Grid System Planning – Aligning to Climate Change

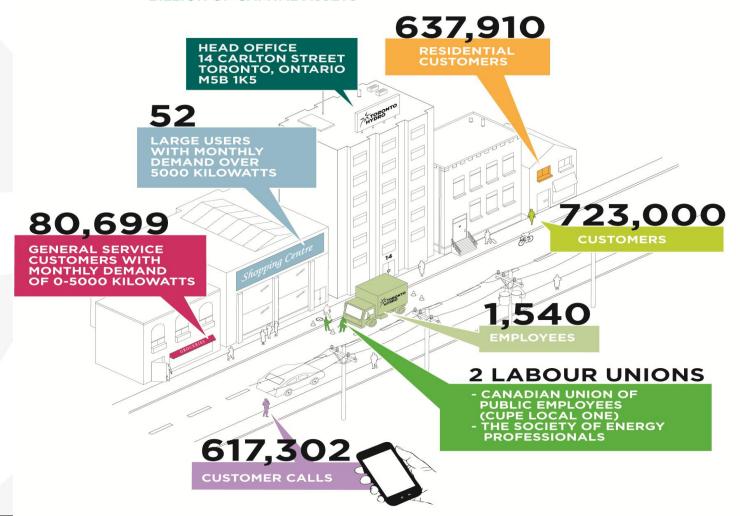
Adaptation & Resilient Infrastructure Seminar

May 29, 2014
Ivano Labricciosa,
EVP and Chief Business Development Officer

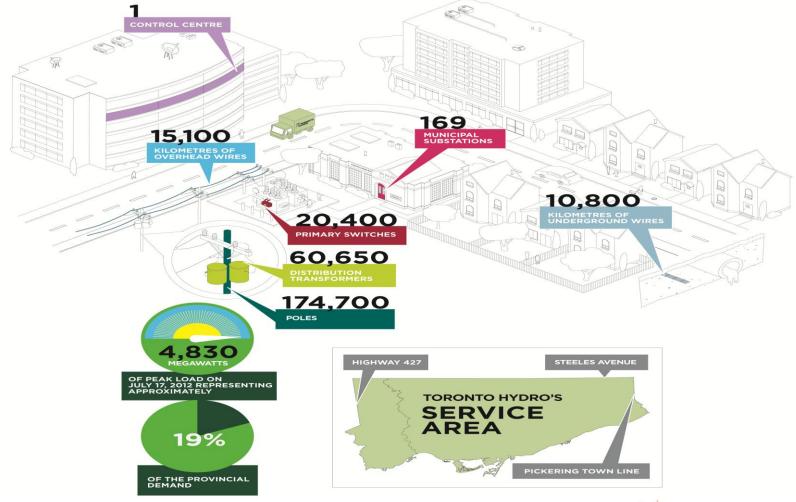
TORONTO

Company Overview

WE OWN AND OPERATE \$2.6
BILLION OF CAPITAL ASSETS



Company Overview - Operations



Recent Extreme Weather Events

October 29th 2012 Hurricane Sandy:

Approximately 60,000 customers interrupted

July 8th 2013 Flood:

Approximately 300,000 customers interrupted

December 22nd 2013 Ice Storm:

Approximately 300,000 customers interrupted

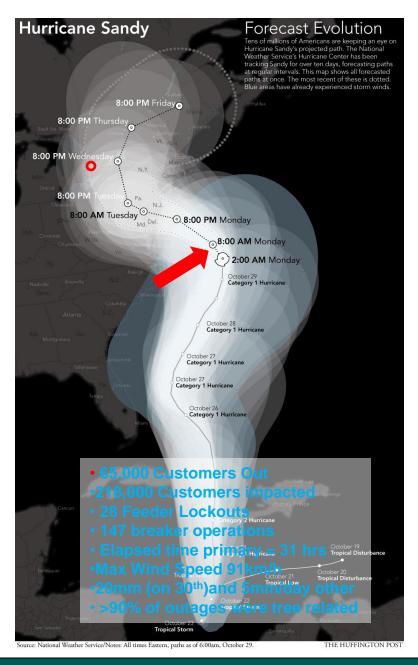


Hurricane Sandy – Oct 2013

- Enhanced monitoring of storm telemetry (path, intensity)
- Opened lines of communication with key EM stakeholders
- Established emergency declaration objectives (Level II, III)
- Opened SOC at 07:00 Mon Oct 29
- At 01:00 Tues Oct 30, system conditions were "normal"
- Wind speeds peaked from 02:00 04:00 (<92 km/hr)
- Call volumes increased sharply between 04:00 05:00
- Level II declared at 04:30
- Level III declared at 07:30
- "All hands on deck"



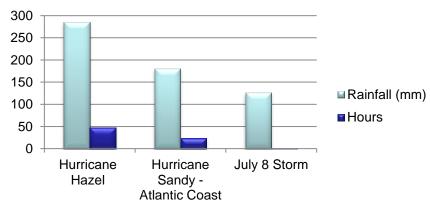
Source: Data in Public Media. *May not be accurate



Water Storm July 8th

- The heaviest rainfall in one day since measurements began in Toronto.
- Environment of Canada didn't expect the rainfall to be more than 50 mm per hour and therefore didn't issue a severe thunderstorm warning.

Total mm of Rainfall



Source: Data in Public Media. *May not be accurate

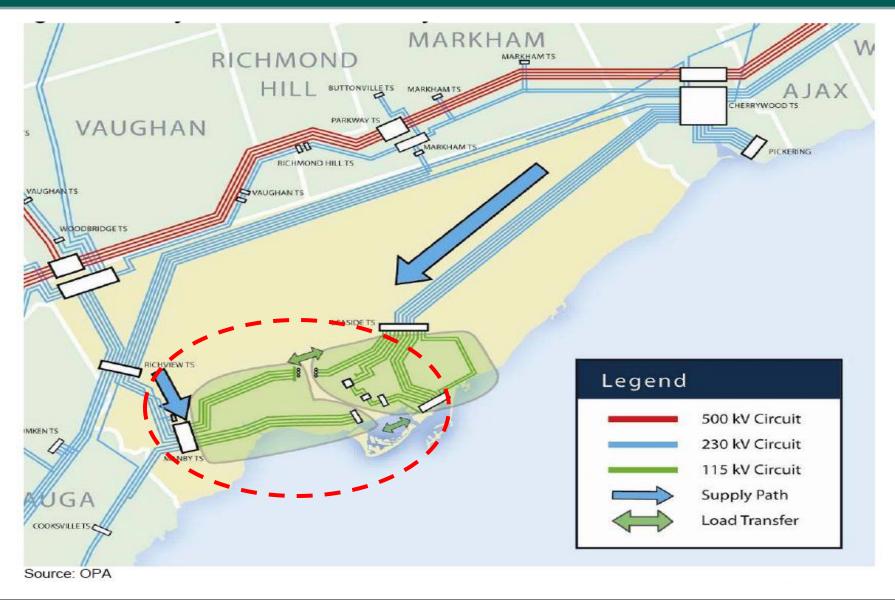


Source: Toronto and Regional Conservation Authority



Source: Data in Public Media. *May not be accurate

Toronto Regional Plan



During the Storm



Note: All circuits in and out of Richview and Manby were affected.

Flooded control circuits. HONI update: A total of 3,770 MW interrupted across the GTA affecting up to 500,000 residents.

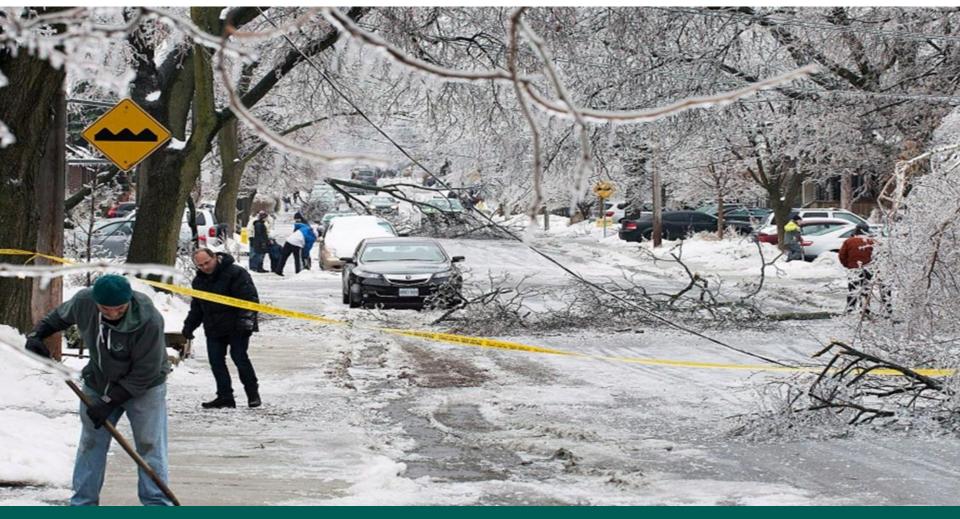
Leaside sector maintained.

* Values estimated based upon provincial system peak just prior to outage.



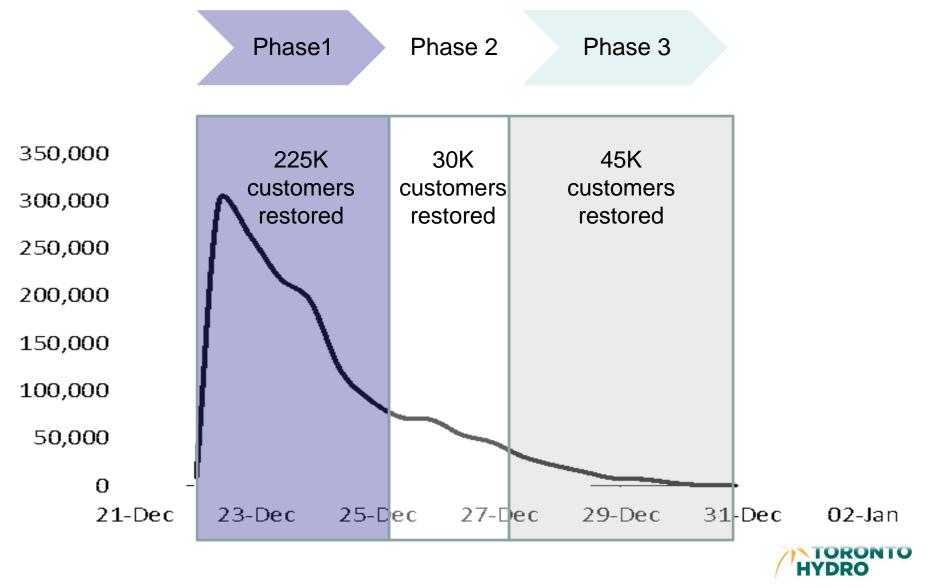
Note: Graphics are illustrative only, may not be accurate.

ICE Storm - Dec 22, 2013

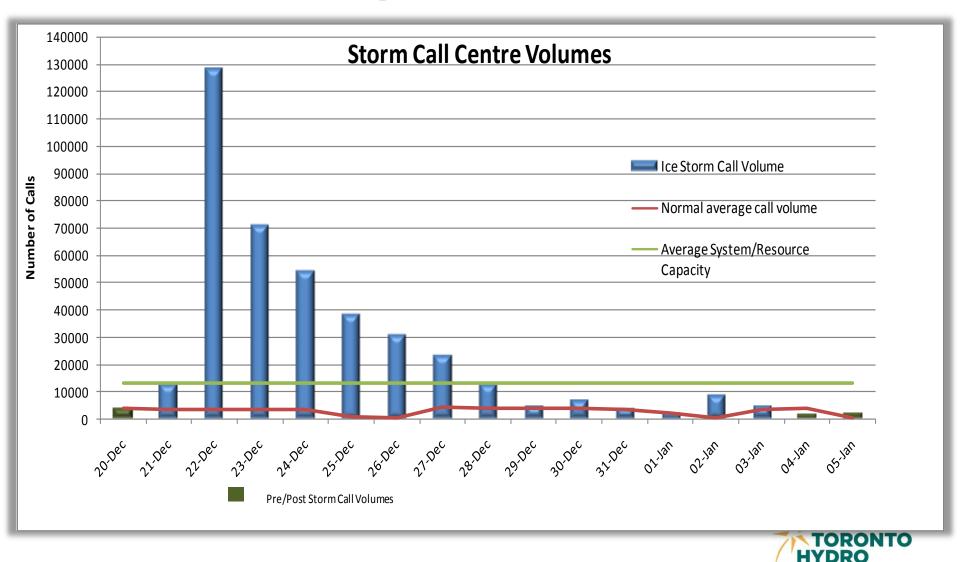


The most disruptive incident we have faced

Customer Restoration Profile



Customer Response Profile



Communicate Enough?

City & Province

Mass Media
1500 interactions

Social Media

1000 Tweets 6000 Customers Comments on Facebook

City Councillor Networks

7000 emails

Business and Association Networks

37000 amails

Customer Calls

374000 in 10 days

Challenge

- Communication needs power
- Everyone looking for information for various agendas.

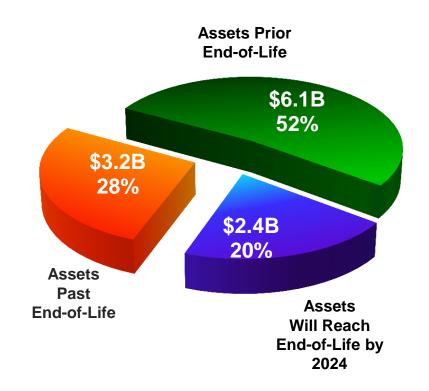
Strategy

- Use all available channels
- Greatest reach
- Speed to target
- WIFM Richness Factor
- Deliver frequently



Current Situation – Opportunity To Invest?

- \$3.2B of Asset Replacement Value is currently beyond Useful Life
- Additional \$2.4B of Assets will exceed their Useful Life by 2024.
- ➤ \$431M of Asset Replacement Value per year over the 13-year period from 2012 to 2024.





Awareness and Preparation of a Changing Climate

Toronto Hydro

 PIEVC (Public Infrastructure Engineering Vulnerability Committee)

City of Toronto

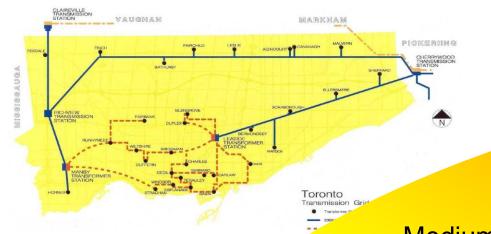
Toronto's Future
 Weather and
 Climate Driver
 Study

Industry

- IPCC
 (Intergovernmental Panel on Climate Change)
- ConEd approval for one billion dollars for climate adaptation



PIEVC Assessment of Weather Events





- Extreme Humidity and Severe Heat Wave
- Low temperature and cold wave
- Freeze-thaw cycles
- Temperature variability
- Fog, Frost, Hail
- Drought periods

Medium Risks

- High Temperature, Heat Waves, Extreme Humidity, and Severe Heat Wave
- Heavy Rain and Heavy 5 day total rainfall
- Freezing Rain and Ice Storms
- Blowing snow, heavy snowfall and snow accumulation
- Lightning strikes on equipment

- High wind/downburst at 70 km/h and 90 km/h
- Hurricane (e.g. Sandy)

High Risk

 Tornadoes (Low Probability)



Risks → Prepare & Mitigate

Standards

- Storm Hardening
- Maintenance
- Targeted Resilience

System & Process enhancements

- Automation
- Dispatch

Support

- Office of Emergency Management
- Mutual Aid





Climate Analysis of Toronto Hydro Distribution Assets

Weather Type Increase/Decrease based on Current Climate	Distribution Equipment Impacted	Vulnerable
Extreme Heat (Increase)	Overhead/ Underground Equipment	Yes
Extreme Precipitation (Increase)	Underground Equipment	Yes



Existing Climate Adaptations at Toronto Hydro

Overhead Assets

- Installation of tree proof conductor to prevent faults on overhead conductor due to tree contact
- Tree trimming maintenance programs
- Compliance with CSA standards for overhead infrastructure
- Pole loading analysis software used to design a structurally reliable overhead system

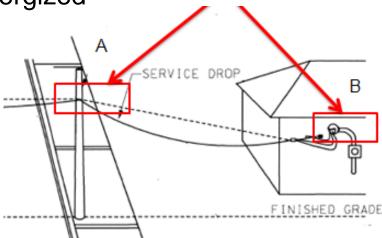
Existing Climate Adaptations at Toronto Hydro

Underground Assets

- All below grade major equipment (i.e. Transformers and switches) are rated for submersible applications
- All below grade major equipment enclosures are now built using marine grade stainless steel
- All underground vaults are equipped with sump pumps and drainage systems (Network vaults maintained 3 times a year)

Future Climate Adaptations at Toronto Hydro

- 1. New adapter at meter base to provide safe method of connecting a generator
- Connection at hydro pole designed to fail prior to connection at service mast to ensure that cut service wire is not energized





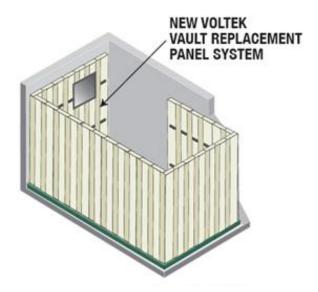


Future Climate Adaptations at Toronto Hydro

 Distribution Reclosers - Used to reduce momentary faults caused by tree contact, and to sectionalize and isolate permanent faults



 Underground Structure Support System – Used on deteriorated structures to restore loading strength and provide waterproof barrier



Thank You





Disclaimer

The information in these materials is based on information currently available to Toronto Hydro Corporation and its affiliates (together hereinafter referred to as "Toronto Hydro"), and is provided for information purposes only. Toronto Hydro does not warrant the accuracy, reliability, completeness or timeliness of the information and undertakes no obligation to revise or update these materials. Toronto Hydro (including its directors, officers, employees, agents and subcontractors) hereby waives any and all liability for damages of whatever kind and nature which may occur or be suffered as a result of the use of these materials or reliance on the information therein. These materials may also contain forward-looking information within the meaning of applicable securities laws in Canada ("Forward-Looking Information"). The purpose of the Forward-Looking Information is to provide Toronto Hydro's expectations about future results of operations, performance, business prospects and opportunities and may not be appropriate for other purposes. All Forward-Looking Information is given pursuant to the "safe harbour" provisions of applicable Canadian securities legislation. The words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify Forward-Looking Information, although not all Forward-Looking Information contains these identifying words. The Forward-Looking Information reflects the current beliefs of, and is based on information currently available to, Toronto Hydro's management. The Forward-Looking Information in these materials includes, but is not limited to, statements regarding Toronto Hydro's future results of operations, performance, business prospects and opportunities. The statements that make up the Forward-Looking Information are based on assumptions that include, but are not limited to, the future course of the economy and financial markets, the receipt of applicable regulatory approvals and requested rate orders, the receipt of favourable judgments, the level of interest rates, Toronto Hydro's ability to borrow, and the fair market value of Toronto Hydro's investments. The Forward-Looking Information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the Forward-Looking Information. The factors which could cause results or events to differ from current expectations include, but are not limited to, the timing and amount of future cash flows generated by Toronto Hydro's investments, market liquidity and the quality of the underlying assets and financial instruments, the timing and extent of changes in prevailing interest rates, inflation levels, legislative, judicial and regulatory developments that could affect revenues, and the results of borrowing efforts. Toronto Hydro cautions that this list of factors is not exclusive. All Forward-Looking Information in these materials is qualified in its entirety by the above cautionary statements and, except as required by law, Toronto Hydro undertakes no obligation to revise or update any Forward-Looking Information as a result of new information, future events or otherwise after the date hereof.