

WELCOME!

PLEASE SIGN IN
AT THE FRONT DESK.

Any of our representatives would be happy to help you. If you have any questions about the information available tonight, please let us know.

Tonight's Open House Will:

- Provide information about the potential merger to the communities that we serve
- Highlight the benefits that can be realized should the potential merger be successful
- Gather your valuable feedback, including: concerns, comments or questions.



ABOUT US, OSHAWA POWER AND UTILITIES

Oshawa Power and Utilities Corporation is the holding company for a diversified group of four subsidiaries involved in energy distribution, telecom services, clean and renewable power generation ventures. Through its subsidiaries, Oshawa Power provides: safe, reliable and efficient electricity distribution services to over 57,000 customers; develops, constructs and operates clean and renewable energy generation assets in Ontario; and provides a reliable fibre optics communications network within Oshawa and the Region of Durham. With a strategic focus on diversification, Oshawa Power, is pursuing prudent and innovative initiatives such as smart grids, distributed energy resources and tailored conservation programming, aimed at yielding benefits to our customers. Our people are the difference in proudly serving and supporting the Oshawa community for over 75 years. Oshawa Power Utilities Corporation is wholly owned by the Corporation of The City of Oshawa.



ABOUT US, VERIDIAN

Veridian Corporation owns and operates Veridian Connections, a subsidiary company that distributes electricity, generates power and provides energy services to more than **119,000 customers**. The City of Pickering, the Town of Ajax, the Municipality of Clarington and the City of Belleville jointly own Veridian Corporation.

Veridian has a keen focus on reliability, customer communication and helping to lower customers' electricity bills through the delivery of innovative conservation programs and reasonable rates.

Veridian not only contributes to local communities through industry leading financial returns, but also helps build stronger communities through the support of youth, health, economic development, education, the arts, the environment and the disadvantaged. Industry leading employee and public safety, environmental programs and a focus on employee engagement has created an environment that has attracted seven consecutive **Canada's Greenest Employer** awards and one **Top GTA Employer** award.



Whitby Hydro
Electric Corporation

ABOUT US, WHITBY HYDRO CORPORATION

Whitby Hydro Energy Corporation is a holding company owned by The Town of Whitby. Contained within are two separate and distinct subsidiaries - Whitby Hydro Electric Corporation and Whitby Hydro Energy Services. Whitby Hydro Electric Corporation is an electricity distributor licensed by the Ontario Energy Board (OEB) to deliver electricity to homes and businesses in our service area of the Whitby, Brooklin and Ashburn communities.

Our organization serves more than 41,500 customers.

The Whitby Hydro Energy Services Corporation provides energy management and engineering services.



COMMON STRENGTHS

Customer Satisfaction – All have customer satisfaction ratings that are well above the provincial average and among the highest in Ontario.

Safety – Each has an excellent safety record and is committed to continuous wellness and safety improvements.

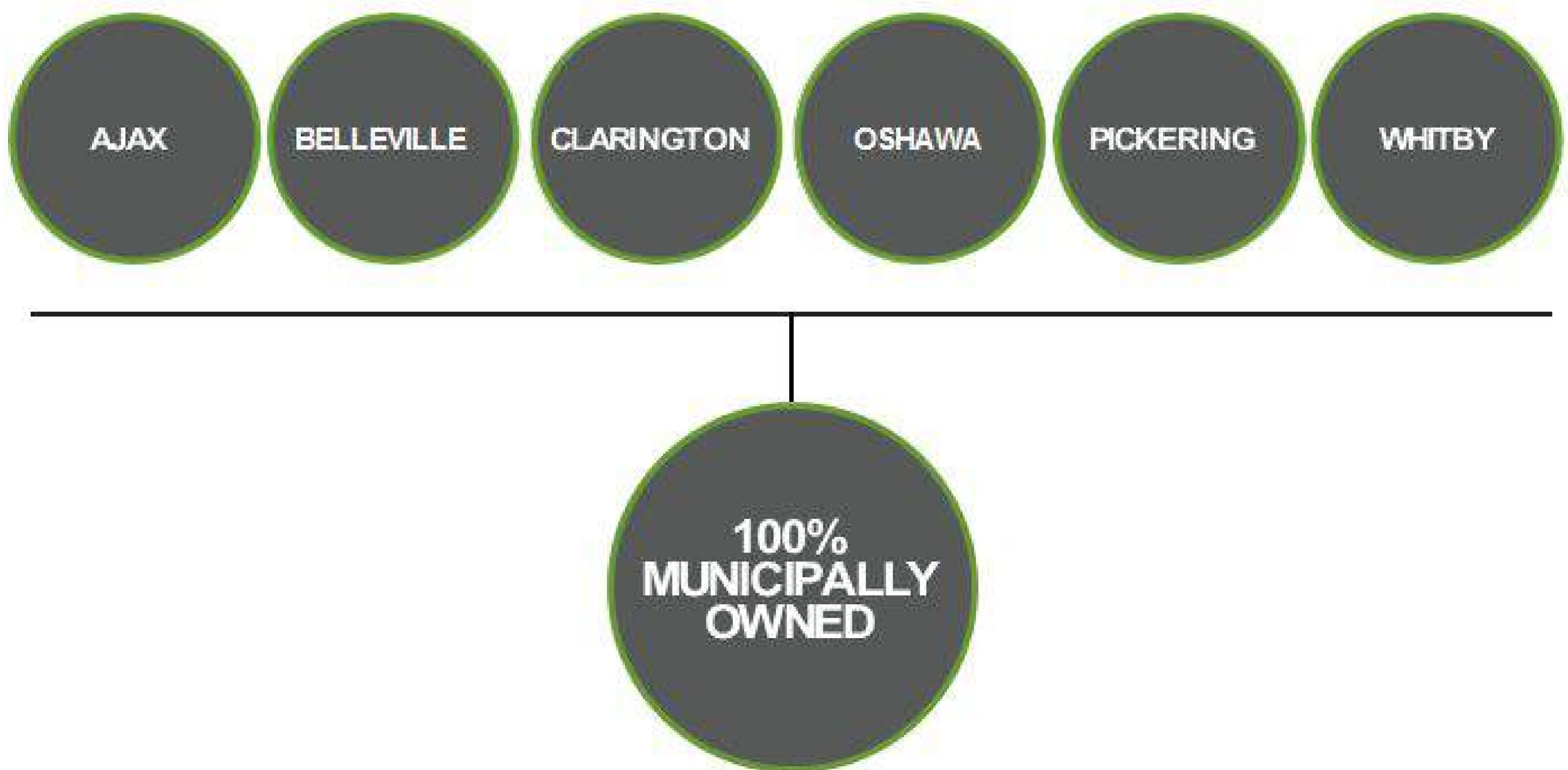
Financially Stable – All three entities are financially stable with strong business models and significant returns for their shareholders.

Skilled and Talented Employees – All of the parties involved deliver talented employees in key areas.

Reliable Network – All are on the leading edge of utility management.

Leaders in Energy Conservation – All have very strong and effective conservation and demand management programs.

THE POTENTIAL OWNERSHIP STRUCTURE



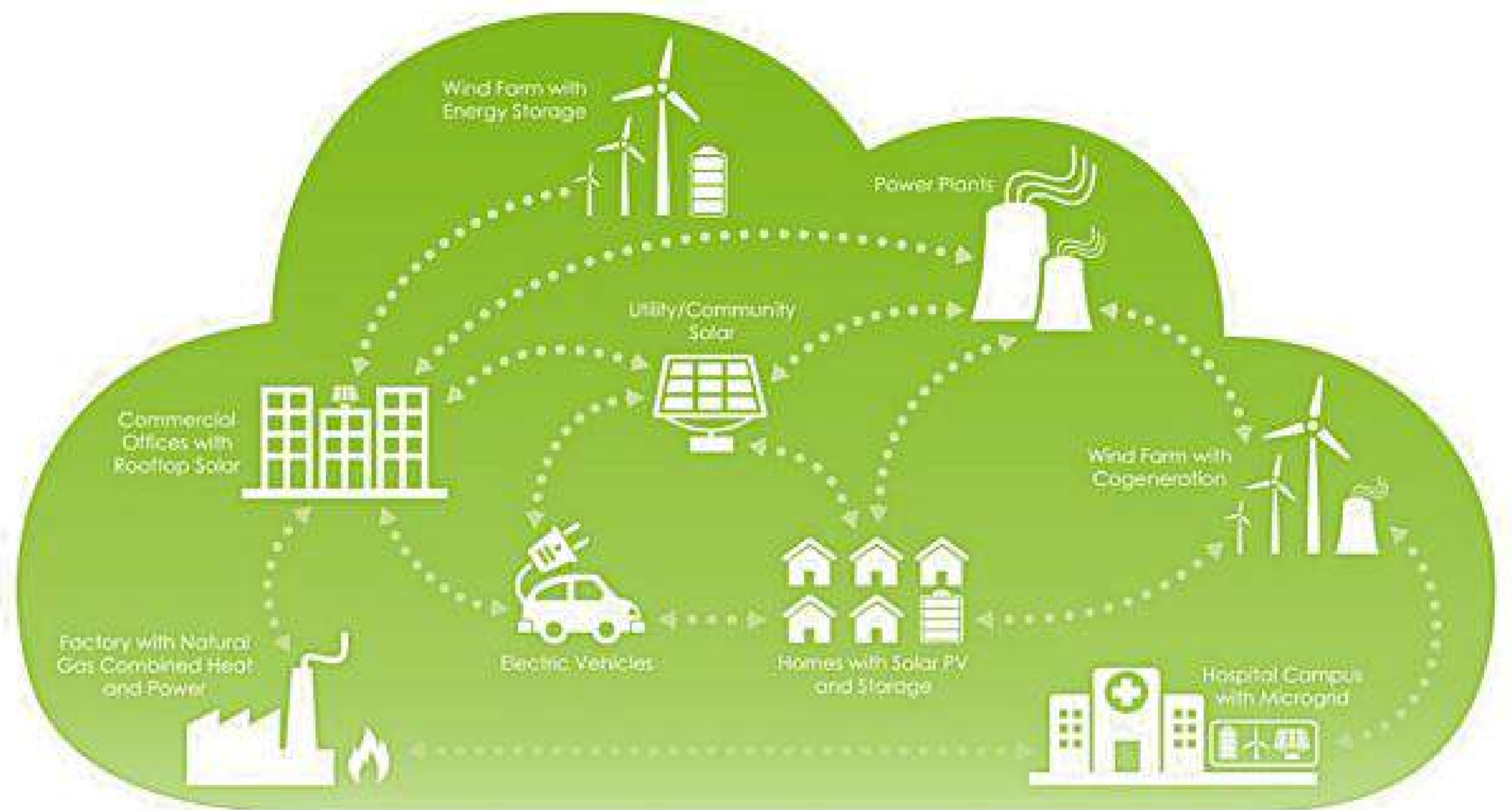
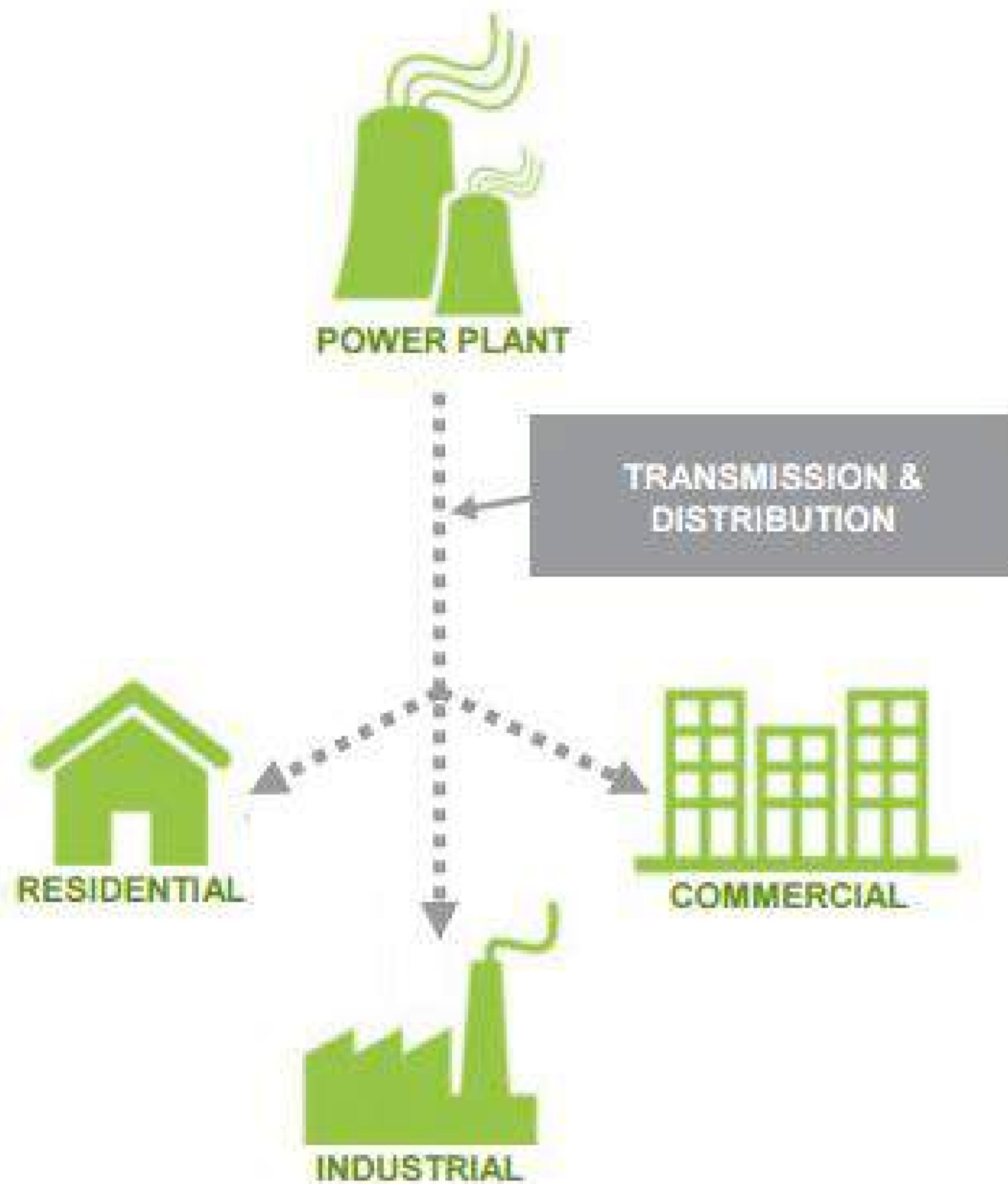
The new merged company would have six shareholders, including: Ajax, Belleville, Clarington, Oshawa, Pickering, and Whitby. It would also be 100 per cent municipally owned. This is a consolidation of three leading utilities, not a sale.

A VISION FOR FUTURE EXPANSION

Our vision is to emerge from a period of industry disruption with greater influence, stronger customer and employee relationships and a positive long term growth outlook.

**TODAY - Traditional Power Grid
Central, One-Way Power System**

**EMERGING - The Energy Cloud
Distributed, Two-Way Power Flows**



©2014 Navigant Consulting, Inc. All rights reserved.

FUTURE OF LOCAL ELECTRICITY DISTRIBUTION IN ONTARIO

The cost of alternatives to conventional energy, such as solar and storage, continue to decline.

The cost of grid supplied energy is increasing

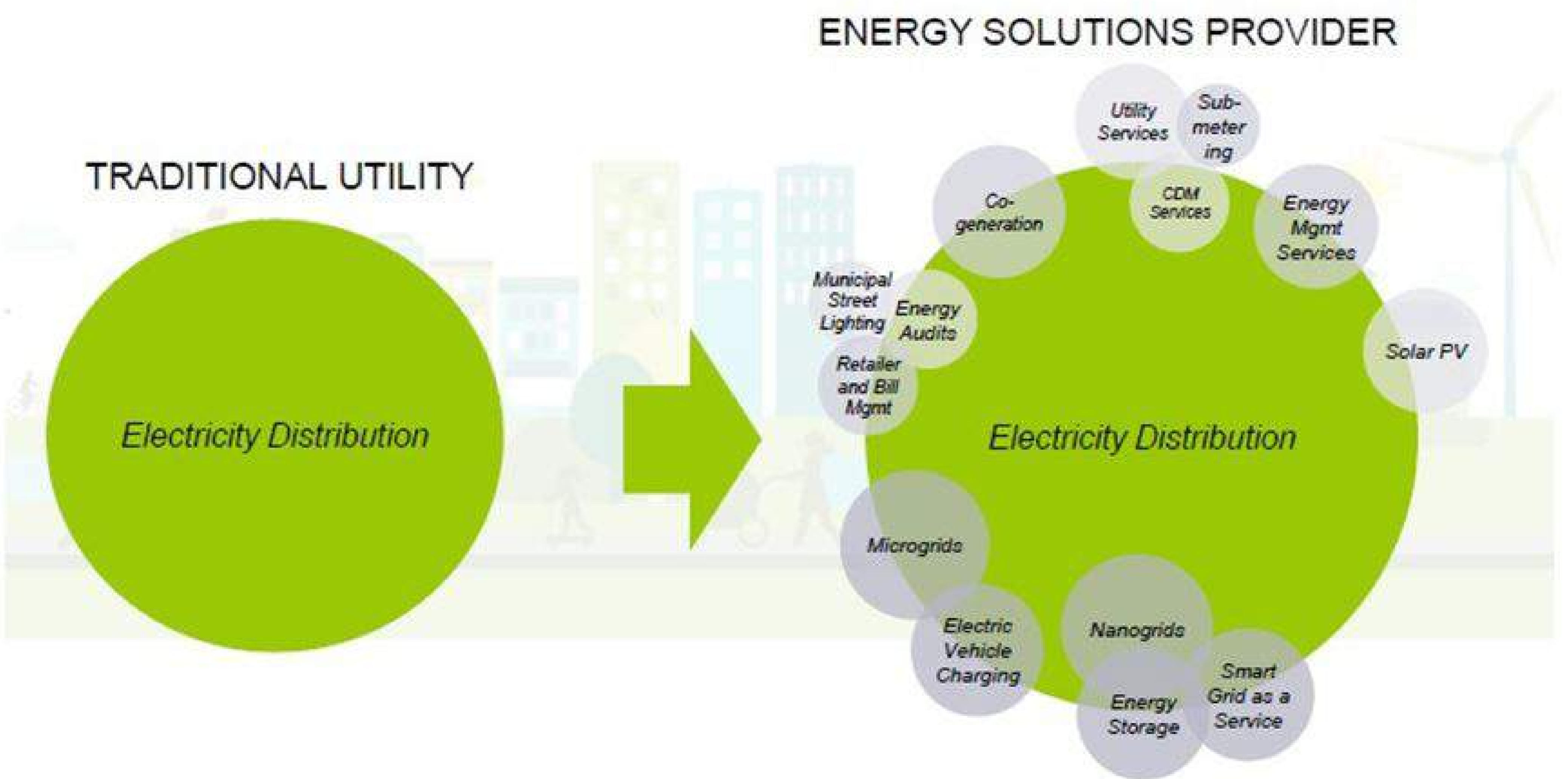
Commercial and institutional customers (e.g., Walmart, Honda, Costco) are sourcing their own electricity

In general, electricity end users are becoming more efficient

Utilities will need to adapt to the impacts of climate change, such as more severe and less predictable weather

Technology advancements have reduced costs and increased the effectiveness of distributed energy resources, challenging the centralized generation model.

THE CHANGING UTILITY MODEL



THE EVOLUTION OF UTILITIES



Most experts agree that there can be significant benefits and efficiencies to be gained for shareholders and ratepayers by consolidating utility operations.

Consolidation can increase efficiency through the creation of economies of scale and improved distributor services across contiguous service territories.

It can also lead to synergies across new platforms for service delivery, and new product offerings to enhance productivity and competitiveness.

POTENTIAL BENEFITS

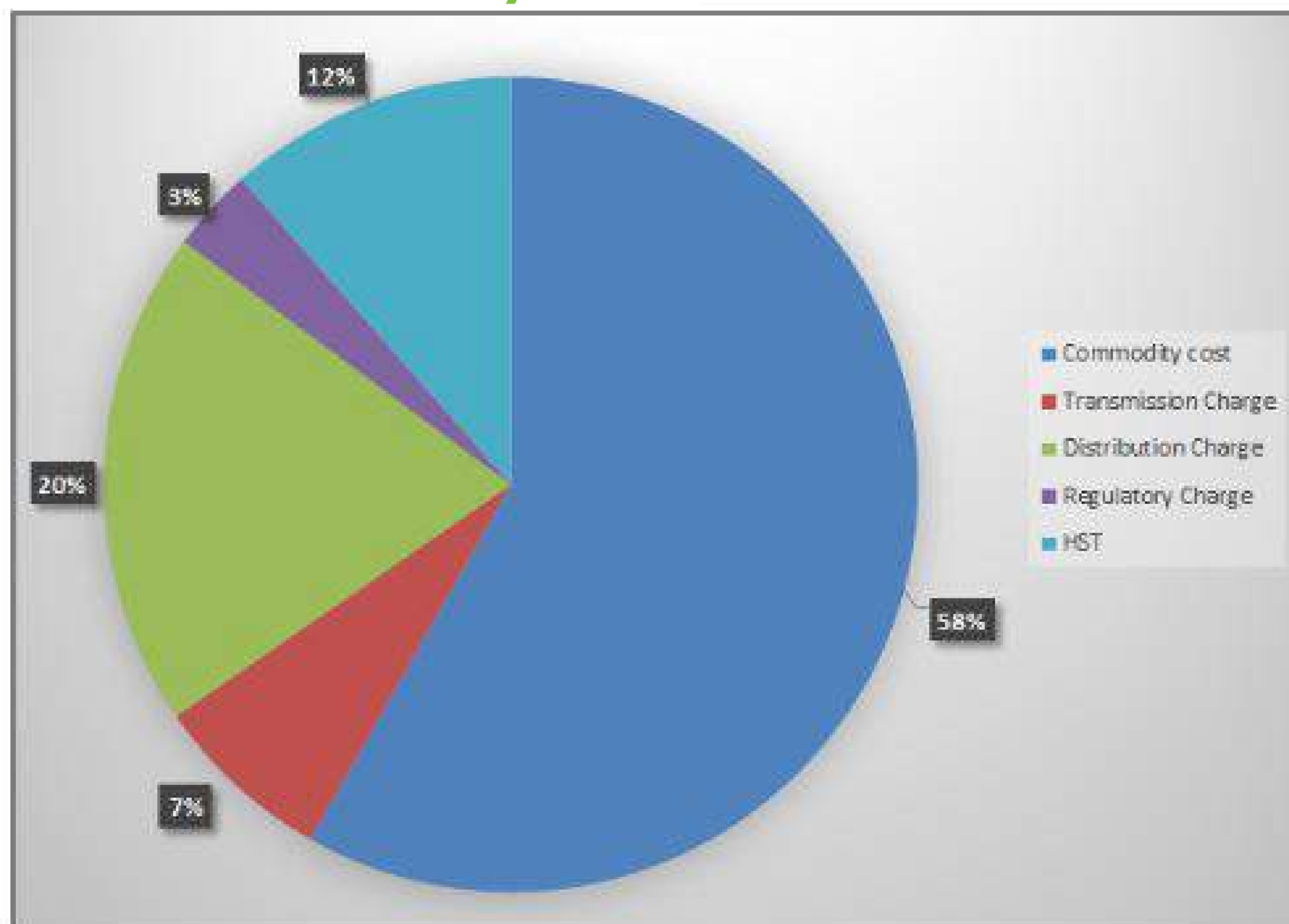
A strategic partnership between Oshawa PUC, Veridian and Whitby Hydro can lead to significant benefits, including:

- Enhanced customer service levels
- Enhanced employee opportunities
- Integration of three skilled workforce
- Significant local presence and an employee base retained in all three communities
- Continued reliable distribution of electricity economies of scale
- Enhanced shareholder value
- Increased efficiency and innovation for the benefit of the ratepayer

YOUR CURRENT BILL

Local distribution companies (LDCs), Such as Oshawa, Veridian, and Whitby are the billing agents for the entire electricity system, but distribution costs make up only about a fifth of the overall bill.

Electricity Bill Breakdown



* Based on an average monthly consumption of 750 kWh. Represents an average residential customer on the Regulated Price Plan (RPP) updated on May 1, 2016.

THE APPROVAL PROCESS

Should we be successful in identifying significant benefits, the next steps would require stringent review and approvals including:

- Boards of Directors must approve the Business Case
- Business case, legal agreements and supporting documents must be reviewed by municipal staff in all shareholder communities
- Continued open houses for community consultations held in each municipality
- Approval by shareholders (Ajax, Clarington, Belleville, Oshawa, Whitby, Pickering)
- Application to the Ontario Energy Board (OEB) for regulatory approval

Timelines for these steps remain tentative at this stage in assessment.

THE MERGERS, ACQUISITIONS, AMALGAMATIONS, AND DIVESTITURES (MAAD) PROCESS

The Ontario Energy Board (OEB) regulates the province's electricity and natural gas sectors in the public interest.

The OEB must approve any regulated entity in the energy sector wishing to merge, acquire applications, amalgamate or divest equity. The OEB determines whether the proposed transaction is in the public interest, whether it is financially prudent, and whether any unfair activities would arise as a result of the proposed transaction.

Public consultation is an important part of the OEB's MAAD process.

The Ontario Energy Board Act makes clear that the OEB has a role to play in the facilitation of competition markets in the distribution, generation and retailing of electricity.

TIMETABLE

- Memorandum of Understanding signed April 28th, 2016, which commenced an exploratory phase to identify potential benefit of a merger.
- Communications vehicles including a regularly updated microsite was launched to keep the community informed.
- <http://www.opuc.on.ca/public-notice-open-house-on-potential-merger/>. All other open houses are available on our microsite
- Decisions on feasibility by Dec 31, 2016
- Next steps to be determined

THANK YOU

Thank you for joining this open house. Please leave your contact information so that we can add you to our database for regular updates.

We encourage you to utilize our comment box to supply your comments and questions.

Thank you for participating in this process.

<http://www.opuc.on.ca/public-notice-open-house-on-potential-merger/>.