



# NORTH HURON INFORMATION SESSION

March 6, 2017

# AGENDA

- ▶ Background on Westario Power
  - ▶ Map of Service Territory
  - ▶ Asset Growth
  - ▶ Equity Growth
  - ▶ Revenue Stream
  - ▶ Ongoing Initiatives
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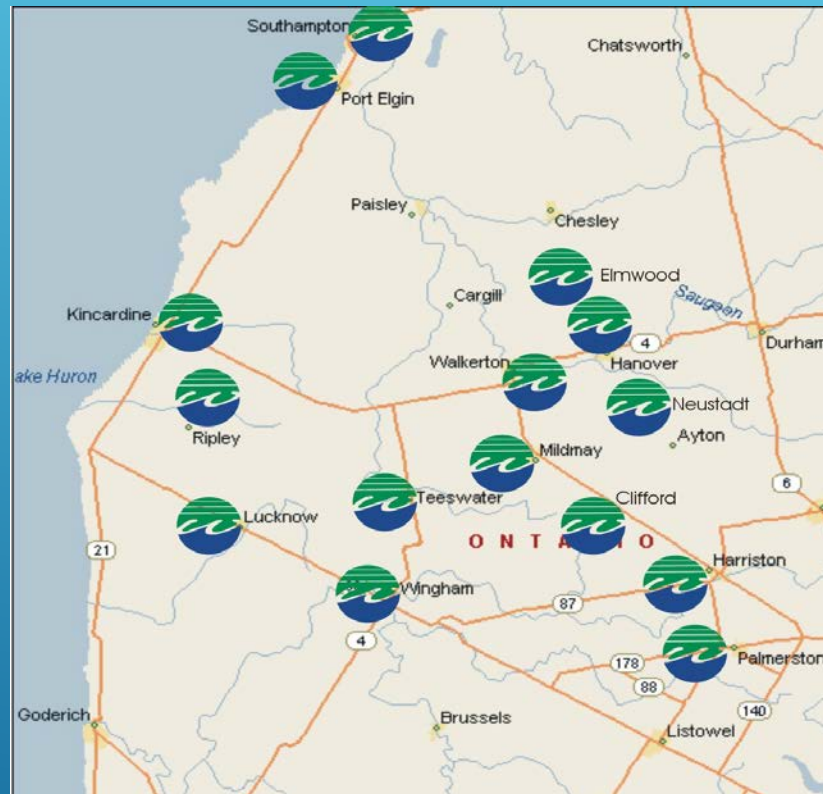
BACKGROUND



# HISTORY

- ▶ 1999
    - ▶ Province announces restructuring of Ontario's electricity market.
  - ▶ November 1, 2000
    - ▶ Eight municipalities and Fortis Ontario form Westario Power Holdings Inc.
  - ▶ January 1, 2008
    - ▶ Amalgamation of Westario Power Holdings Inc, Westario Power Services Inc & Westario Power Inc into Westario Power Inc.
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- A series of white lines of varying lengths and angles, located in the bottom right corner of the slide, creating a modern, abstract graphic element.

# MAP OF SERVICE TERRITORY



# MAP OF NORTH HURON DISTRIBUTION TERRITORY

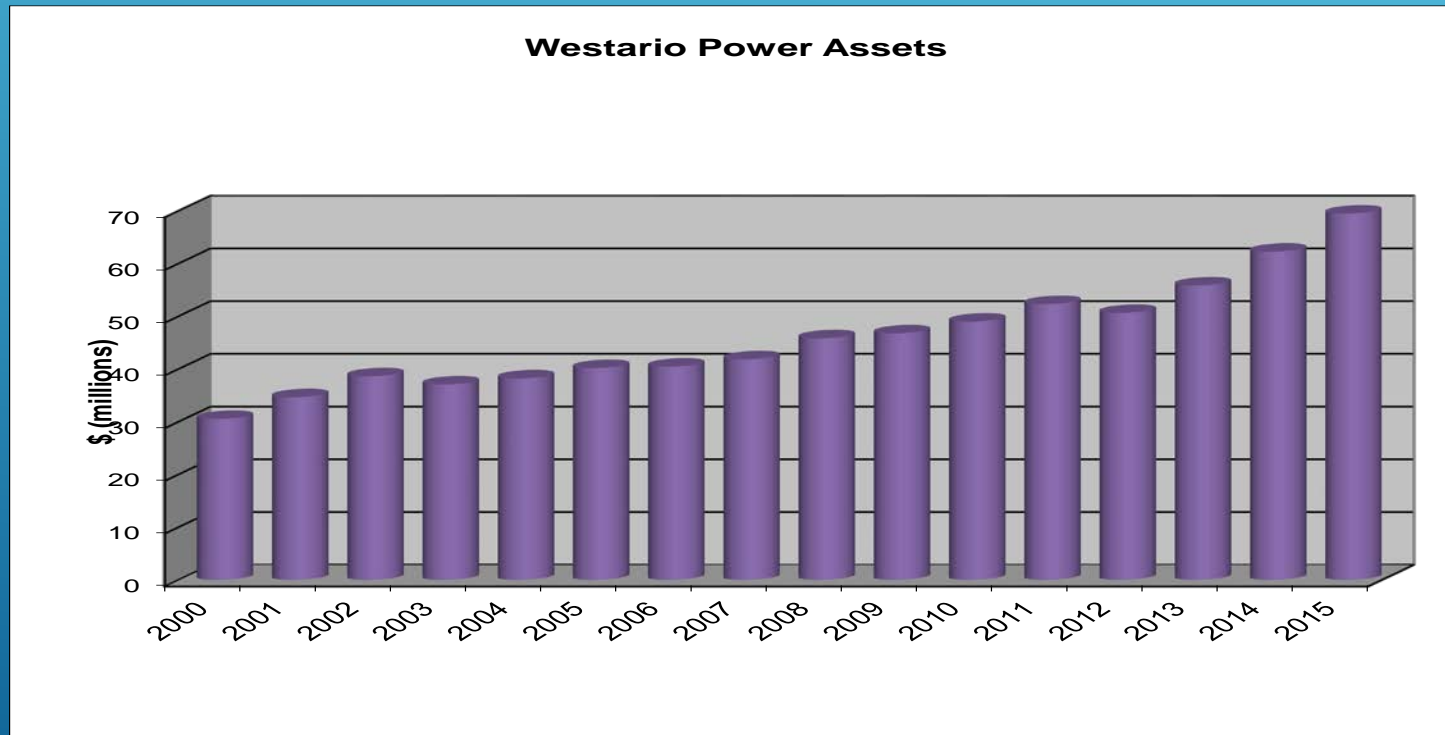


# WPI SHAREHOLDERS

Brockton	12.61%
Fortis Ontario	9.99%
Hanover	15.09%
Huron-Kinloss	3.19%
Kincardine	13.48%
Minto	9.28%
North Huron	7.71%
Saugeen Shores	24.98%
South Bruce	3.67%

# ASSET GROWTH

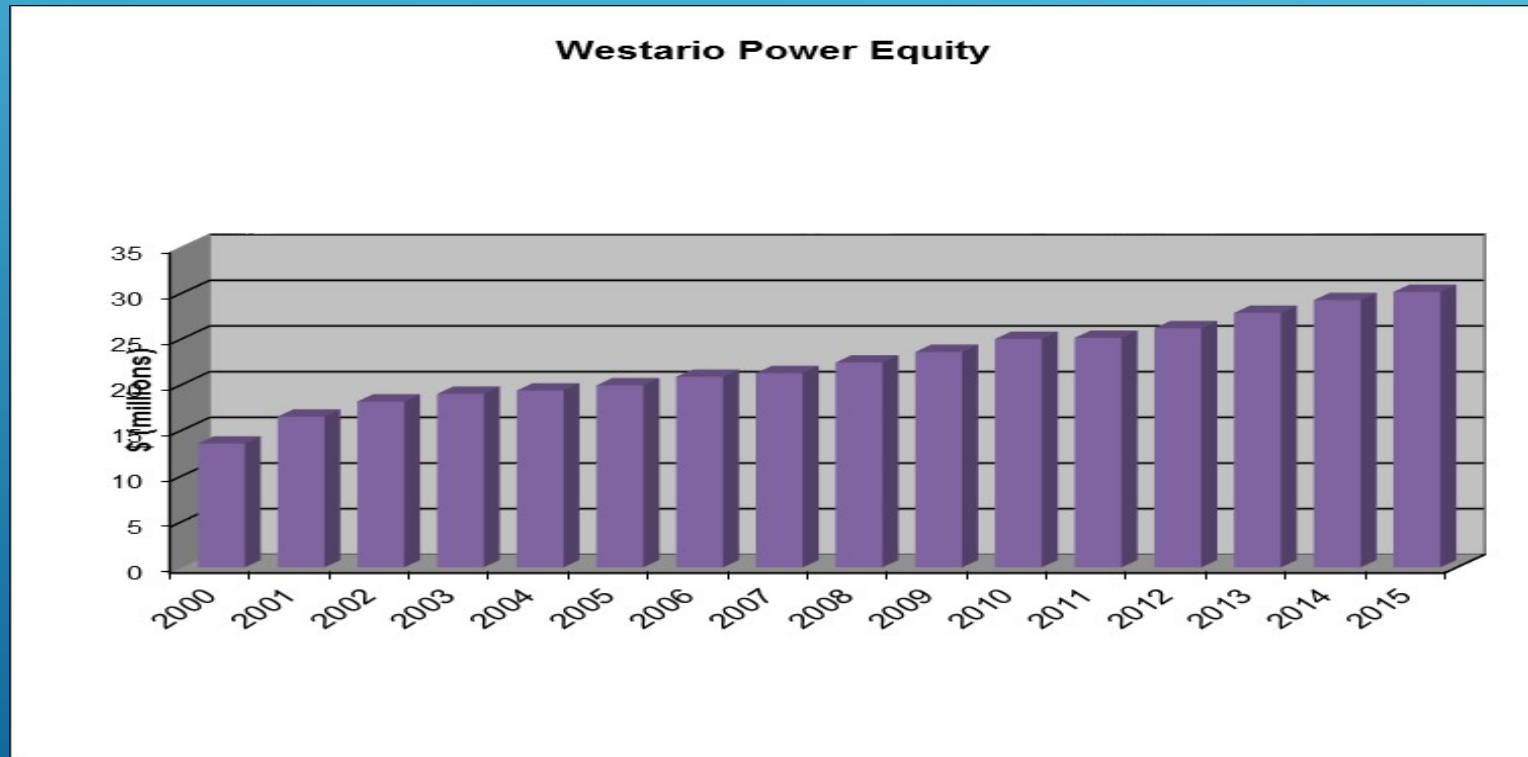
- ▶ \$69.46 million (2015)
- ▶ \$31.94 million (127.60%) growth since 2000 (5.77% average)





# EQUITY GROWTH – WESTARIO POWER

- ▶ \$30.14 Million (2015)
  - ▶ \$16.6 Million (122.53%) increase since 2000 (average 5.58%)



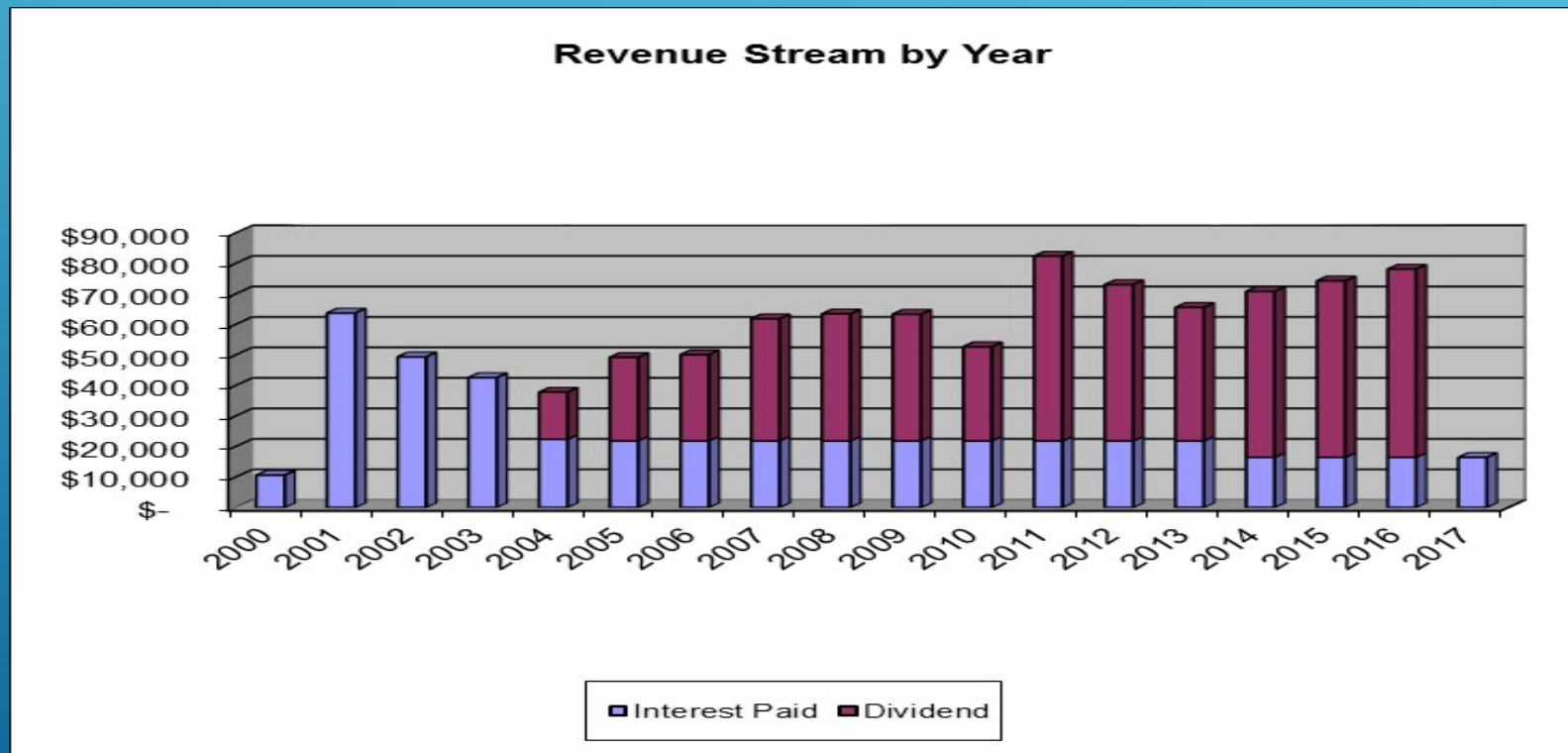
# EQUITY GROWTH – NORTH HURON

- ▶ \$2.324 Million (20145)
  - ▶ \$1.279 Million (122.53%) increase since 2000 (average 5.58%)



# REVENUE STREAM – NORTH HURON

- ▶ \$1,006,236 to December 31, 2017 \*
- ▶ Interest Bearing Note of \$399,682 @ 4.12%



# ONGOING INITIATIVES



# *PROTECTING VULNERABLE ENERGY CONSUMERS ACT, 2017*

- ▶ Now a condition of each LDCs Distribution License that there are to be no residential accounts disconnected for non payment of services until after April 30, 2017
- ▶ During the same time period there can be no Notices of Disconnection issued and no use of load limiting devices
- ▶ This new legislation has significant financial implications to Westario Power Inc as it is anticipated that Working Capital will decrease and Bad Debt expenses will increase significantly
- ▶ Important that customers continue to make regular payments to their accounts and contact our office to make suitable payment arrangements

# GROWTH OPPORTUNITIES

- ▶ Actively seek opportunities to merge with, or acquire, other utilities
- ▶ Provincial Budget announced time limited tax relief (Jan 1, 2016 – Dec 31, 2018)
  - ▶ Exempting LDC's with fewer than 30,000 customers from the transfer tax
  - ▶ Exempting capital gains arising under PILS Deemed Disposition Rules (Federal PILS still applicable)
- ▶ Based on the business case:
  - ▶ Economies of scale
  - ▶ Reduced costs
  - ▶ Customer service/value/satisfaction
  - ▶ Improved financial performance for shareholders
  - ▶ Funding for system upgrades – improve reliability

THANK YOU!

Questions?

