



Veridian Corporation, Oshawa Power and Utilities Corporation and Whitby Hydro Energy Corporation to Explore Benefits of Consolidation

(April 28, 2016) Today, a Memorandum of Understanding (MOU) was signed by the parent companies of three local distribution companies, Veridian Corporation (Veridian), Oshawa Power and Utilities Corporation (OPUC) and Whitby Hydro Energy Corporation (WHEC), to explore the potential benefits and feasibility of a merger.

Together, the three entities currently service more than 220,000 customers in a growing area of the province.

The MOU was created and signed after all three organizations agreed that it would be mutually beneficial to pursue opportunities for collaboration and integration to the benefit of their shareholders, employees, and customers.

“At this preliminary stage, the MOU’s purpose is to set in motion an exploratory phase that will identify potential benefits that can be realized through a consolidation,” said Michael Angemeer, President and CEO of Veridian. “The timing also makes sense, as Ontario has created a policy framework in favour of utility integration that has resulted in successful mergers west of Toronto that will act as a catalyst for economic growth in those parts of the province” He added that, “The mergers and acquisitions that have formed Veridian have resulted in benefits to shareholders, communities, customers and employees while achieving a high level of reliability and employee and public safety.”

The 2012 Ontario Distribution Sector Panel Review and the 2015 Advisory Council on Government Assets have supported a provincial government policy framework in favour of utility consolidation. As a result, increased activity in consolidations of local distribution companies has taken place across Ontario.

Key objectives outlined in the MOU include creating opportunities to increase efficiencies and innovation for the benefit of the customers and that would enable customer service levels to meet or exceed existing levels.

“With fast changing technology and the regulatory landscape, it is critical to future-proof our utilities and ensure that we are competitive enough to serve customers in the new era of electricity generation and distribution” said Atul Mahajan, President and CEO of OPUC. There is a strong and compelling business case to be made about consolidation that has been proven across North America. Ontario specifically has a strong track record of consolidations allowing LDC’s to respond successfully to changing customers’ needs and develop innovative business offerings. He added, “We have a great opportunity under the current environment to confirm the benefits of such a consolidation in the growing Region of Durham and present that case to our stakeholders and together build a better future for our employees, customers and shareholders”.

“As an energy provider, we must be prepared to respond to shifts in the changing energy landscape. The transformation we are seeing presents opportunities to take advantage of new technologies to achieve efficiencies for the benefit of all our stakeholders,” said John Sanderson, President and CEO of WHEC. “Through this MOU, we hope to identify exactly what benefits could stem from our consolidation and if it is ultimately in the best interest of our stakeholders.”

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Media Contacts or General Inquiries

For Veridian

Michael Angemeer, President and CEO, Via Chris Mace
905-427-9870, ext. 2218

Visit <http://learnmore.veridian.on.ca>

For OPUC

Atul Mahajan, President and CEO, Via Nadeige Carter
905-439-1917

<http://learnmore.opuc.on.ca>

For WHEC

John Sanderson, President and CEO, Via June Callaghan
905-444-1987

<http://learnmore.whitbyhydro.on.ca>

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About Veridian Corporation

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. The utility is about to become the fifth largest municipally owned electric utility in Ontario after the merger of large utilities west of Toronto is completed. Veridian has a successful history of effective growth through two mergers and five acquisitions, and now serves nine communities east and north of Toronto more efficiently than any other large non-contiguous utility in Ontario. 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. Veridian has now diversified into renewable energy, and will be establishing other value added offerings for its customers

About Oshawa Power and Utilities Corporation

Oshawa Power and Utilities Corporation (OPUC) is the holding company for a diversified group of four subsidiaries involved in energy distribution, telecom ventures, clean power generation and solar energy generation. Through its subsidiaries OPUC provides: safe, reliable and efficient electricity distribution services to over 57,000 customers; develops, constructs and operates clean and green energy generation assets in Ontario; and provides a reliable dark fibre optics communications network within Oshawa and the Region of Durham. OPUC is wholly owned by the Corporation of The City of Oshawa.

About Whitby Hydro Energy 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.