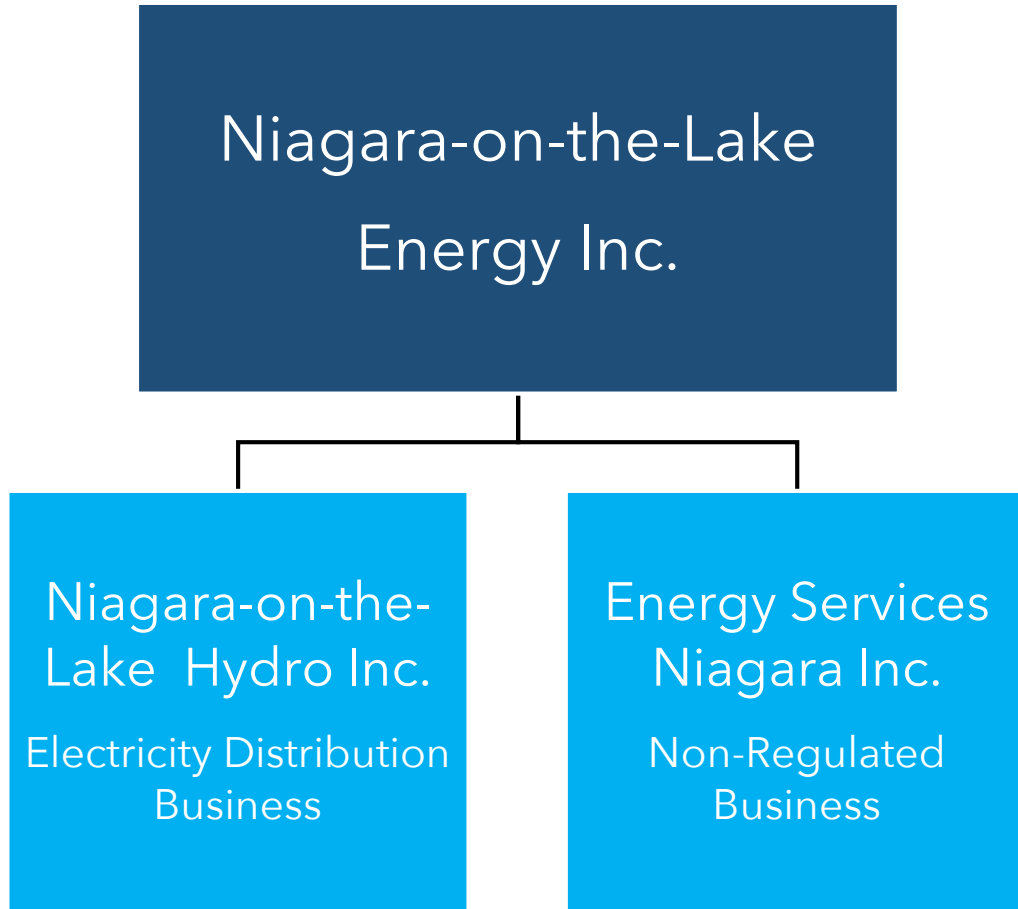
- Jim Ryan (Chair)
- Bob Cheriton (Vice Chair)
- Jim Huntingdon
- Nick Miller
- Philip Wormwell

Town

- Lord Mayor Pat Darte
- Councillor Jamie King
- CAO Holly Dowd

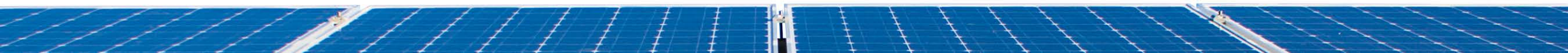


Governance - Corporate Structure



Energy Services Niagara Inc.

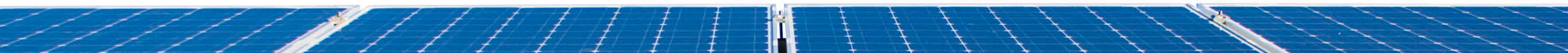
- Any other business venture is kept separate from Hydro
- Owns 25% of NRBN
- Own solar panels on roof of Hydro building
- May purchase more solar investments or make other investments if attractive





Governance - Future Plans

- Important that NOTL Energy Board remain dominated by independent Board members
- Ownership by Town should mean alignment as our customer is also our shareholder

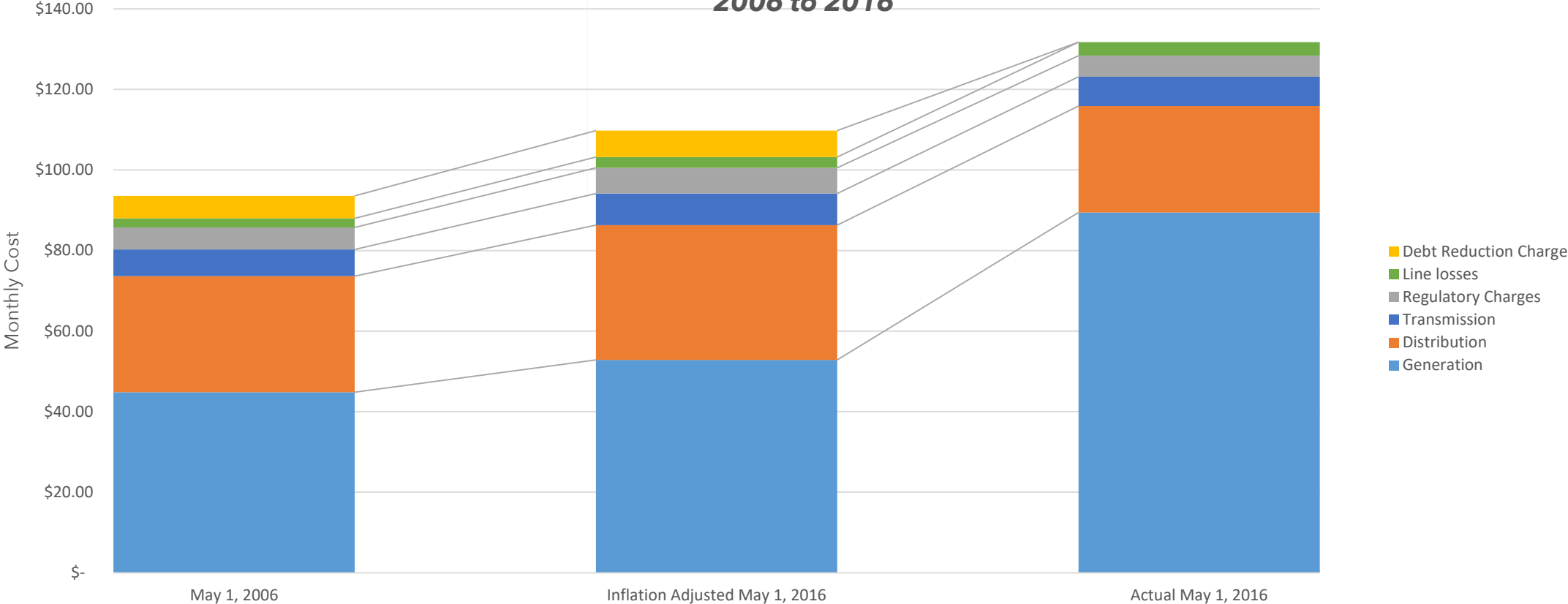




Rates -

Distribution is <25% of total bill

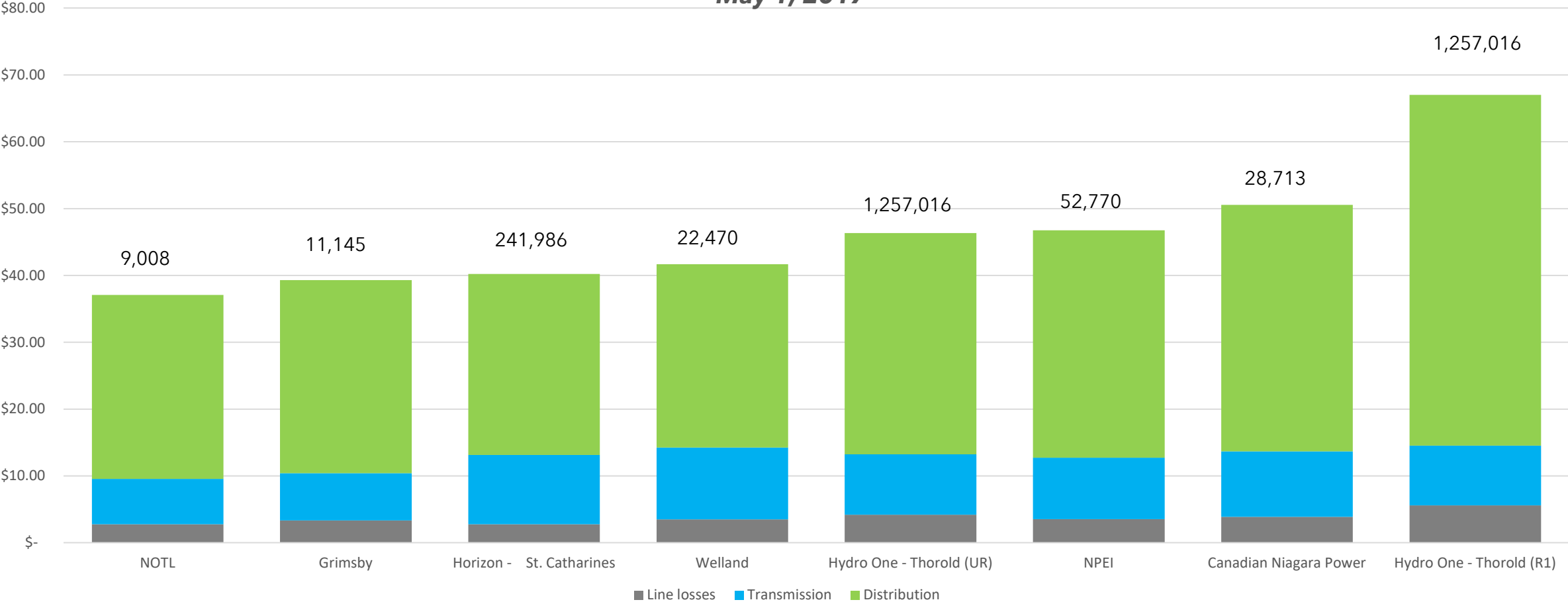
Increase in NOTL Residential Electricity Rates - 800 kwh
2006 to 2016





Rates - Niagara Region Hydro's Delivery Charges

Niagara Region Residential Delivery Charge (with # customers)
- May 1, 2017

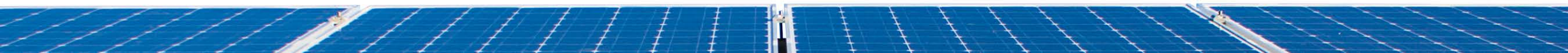




Rates - Annual Increases

- Distribution rates include our rates plus rate riders
- NOTL Hydro rates (residential) have gone up average 1.53% excluding rate riders

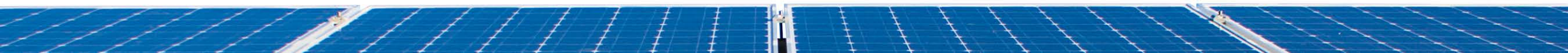
<i>Year</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>Average</i>
Rate increase (Including rate riders)	5.46%	-8.30%	7.29%	-3.01%	0.18%
Rate increase (Just distribution rates)	1.35%	2.24%	1.92%	0.50%	1.53%





Rates - Future Plans

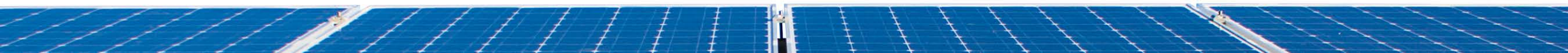
- NOTL Hydro is proud of our low rates and want to maintain this bragging right
- Similar rates for 2018
- Line losses will be lower in 2019
- Board, staff and management will continue to work to keep rates low





Advocacy - Provincial Policies

- 14 press releases
- 9 meetings with various MPPs
- Meetings with electricity leaders of all parties
- 1 presentation to Queens Park committee
- 1 Financial Accountability Office request
- 2 Financial Post articles
- Intervention in IESO rate case
- Presentations to OEB Modernization Panel



Advocacy - LDC Consolidation

- Intervention in Hydro One acquisition application of Norfolk Power
- Major report on Hydro One acquisitions
- Advocate at meeting in Wasaga Beach
- Multiple presentations at conferences

BOARD CRITIQUE

Dear Premier

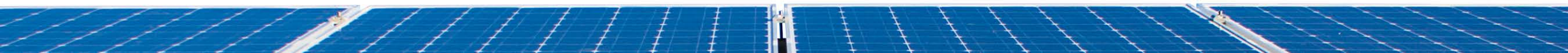
**REMOVE THE SMART
METER CHARGE!**





Advocacy - Future Plans

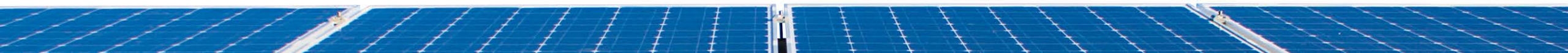
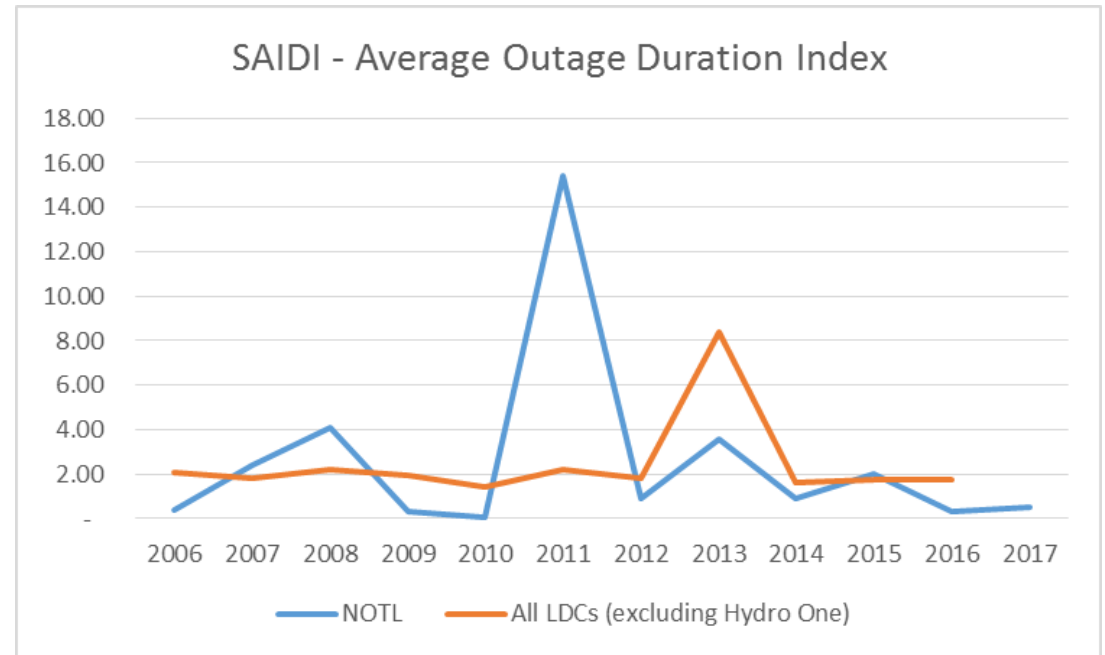
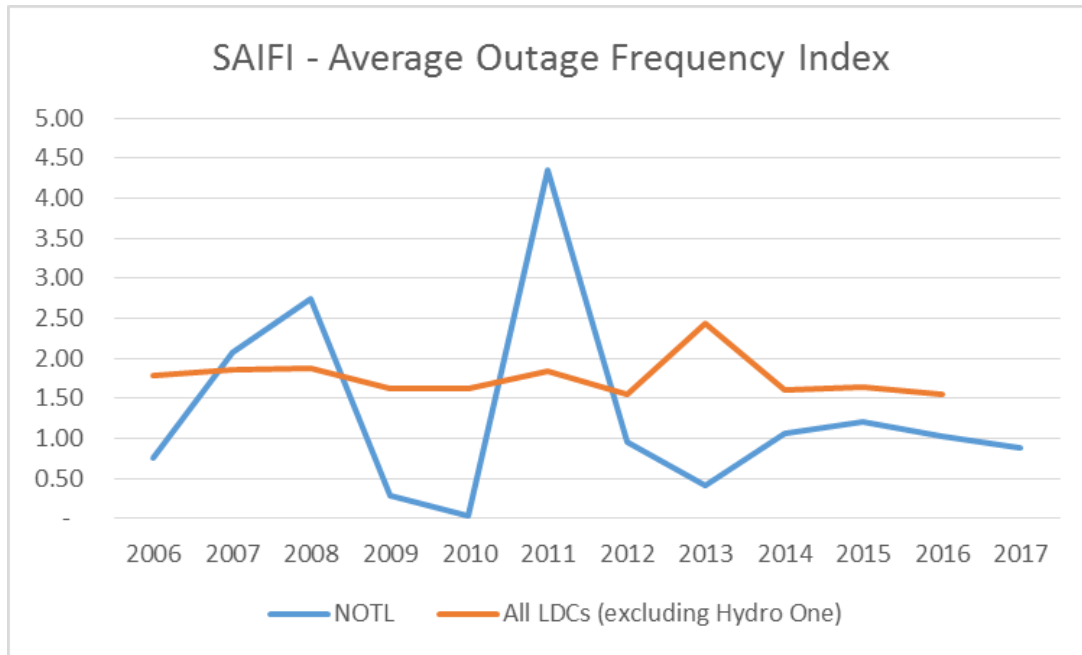
- NOTL Hydro will continue to speak up if we feel decisions are being made that are not in the best interests of our customers
- If we do not have anything of value to say we will not make noise just for the sake of it





Reliability

We measure reliability based on how many outages you have and how long they are.

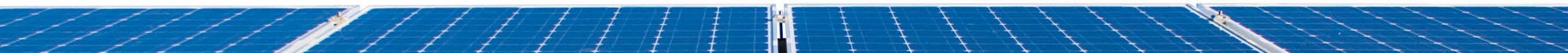




Reliability - Future Plans

- Automated switches and reclosures
- Ongoing conversion from overhead to underground
- Regular tree trimming
- Lightning arresters
- Asset management

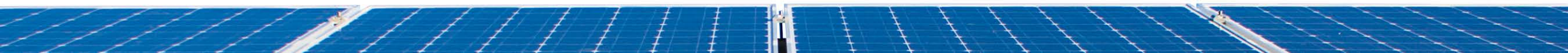
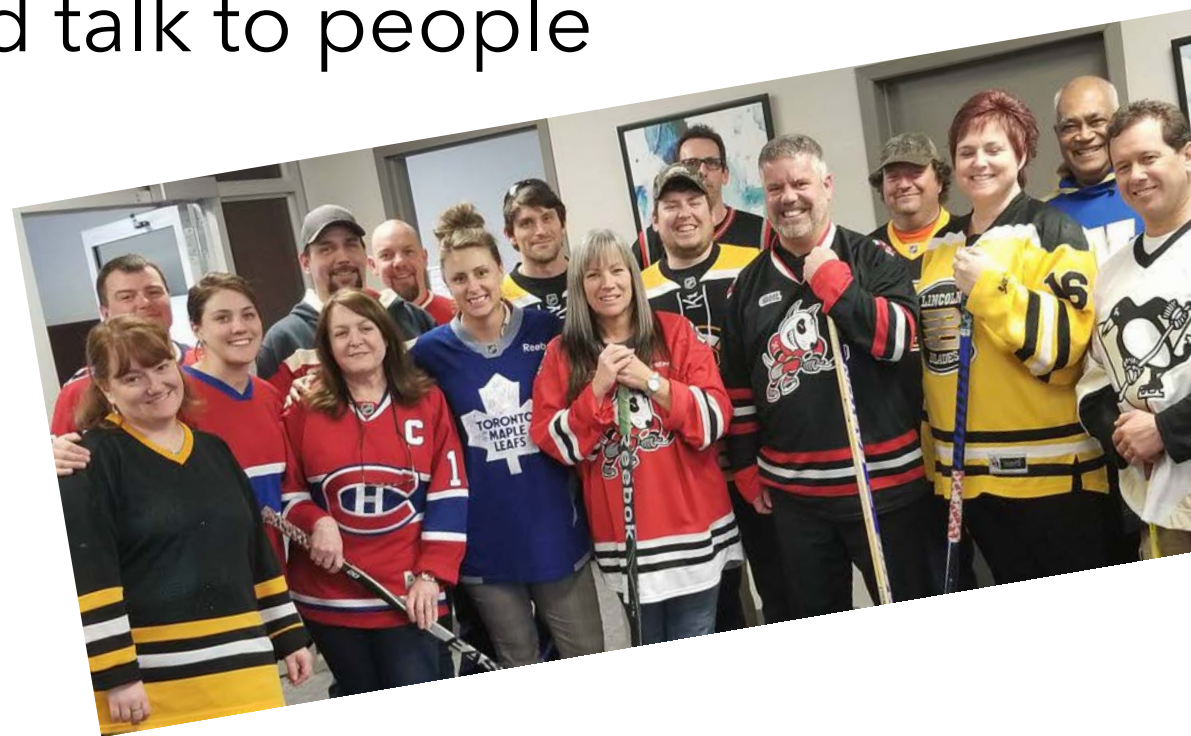
We continue to look for ways to reduce and shorten outages.



Local Services

- Office you can visit or call and talk to people
- Focus on NOTL priorities
- Annual food and toy drive

FOOD
& TOY
DRIVE

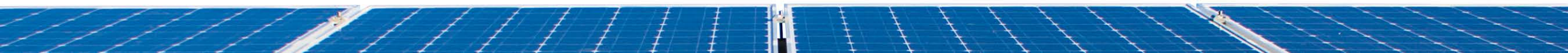
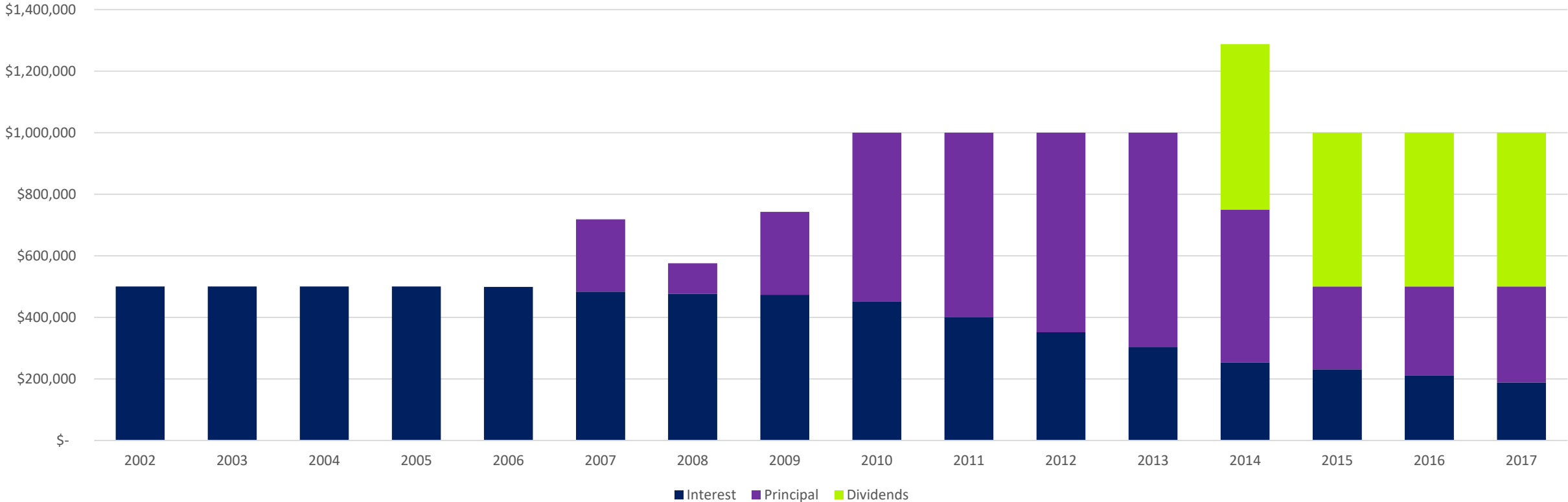




Local Service - Annual Payment to Town

Annual Payments to Town of \$1 million helps lower potential property tax rates

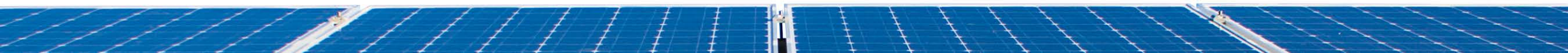
Annual Payments to Town





Local Services - Future Plans

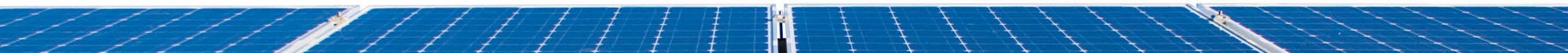
- Continue to offer local services which we believe are important to our customers
- Will be available to assist customers if they wish to install solar power





Conservation

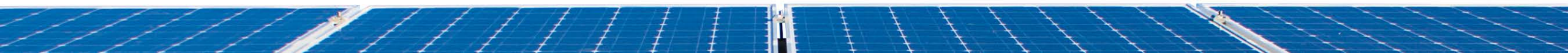
- While NOTL Hydro has opposed the CDM program it must still provide this service so will do so to provide the best service to its customers
- Over \$1 million dollars spent in 2015-2017
- NOTL Hydro will achieve its 2015-2020 target during 2018
- NOTL Hydro received a CDM award from Natural Resources Canada in 2015 for it's efforts, the smallest utility to win this award.





Conservation - Future Plans

- Less focus on conservation in next few years now that we have met our targets.
- Looking for opportunities to help customers rather than earn CDM points including personalized advice for homeowners.

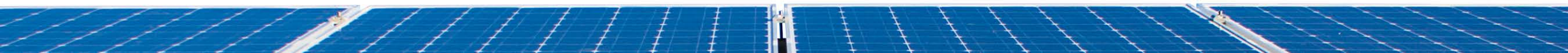




Capital Spending

Spending each year on:

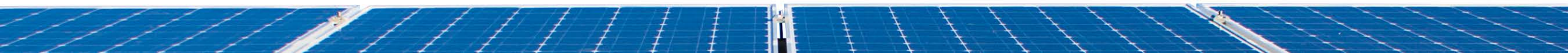
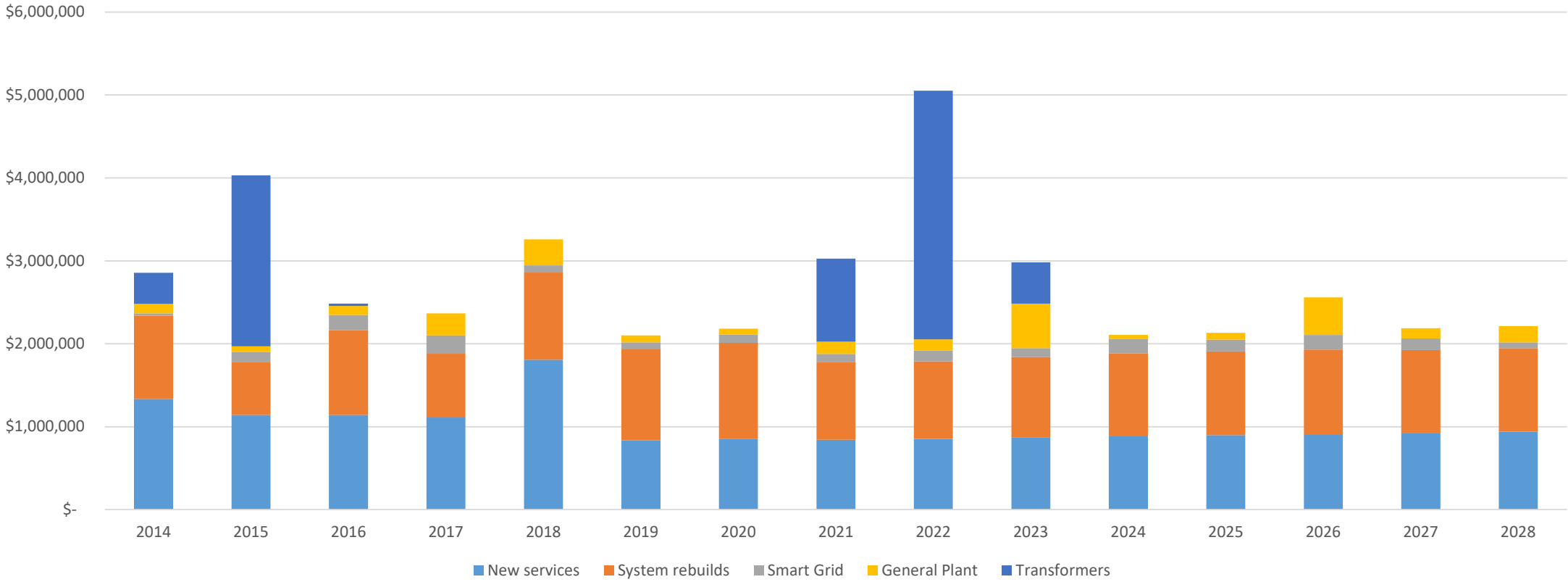
- New connections
- System rebuilds
- Smart grid
- General property
- Transformer stations





Capital Spending - Future Plans

NOTL Hydro Annual Capital Spend





Capital Spending - Future Plans

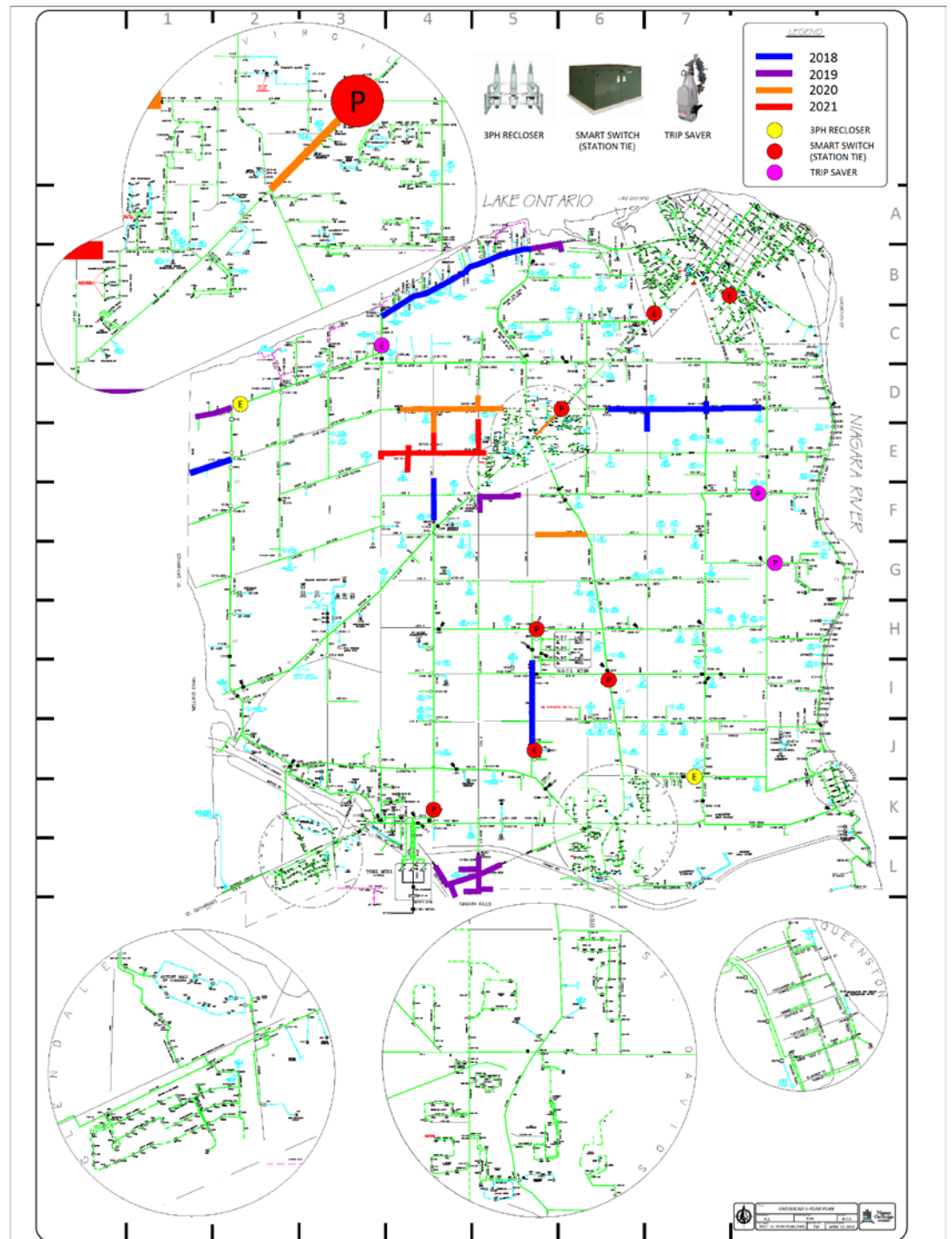
Schedule to convert lines to underground in Olde Town





Capital Spending - Future Plans

Above Ground Projects

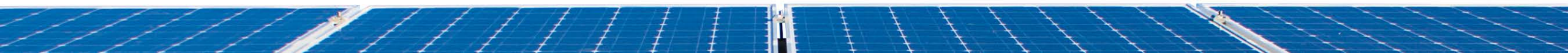




Capital Spending - Future Plans

Transformer Station Capacity (MW)

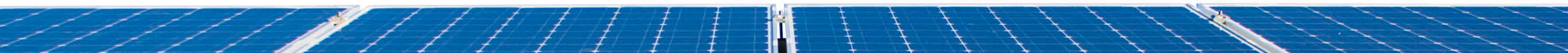
	<i>NOTL T1</i>	<i>NOTL T2</i>	<i>York</i>
2014	25	25	42
2017	50	25	42
2023	50	42	75





Generation in NOTL

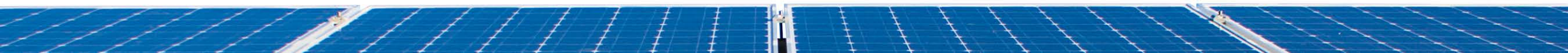
- 137 MicroFIT solar contracts
- 9 FIT solar contracts
- 4 net metering solar contracts
- 1 hydro generation plant
- 1 bio-energy generation plant
- 13.4 GWhs in 2017 or 7% of total NOTL consumption





Generation - Future Plans

- Continue to promote net metering investments by customers as believe it is in their best interests
- Look for opportunities for ESNi to make investments
- Work on solutions to line capacity issues
- May require investments that could increase NOTL Hydro rates





**LET'S
CHAT
NOTL**
OPEN HOUSE

Thank you

*We want your
feedback:*

- *Surveys*
- *Online at notlhydro.com*
- *Written feedback submitted by
April 30 to our office.*