

# Niagara-on-the-Lake Energy Inc.

2026 Annual General Meeting



# Corporate Structure

## Board of Directors

1. Lord Mayor Gary Zalepa
2. Councillor Adriana Vizzari
3. Jim Ryan (Chair)
4. Philip Wormwell
5. Nick Ruller (CAO)
6. Marc Devlin
7. Marcelo Grusso



# Agenda

1. 2025 Activities and 2026 Plans
2. Safety
3. Reliability performance (Outages)
4. Rates
5. Corporate Resolutions

# 2025 Activities

- No lost time incidents
- Projects included Firelanes 2 and 4 (overhead), Mississauga St. (underground) and King St. and Johnson St. (underground)
- Continued more targeted asset replacement program
- Commenced meter update program (2,660 meters)
- 3 new reclosures and 3 tripsavers
- New After Hours call centre
- New Customer facing system
- Back-up SCADA system
- New EV pick-up (Ford Lightning)

# 2026 Plans

- No lost time incidents
- Projects include Firelanes 10 and 11 (overhead), Niagara Parkway (underground) and potentially Johnson St. (underground)
- Skyway Bridge twinning and other customer jobs
- Continue meter update program (2,500 meters)
- New Outage Management System
- 6 new reclosures, 1 new automated switch, 3 switchgear replacements
- New water meter reading software
- New Financial System
- Upgraded GIS system

# Safety

Safety can never be compromised.

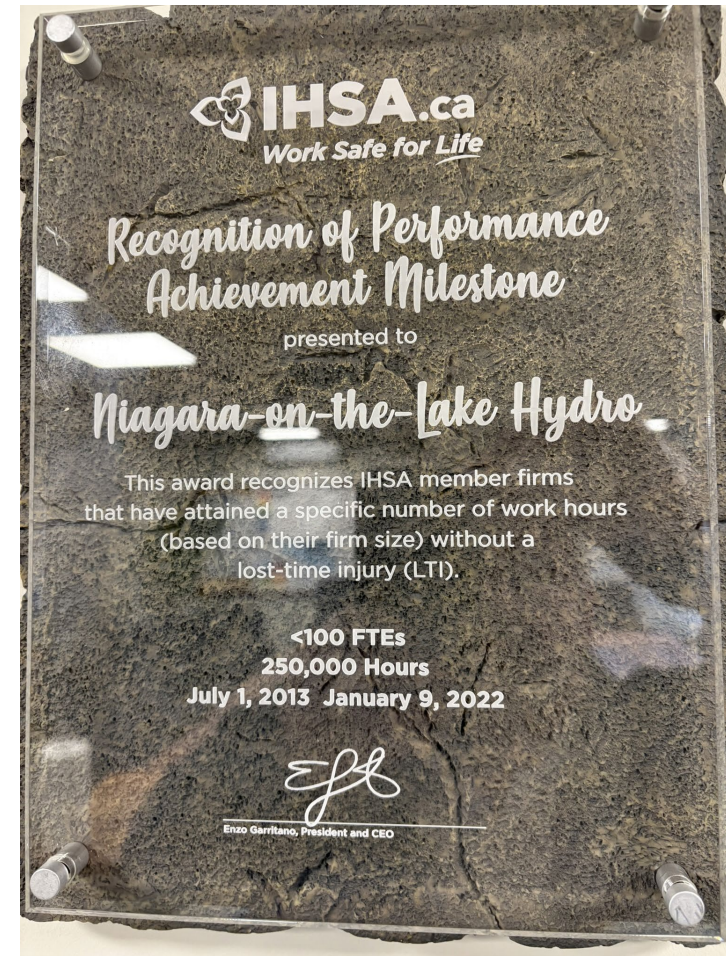
NOTL Hydro has been fortunate to not have a lost time incident since 2013.

All activities are planned in detail before executed to ensure no unsafe procedures.

Planned outages are only taken when the work cannot be performed safely.

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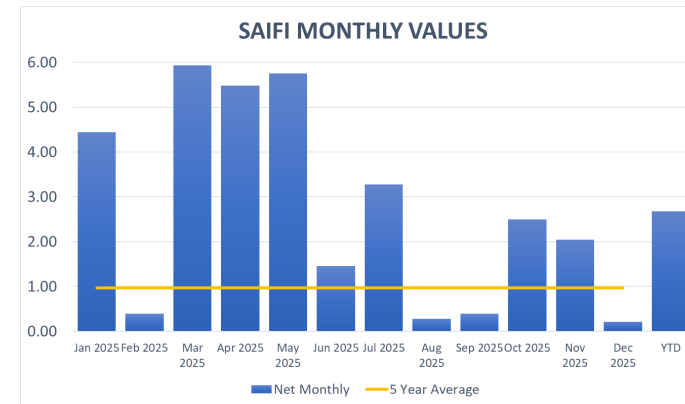
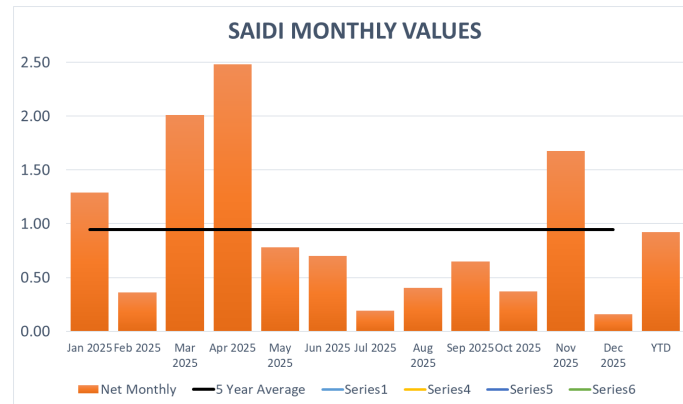
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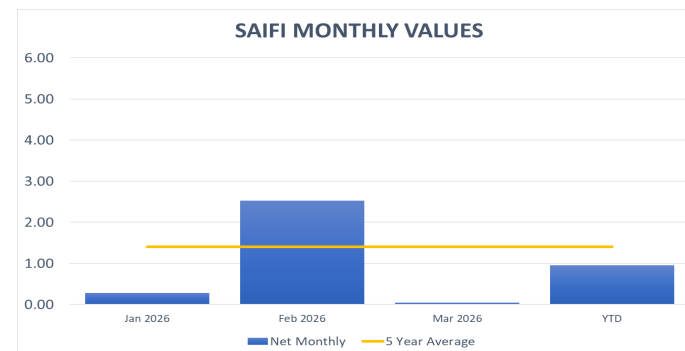
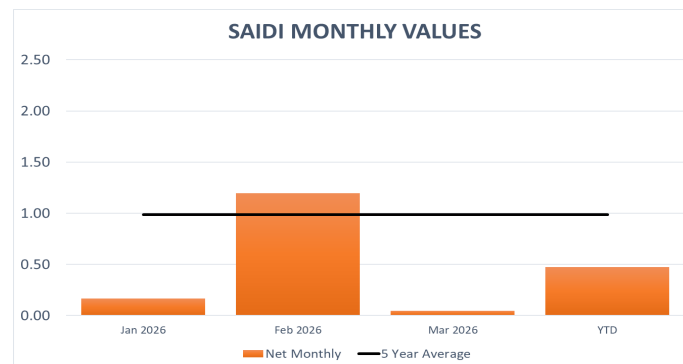
# Reliability (Outages)

After a bad run in early 2025, outage statistics have improved.

2025



2026 YTD



# Reliability (Outages)

- Some of the improvement is just timing. Sometimes things just happen in waves.
- Some of the improvement is due to active measures taken by NOTL Hydro including:
  - Significant increase in tree trimming budget, new contractor and activity earlier in the year
  - Removed a large number of old switches that were part of the problem with pole fires
  - Installed more reclosures to allow for faster switching to reduce outage impacts

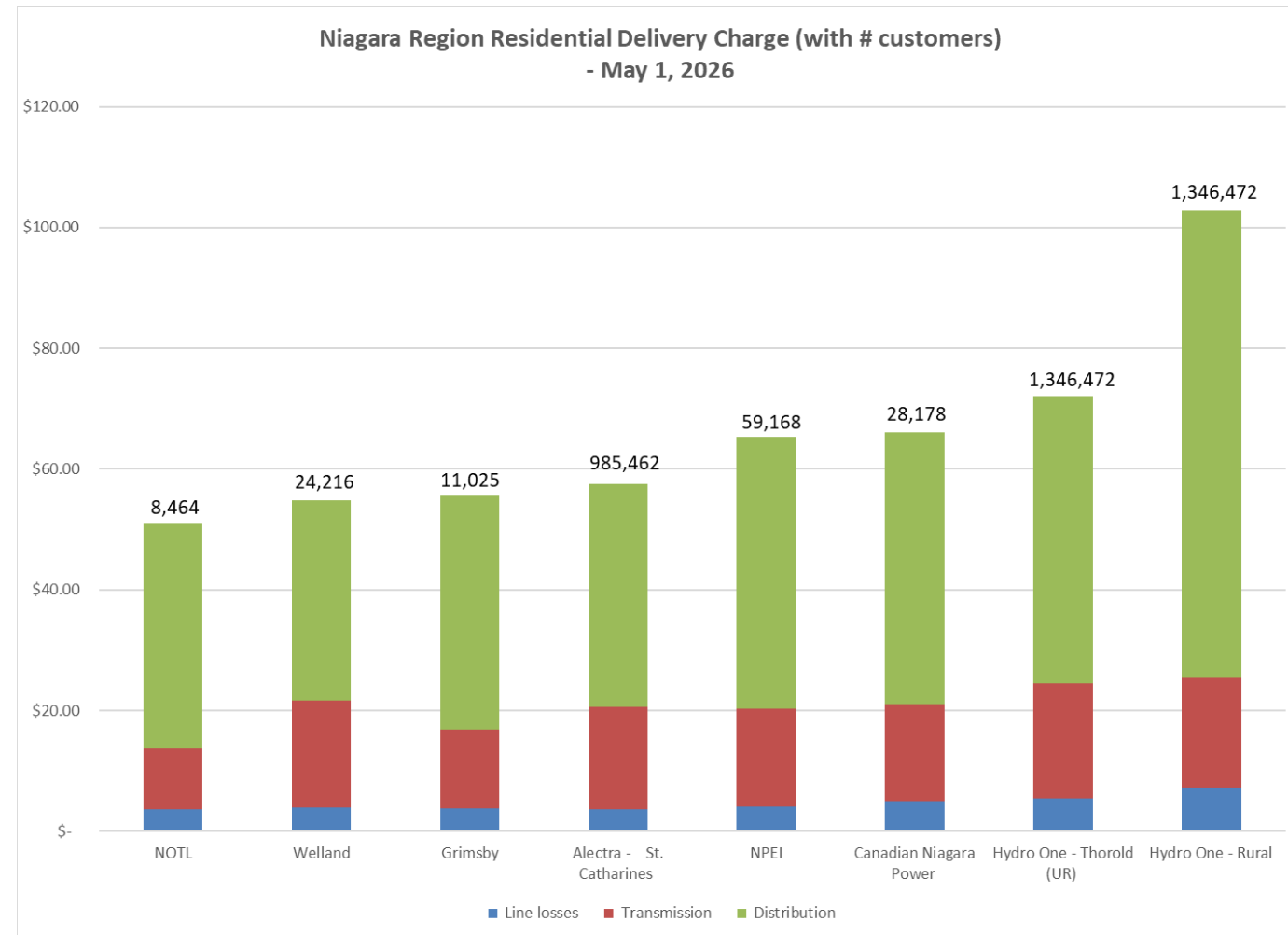
# Reliability and Resilience

Resilience is about making the system better able to withstand more extreme events. These have increased with climate change. At the same time, customers are demanding better reliability due to electrification and digitization. Resilience activities include:

1. Investments in smart grid devices
2. Investments in supportive software
3. Infrastructure upgrades
4. Changes in maintenance practices

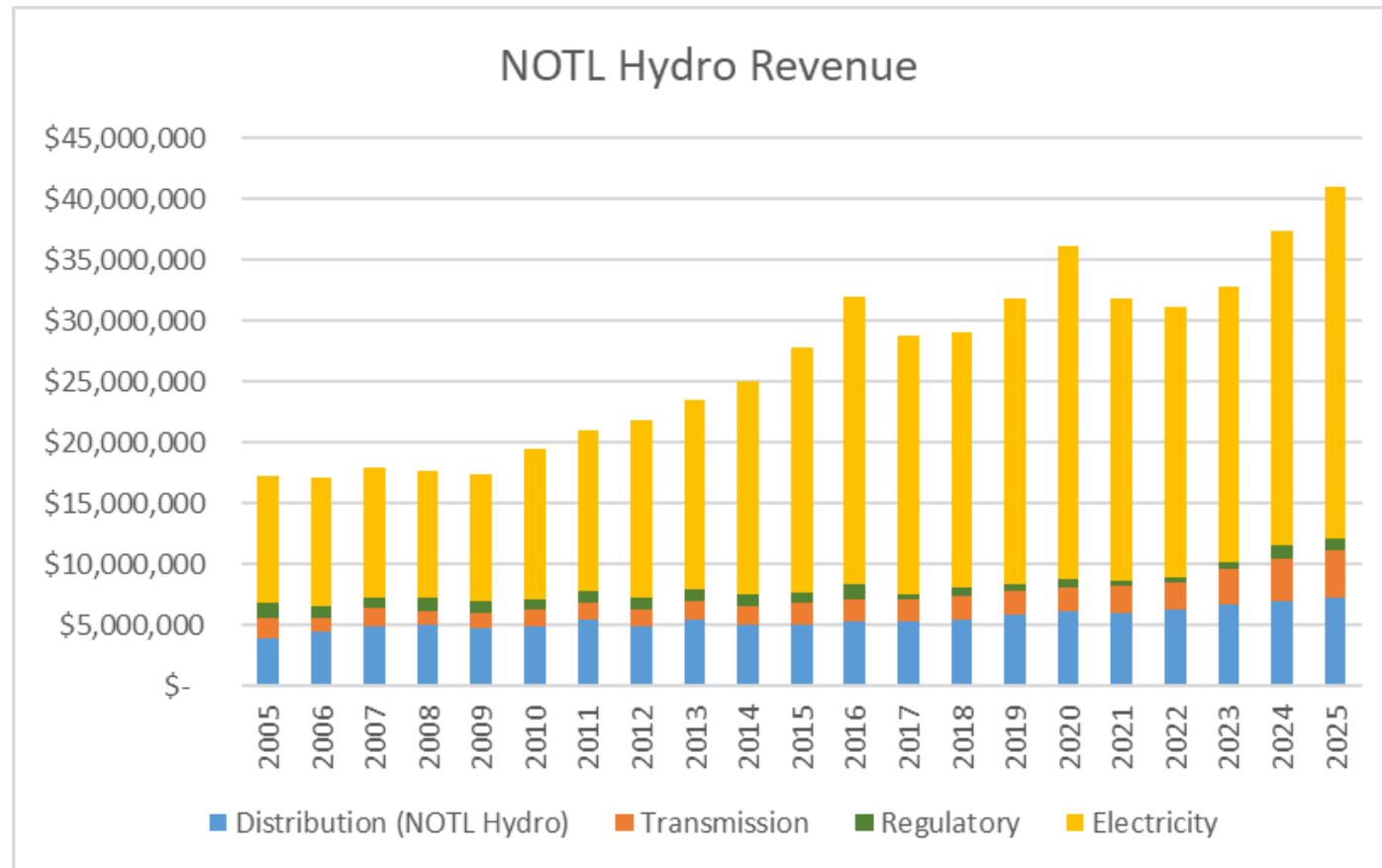
# Rates – NOTL Hydro impact

NOTL Hydro has low rates due to a deliberate focus on this starting at the Board level.



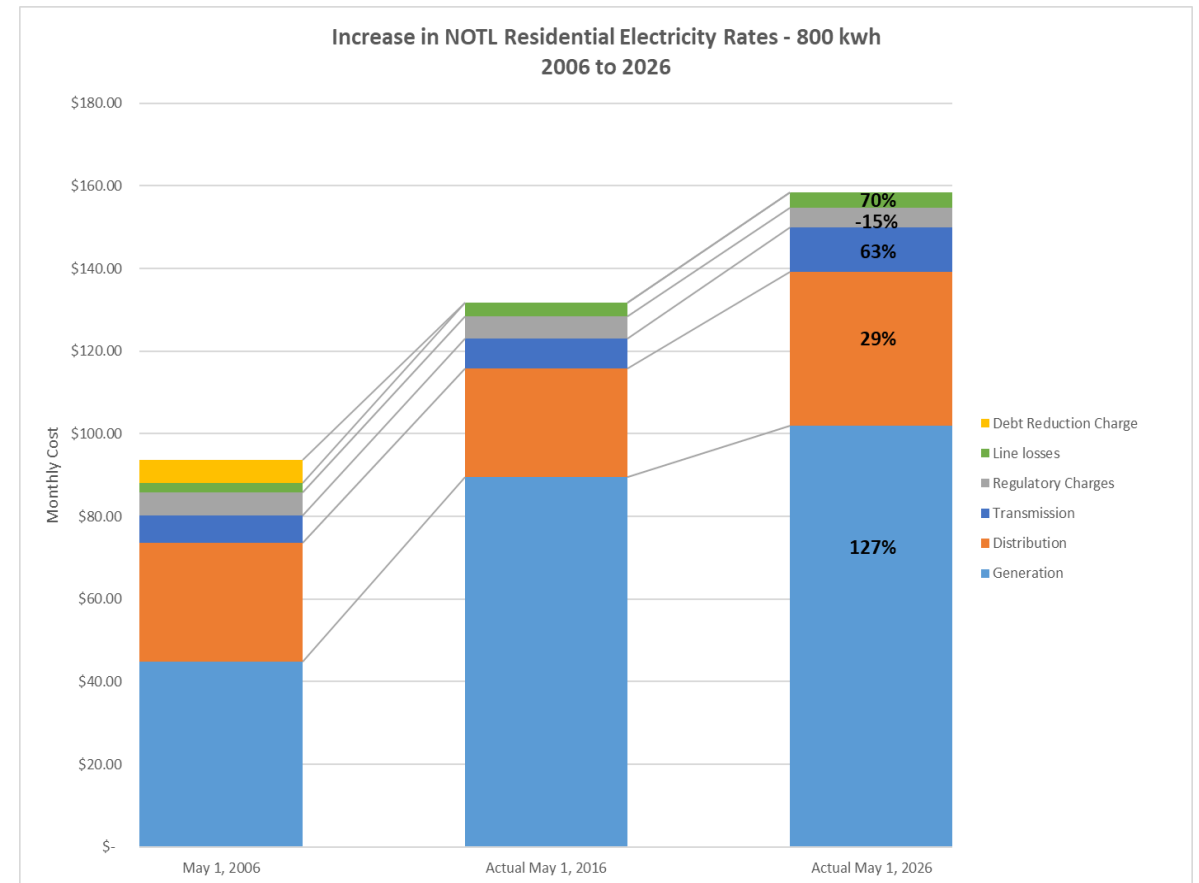
# Rates – Total cost of power - NOTL

Only 18% of hydro revenue kept by NOTL Hydro. Remainder goes to pay for the electricity itself, its transmission and various regulatory costs.



# Rates – Total cost of power - Ontario

- Total cost of power is around \$31 billion.
- \$23 billion is for generation of which \$3 billion is subsidized from tax revenue.
- Remaining \$8 billion is for distribution, transmission and regulatory.
- Total annual subsidy is now around \$8.5 billion with remaining \$5.5 billion reducing the cost shown on the left.
- Average price per kwh in 2025 was around 11 cents.
- Planned new nuclear generation all has a much higher cost per kwh.



# Corporate Resolutions

1. Approval of minutes from 2025 AGM
2. Approval of 2025 Audited Financial Statements
3. Appointment of Directors
4. Appointment of Auditor for 2026
5. Confirmation of all acts

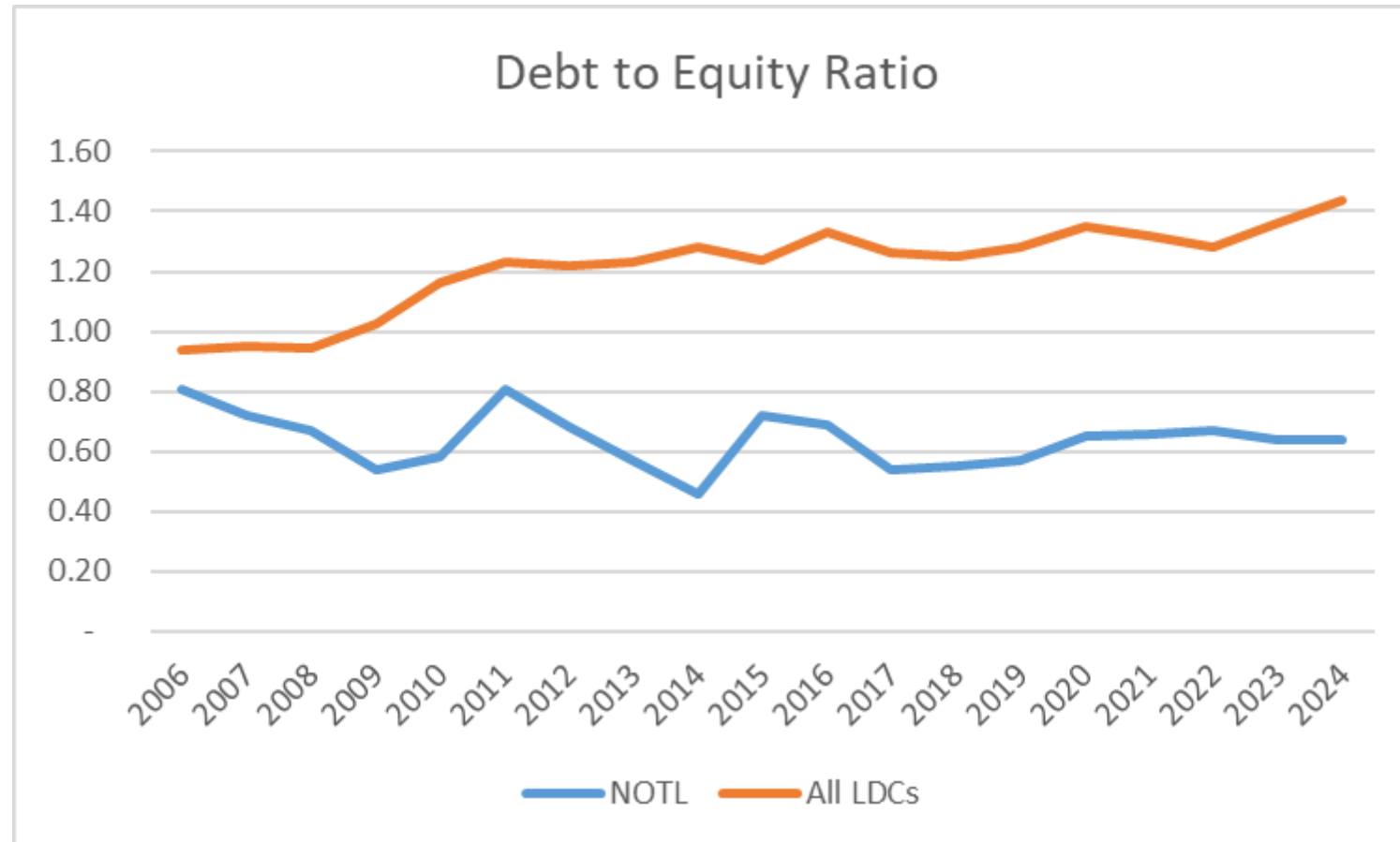
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# Appendices

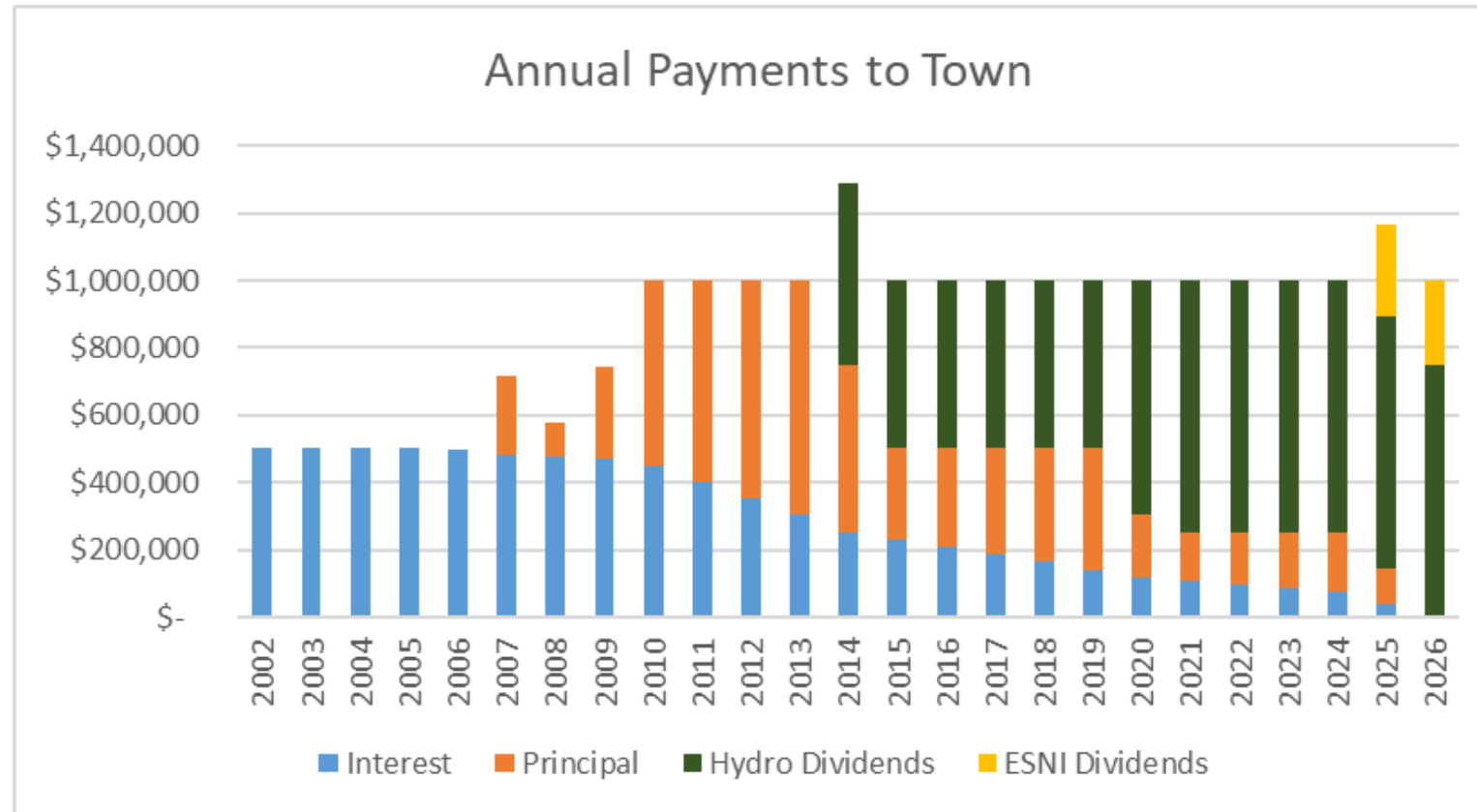
# Debt Levels

NOTL Hydro maintains a low debt level which provides flexibility in case of need or opportunity



# Annual Payment to Town

Annual Payments to Town of \$1 million helps lower property tax rates. Higher dividend paid in 2025 due to tax planning.



# Book Value of NOTL Hydro

The value of NOTL Hydro increases every year as earnings are re-invested in the system.

