

Alectra Shareholder Meeting

Hamilton Utilities Corporation (HUC)

June 17, 2022

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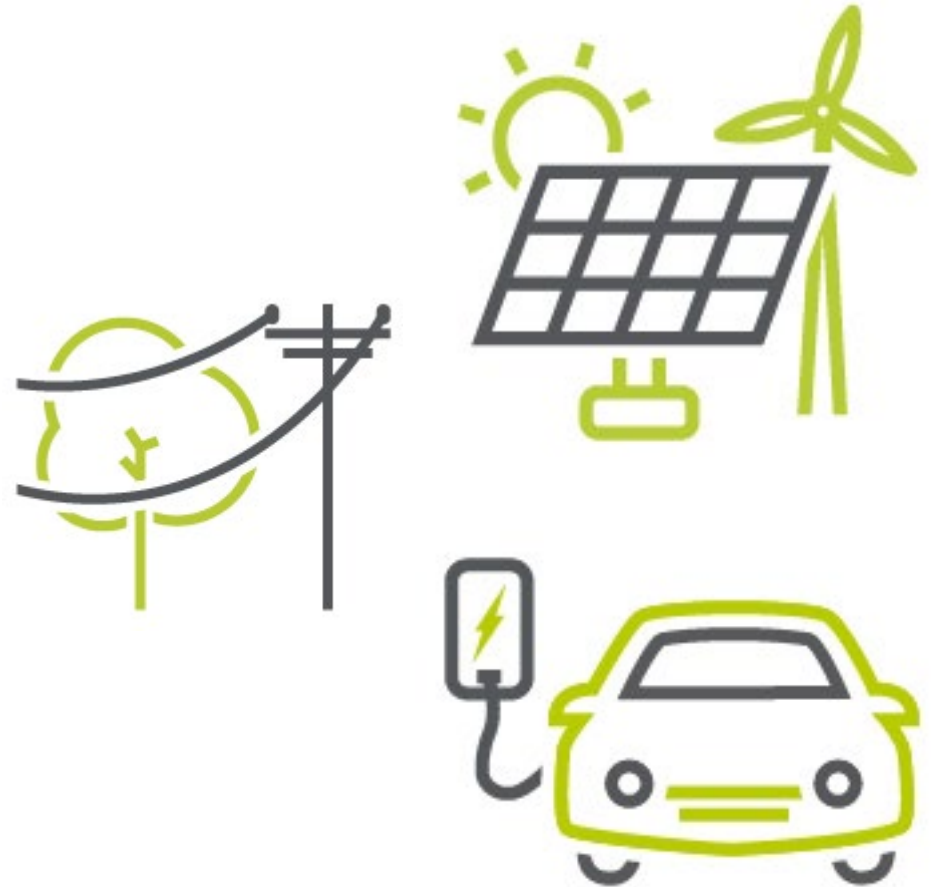
All references in this presentation are as of April 29, 2022 unless otherwise stated.

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Industry Trends

- Climate Change Impacts
- Distributed Energy Resources
- Transportation Electrification



Strategy

Strategy 2.0 is Alectra's plan to rise to the challenge and discover the possibilities. It focuses on three pillars:

- Customer Experience
- Grid Modernization
- Enterprise Growth



Customer Service

Ontario Energy Board standards met or exceeded on:

- Residential and Small Businesses Connected on Time
- Scheduled Appointments Met on Time
- Telephone Calls Answered on Time
- Billing Accuracy
- First Contact Resolutions
- Reliability SAIDI on Target – 40.3 Minutes
- Customer Satisfaction Survey Results



Year in Review

\$OM&A per Customer [2020]

KW	\$219	-\$42
Alectra	\$261	
GSC	\$273	+\$12
Industry	\$324	+\$63
THES	\$370	+\$109
Hydro One	\$417	+\$156

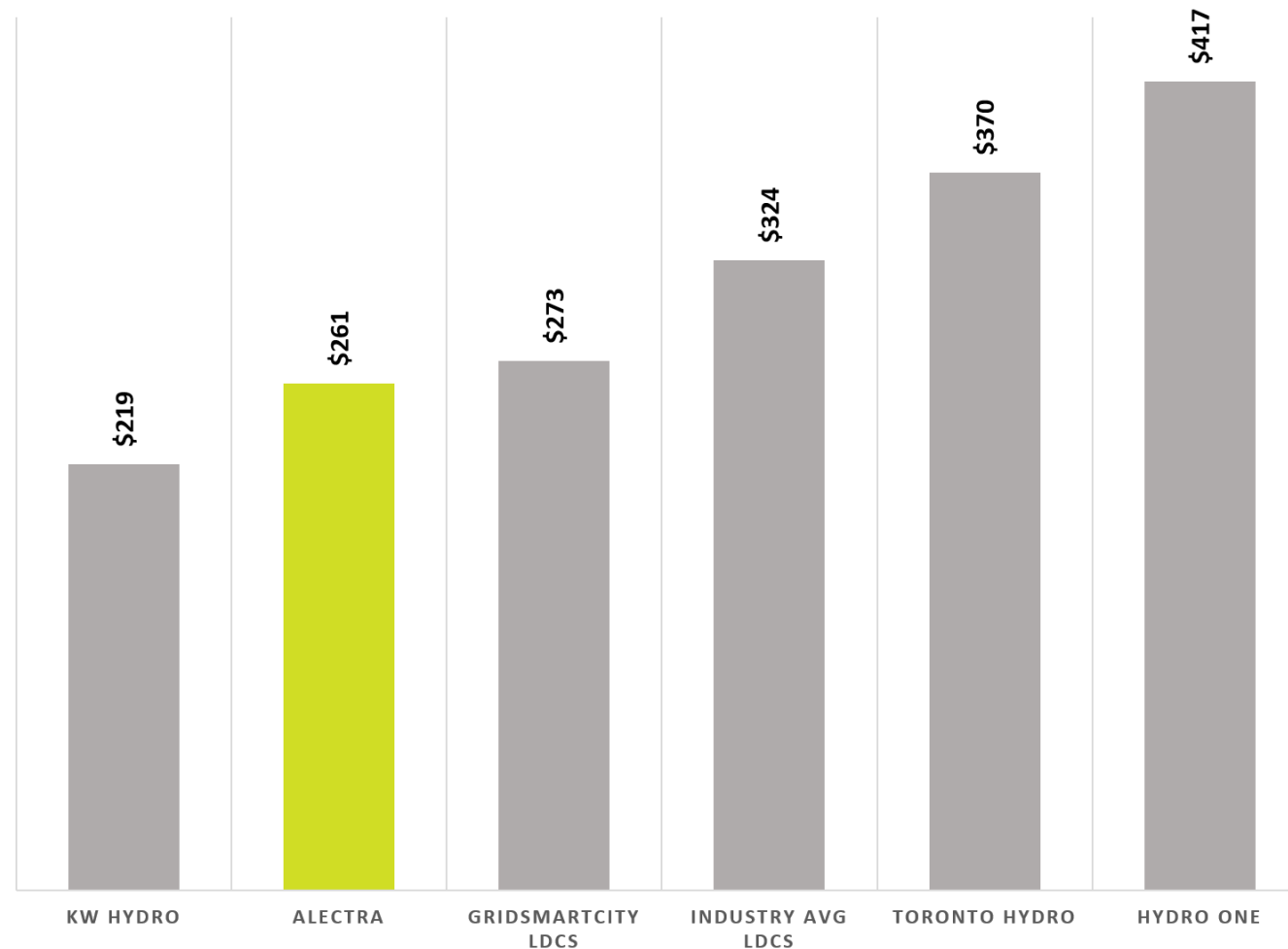
References

All numbers shown are \$OM&A per Customer

GSC = Grid Smart City utilities

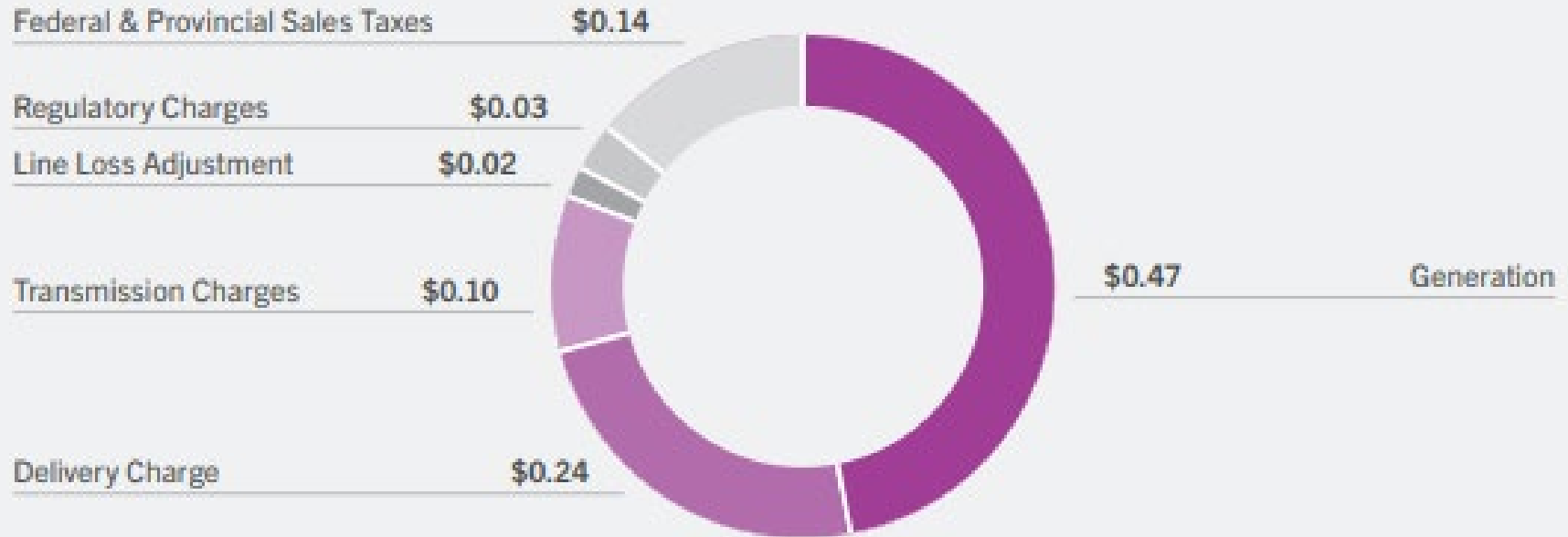
Industry = All Ontario utilities except Alectra

OEB Yearbook - data from 2020
[latest OEB data available]



Affordability

WHERE YOUR ELECTRICITY DOLLAR GOES



How does Alectra Compare?

Monthly Residential Bill [March 2022]

Large Urban Utility

SAMPLE MONTHLY BILL	
Time-of-Use Pricing	
Account Number: 000 000 000 0000 Meter Number: 0000000	
Your Electricity Charges	
Electricity	
On-peak @ 17 c/kWh	\$22.95
Mid-peak @ 11.3 c/kWh	\$15.26
Off-peak @ 8.2 c/kWh	\$39.36
Delivery	\$55.49
Regulatory Charges	\$3.26
Total Electricity Charges	\$136.32
HST	\$17.72
Ontario Electricity Rebate	(-\$23.17)
Total Amount	\$130.87

Alectra (PRZ)

SAMPLE MONTHLY BILL	
Time-of-Use Pricing	
Account Number: 000 000 000 0000 Meter Number: 0000000	
Your Electricity Charges	
Electricity	
On-peak @ 17 c/kWh	\$22.95
Mid-peak @ 11.3 c/kWh	\$15.26
Off-peak @ 8.2 c/kWh	\$39.36
Delivery	\$44.68
Regulatory Charges	\$3.28
Total Electricity Charges	\$125.53
HST	\$16.32
Ontario Electricity Rebate	(-\$21.34)
Total Amount	\$120.51

Delivery Charge for Alectra Average Residential Customer using 750 kwh per month is: **\$44.68**

Delivery Charge for a large urban LDC Average Residential Customer using 750 kwh per month is: **\$55.49**

An annual savings of: **\$129.72**

Note: the total bill will include other charges and will vary due to the amount of electricity an individual customer will use

Graphic: OEB Bill Calculator – March 2022

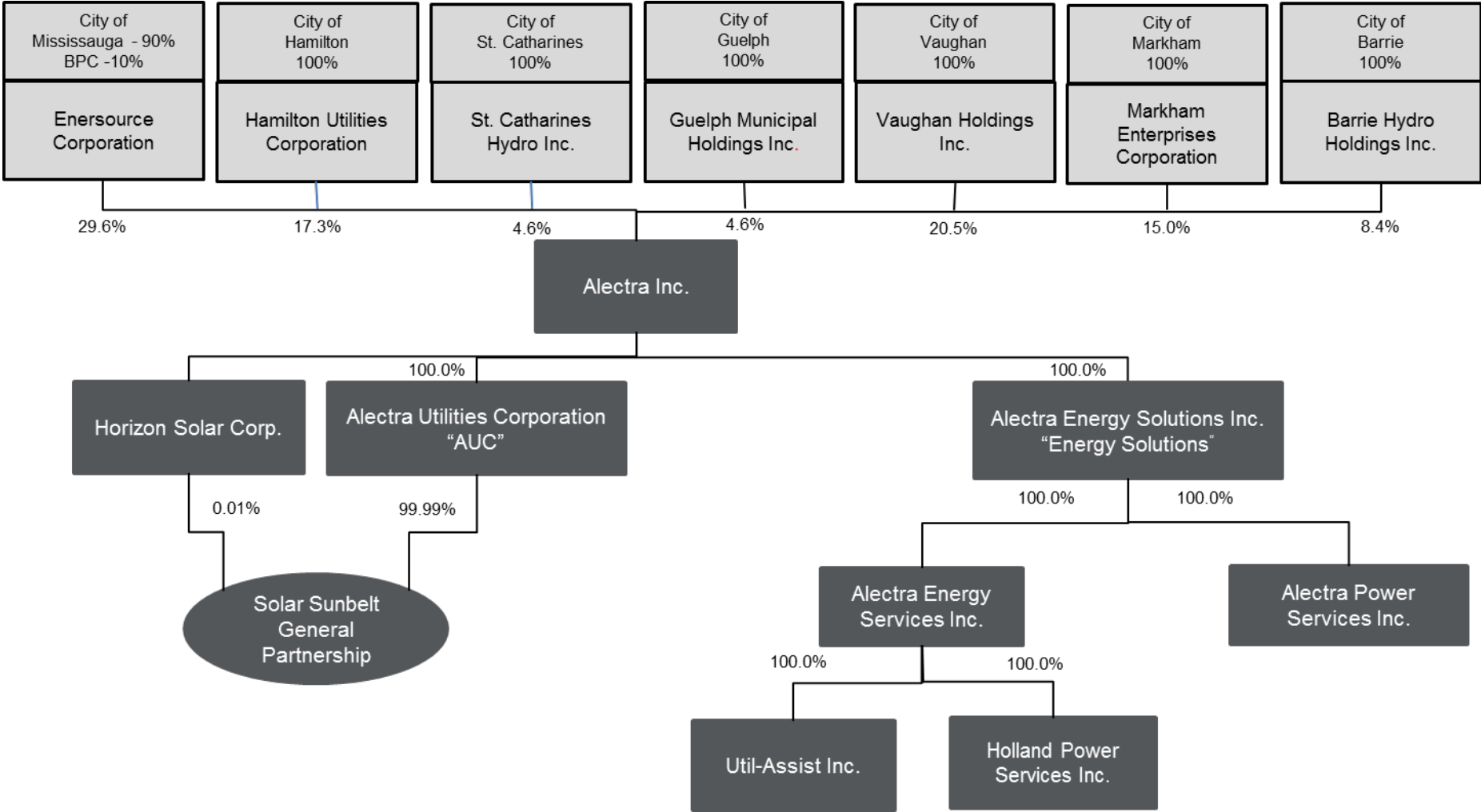


Overview of 2021 Financial Results

**John Basilio – Executive Vice-President and Chief Financial Officer,
Alectra Inc.**

Principal Corporate Structure

Alectra Inc. (as of Jan. 4, 2022)

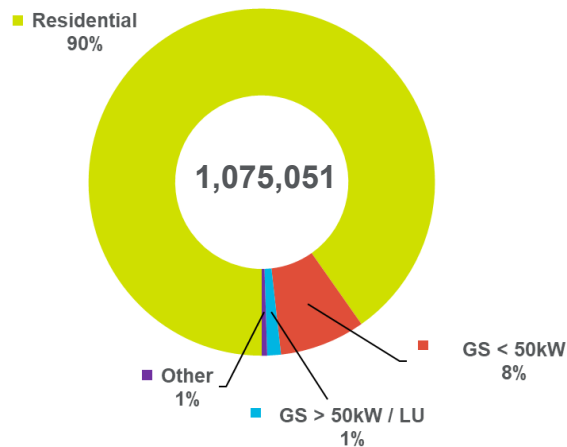


2021 Financial Highlights

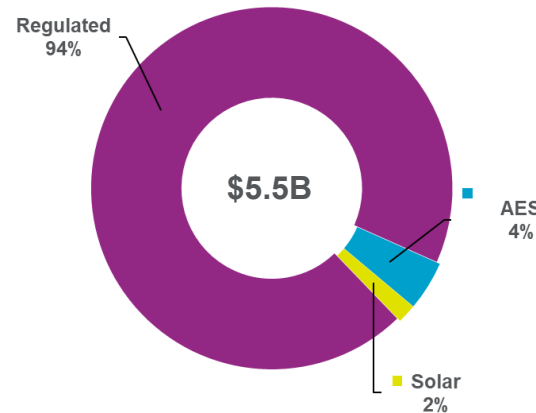
AUC is the largest municipally-owned Local Distribution Company ("LDC") in Canada providing service to over 1 million residential, commercial, industrial and institutional customers around the Greater Golden Horseshoe Area

- *Regulated business comprises* approximately 94% of total assets and approximately 92% of consolidated EBITDA
- *Non-regulated business* consists principally of solar generation assets under long term FIT contracts with the IESO, sub-metering and power restoration businesses

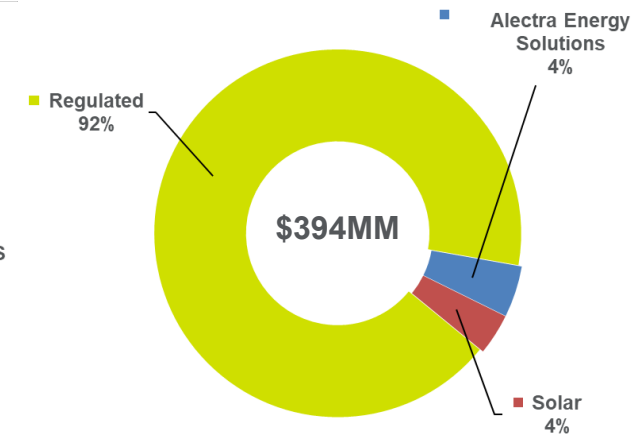
Total Customers ¹



Total Assets ²



EBITDA ²



1 - Number of customers is as of Dec.31, 2021

2 - Total Assets and EBITDA are based on 2021 IFRS Audited Financial Statements

Alectra Utilities Corporation



More than **1,000,000** customers



2nd largest municipally owned utility in North America ²



17 communities served



1,924 square-km service territory



605 fleet vehicles



21,581 overhead and underground lines



14 transformer stations

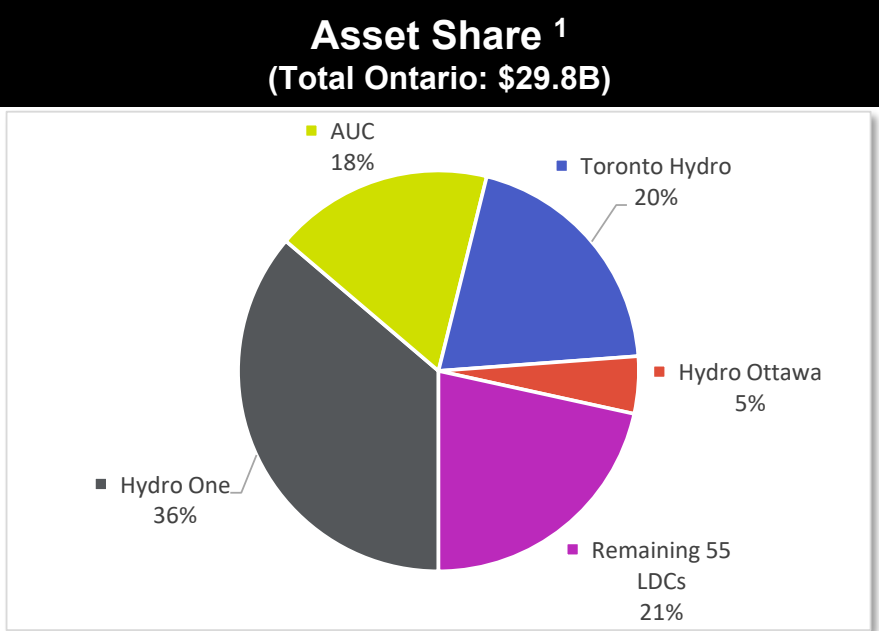
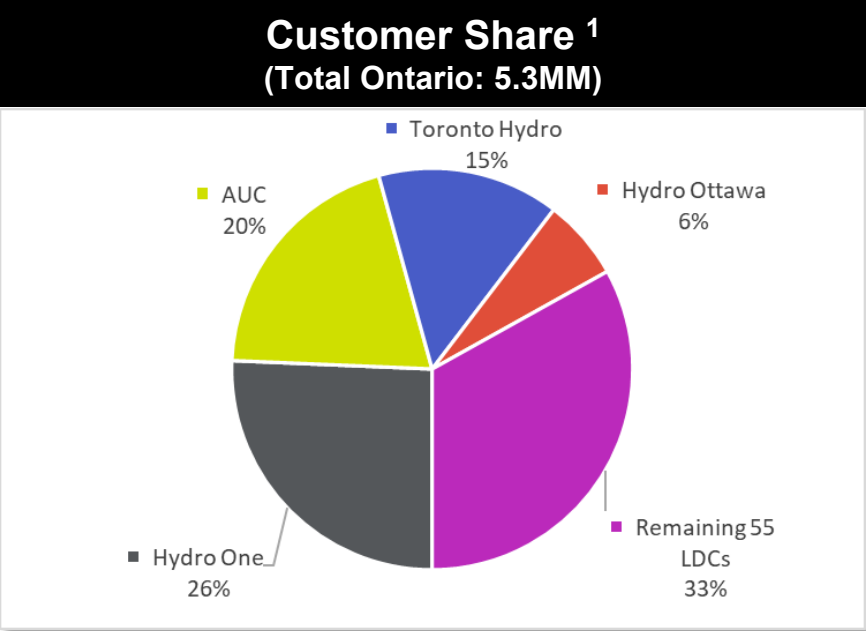


149 municipal substations



Peer Comparison

Ontario Electricity Sector

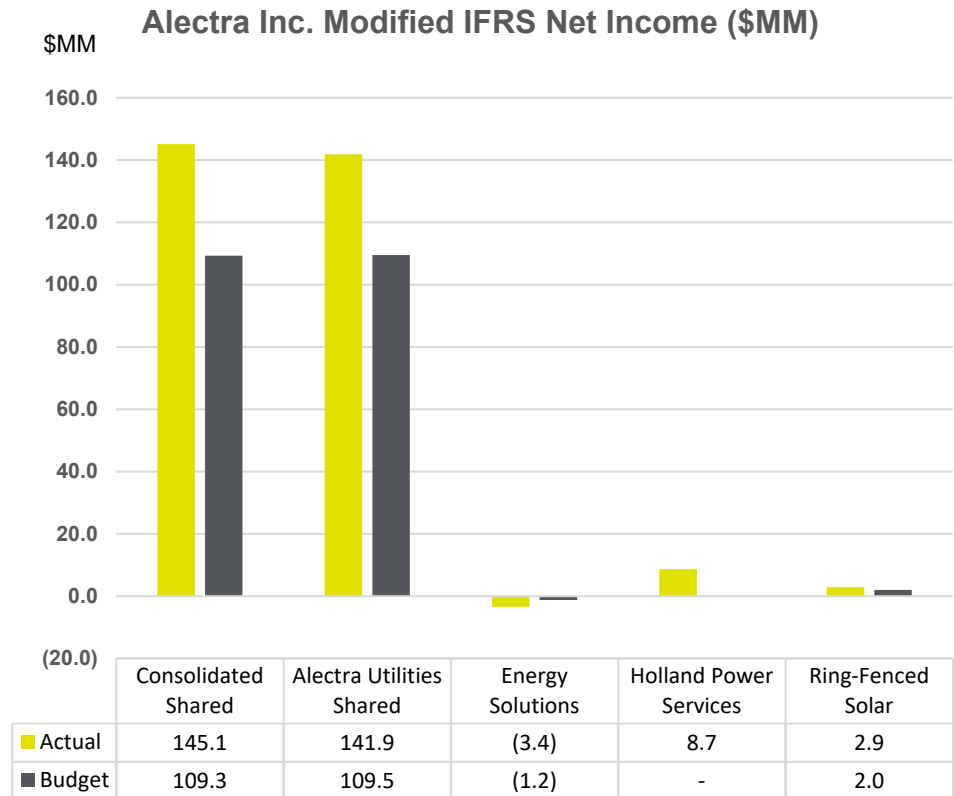


Comparison of 2020 Operating Statistics ¹		
	LDC Average	AUC
Number of Customers ²	89,874	1,062,040
Total GWh Delivered	2,172	26,211
Distribution Losses ³ (% of GWh Delivered)	4.00%	3.24%
OM&A per Customer	\$324	\$261
Distribution revenue per Customer	\$735	\$534

1 - Source - OEB, Yearbook of Electricity Distributors 2020
 2 - Number of customers excludes Sentinel and USL customers
 3 - Distribution Losses refer to the loss of energy due to electrical resistance in the transmission process
 4 - Averages include Alectra

2021 Consolidated Results

- ✓ Despite the significant impacts of COVID-19 Pandemic, 2021 net income of \$145.1MM (MIFRS) exceed budget by \$35.8MM:
 - Derecognition of PP&E \$18MM;
 - Payment of CDM performance incentive \$12MM;
 - Higher Dx revenue \$11.3MM;
 - Unbudgeted earnings from acquisition of HPS \$8.7MM, offset by;
 - COVID-19 impact, mainly due to higher provision for credit losses \$9.3MM and cleaning \$3.9MM
- ✓ Net capital expenditures of \$310MM, \$8MM higher than budget:
 - Higher AES expenditure on natural gas generator, partially offset by;
 - Deferral of the Kennedy Road construction;
 - Deferral of transit projects;
- ✓ HPS capital of \$2.5MM relate to purchase of trailers and fleet



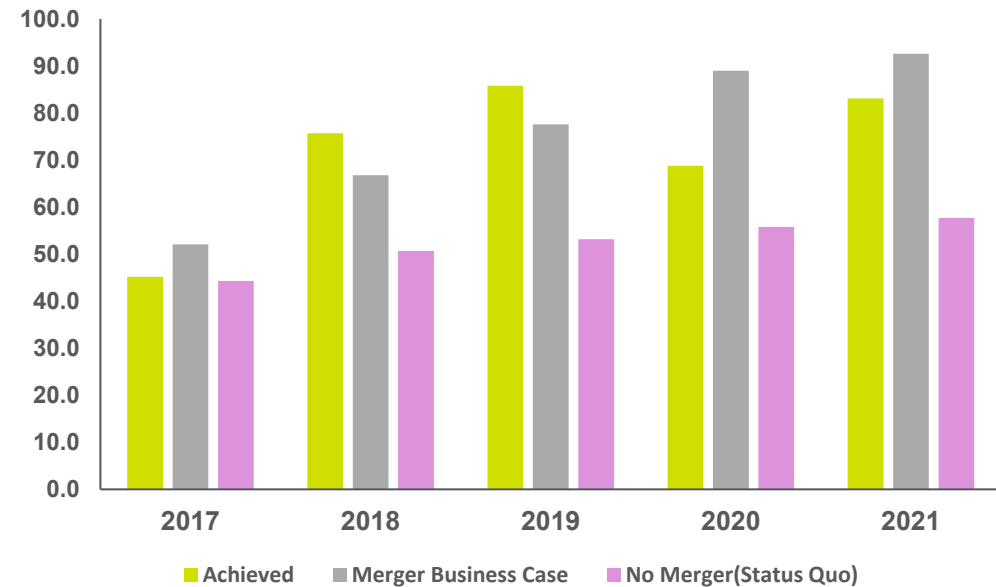
Dividends on Common Shares

In the first five years following Alectra merger, Alectra declared \$358.6MM to the inaugural shareholders group, or 5.2% lower than estimated in Alectra original Business Case.¹

Without the merger the inaugural shareholders would have seen \$261.7MM in standalone dividends

The merger has provided dividends \$96.9MM (37%) greater than the standalone course of action would have provided

Alectra Inc. - Dividends Paid 2017-2021¹



¹ Accruing to initial Alectra Inc. Voting Common Shareholders (i.e., excluding GMHI) for comparative purposes to Alectra Merger Business Case.

Common Shares Dividend Forecast

2022-2024 Dividend Forecast

(\$MMs)	2022B	2023F	2024F	Total
PERFORMANCE vs MERGER BUSINESS CASE				
Forecast	78.7	81.1	78.7	238.4
Merger Business Case	95.7	97.8	97.2	290.6
Difference	(17.0)	(16.7)	(18.5)	(52.2)
PERFORMANCE vs NO MERGER				
Forecast	78.7	81.1	78.7	238.4
No Merger(Status Quo)	63.8	66.9	69.8	200.5
Difference	14.8	14.2	8.9	38.0

*For comparative purpose only, the amounts from the original Merger business case and the Guelph business case are combined.

- These results are based on the Financial Plan communicated to Shareholders in November 2021, with 2022 Budget updated in 2022 to include the impact of an earlier than planned sale of the Mavis Operating Centre;
- Irrespective of the potential to mitigate costs through Management actions or government/ OEB mechanisms, the Pandemic is still expected to have an adverse impact on the Corporation's financial results this year relative to the 2022 Budget;
- As previously reported to Shareholders, other principal drivers of the unfavourable forecast dividend trends compared to Merger Business Case are a result of (i) unexpected adverse OEB decision on Alectra Utilities ICM/IR rate applications; (ii) changes in customer service rules adversely impacting revenue forecasts; (iii) elimination of the Conservation First Framework and (iv) a reset of revenue growth expectations from non-regulated Energy Solutions businesses.

Financial Perspective

Investor Considerations

- ✓ Largest municipally-owned LDC in Canada by number of customers
- ✓ Low-risk monopoly electricity distribution business
- ✓ Efficient, low cost operations
- ✓ Favourable customer mix in a strong service territory
- ✓ Stable and consistent financial performance through predecessor entities
- ✓ Strong reputation & experienced management team
- ✓ Supportive shareholders
- ✓ Excellent relationship with regulator



Community Update

Capital Investment 2021 – Hamilton

- In 2021, Alectra completed several major projects in Hamilton to address efficiency and increase capacity in key areas:
 - Central Municipal Substation voltage conversion = \$3,513,159
 - Hamilton West Mountain cable and transformer replacement project = \$2,159,684
 - Dewitt Municipal Substation voltage conversion = \$1,216,924
 - Aberdeen Municipal Substation voltage conversion = \$763,764



Community Update

Alectra is continuously working to connect with our customers and municipal partners through various communications channels, including:

Ally

- Municipal shareholder quarterly newsletter;
- Provides relevant customer-related information to councillors and city staff to share with constituents;

Customer Newsletter

Provides timely and helpful electricity news that matters to our customers;

Includes articles about Alectra services, new developments, support programs, electricity prices, energy conservation, safety tips, industry news, Alectra's environmental and social governance commitments, and much more



Message from Brian

It's hard to believe that we are now two years into the pandemic. While the course of the pandemic is not where we had hoped it would be, we have come a long way together. At Alectra, safety and well-being of each of our employees continues to be our top priority, and I look forward to welcoming staff back into the office when it is safe to do so. Alectra crews are working hard as always to ensure that the services our customers rely on remains secure and reliable.

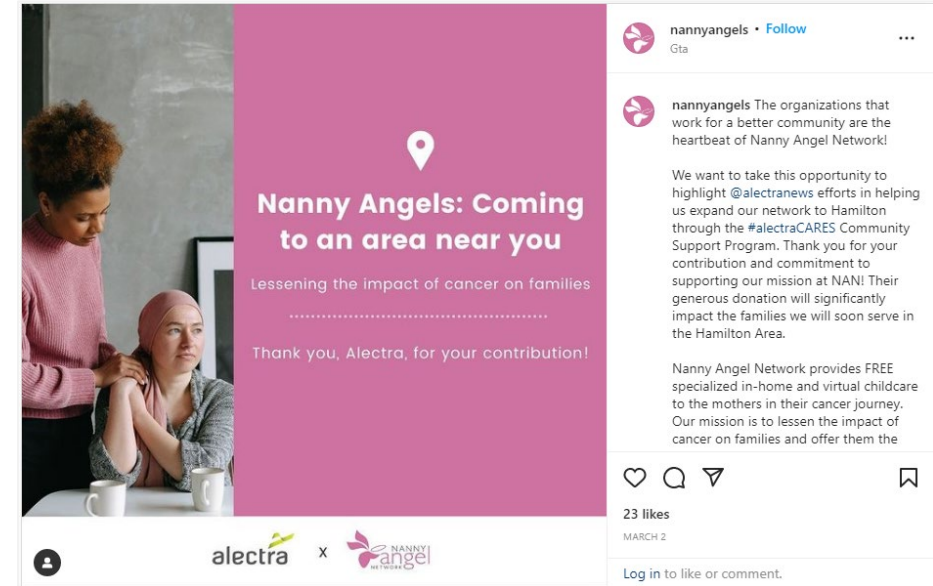
Alectra has much to celebrate this month, as we recognize our [fifth birthday](#)! I am truly proud of the incredible achievements we have accomplished over these past five years in the communities we serve. We are proud to say that over the last five years we have kept our promise to keep electricity rates as low as possible, invest in grid infrastructure, improve customer service, and deliver consistent dividends to our municipal shareholders. There are many exciting opportunities that lie ahead of us. I am very much looking forward to this new year and discovering the possibilities that we can achieve together.



Brian Bentz
President and CEO

Supporting Hamilton

- Committed over **\$99,500** to community organizations and events supporting Hamilton.
- Donated **\$20,000** to Food4Kids Hamilton's High-School Expansion Program.
- Provided **\$10,000** to Mission Services Hamilton's Good Food Centre.
- Contributed **\$10,000** to Habitat for Humanity Hamilton.
- Provided **\$5,000** for Nanny Angel Network's Hamilton expansion.
- A Gold Sponsor of the **Canada Innovative Corridor Summit** taking place in Hamilton this year. The theme of this year's conference is the transition to net-zero.
- Sponsored the first Alectra Equity, Diversity and Inclusion (ED&I) Scholarship at the **Director's College** in **McMaster's DeGroote School of Business** to support more equality and accessible leadership opportunities to individuals from diverse backgrounds.



In Summary

2021

- Strong financial performance in 2021, considering impacts of COVID-19
- Evolving business environment is creating risks as well as opportunities
- Strategy 2.0 is accelerating Alectra's progress towards becoming a customer-centric, innovative, integrated energy services company focused on Customer, Grid and Growth
- Growth and re-balancing investment will be key to addressing short-term risks and longer-term opportunities





Thank You

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Баярлалаа
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