

THE MEASURE OF OUR COMMITMENT



THE MEASURE OF OUR COMMITMENT

TORONTO HYDRO CORPORATION 2013 ANNUAL REPORT



MESSAGE FROM THE CHAIR OF THE BOARD, AND PRESIDENT AND CHIEF EXECUTIVE OFFICER



In 2013, Toronto Hydro Corporation (the “Corporation”) continued its commitment to deliver excellent customer service, provide a safe and reliable supply of electricity, and to deliver long-term value to our Shareholder, the City of Toronto, and all Torontonians.

Strategy and Performance Management - The key to our continued success is a well defined corporate strategy, execution plan and a closely monitored performance management program. We are happy to report that we achieved record results by meeting or exceeding 100 per cent of the corporate performance targets. At the same time, we are improving our management systems and focussing on efficiency from an operational, cost and customer service perspective through a disciplined focus and risk management processes.

Steadfast Commitment to Safety and a Productive Workforce - Safety is of utmost importance – for our employees and the public. Thanks to the efforts of our employees, we have an excellent workplace safety record. Notably, we recently received the President’s award from the Infrastructure Health and Safety Association for 3.5 million hours worked without a lost time injury in 2013. Since 2007, we have reduced our total recordable injury frequency in the workforce by more than 65 per cent. Our employees are healthy, engaged and productive. According to a 2012 Statistics Canada report, our 2013 absenteeism results at 5.23 days per employee is 57.8 per cent below the public sector average of 12.4 days and 37 per cent below the private sector average of 8.3 days.

Delivering Excellent Customer Service - We strive to be an organization with which our customers want to do business with and we take ownership of the customers’ experiences. We focus on building a customer centric culture where we understand customer needs and deliver programs to meet those needs. We are continually evolving our service model, including building a strong key account management service

MESSAGE

relationship model, as well as a suite of web-based digital services. Our innovative tools help customers better understand how they use electricity, how they can more effectively manage their bills and how they can lower their consumption and costs. Conservation and demand management (CDM) education and incentive programs continue to be made available to all market segments to help encourage customers to invest in energy and cost saving measures. We engage with our customers using a multi-channel approach to help effectively communicate information, provide responsive service and gather feedback to help improve our services.

Strong Financial Performance and Investment-grade Company - In 2013, we once again achieved strong financial results. The Corporation's net income was \$121.2 million in 2013, compared to \$86.0 million in 2012, which is a 41 per cent increase over the previous year. In 2013, we paid \$43.0 million in dividends to the City while maintaining reasonable distribution rates.

We continue to remain a strong investment-grade company. As at December 31, 2013, the debentures issued under the Corporation's medium-term note program were rated "A (high)" by DBRS Limited and "A" by Standard & Poor's. On April 9, 2013, the Corporation issued \$250.0 million of 2.91 per cent senior unsecured debentures due April 10, 2023 and \$200.0 million of 3.96 per cent senior unsecured debentures due April 9, 2063.

Investing in Infrastructure to Help Improve Service Reliability - In 2013, in conjunction with approval received by the Ontario Energy Board, we invested \$450.3 million in the renewal of the electricity infrastructure and to address the unprecedented growth in our city. The most significant regulated capital expenditures incurred during the year related to planned spending on overhead and underground infrastructure, customer connections, reactive remediation work and the construction of a new transformer station called the Clare R. Copeland Transformer Station, in the downtown core. This station will help alleviate the strain on the electricity grid and is the second "underground" transformer station to be built in Canada.

Proud Employer and Engaged in our Community - Toronto Hydro Corporation was again honoured to be the recipient of some well recognized awards, including one of Canada's Top 100 Employers, one of Greater Toronto's Top Employers, one of Canada's Top Family-Friendly Employers and one of Canada's Greenest Employers. As a community builder, Toronto Hydro's 2013 United Way employee fundraising campaign raised a record \$400,000. In addition, we actively participated in the Low Income Energy Assistance Program ("LEAP"), which provides hydro bill assistance to low-income Torontonians and we supported Trees Across Toronto, Leslieville Tree Festival and Local Enhancement and Appreciation of Forests through tree planting initiatives and education programs.

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2013 was also filled with great challenges as Mother Nature battered our distribution system leaving in her wake major damage and lengthy power outages for our customers. We experienced torrential rains causing extreme flooding, record-breaking wind storms, and of course, an unforgettable ice storm. Our employees, however, remained steadfast and dedicated to restoring service to our customers. They are among the best in the industry and are focussed on delivering value every day.

We are keenly aware of the toll these storms took on our customers and we know there is always room for improvement. As such, we commissioned an Independent Review Panel to evaluate Toronto Hydro's emergency response and we look forward to the Panel's report and recommendations as we seek opportunities to improve.

We are pleased to present this Annual Report containing the highlights of our operational performance in 2013, and our consolidated financial statements for the year. We are committed to actively engaging with our shareholder, customers, community and stakeholders to help guide our future business strategy and assure continued business success. Thank you for your continued support.

A handwritten signature in black ink, appearing to read "David Williams".

David Williams
Chair

A handwritten signature in black ink, appearing to read "Anthony M. Haines".

Anthony M. Haines
President and Chief Executive Officer



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GOVERNANCE



CORPORATE GOVERNANCE

The Corporation has developed sound corporate governance practices. The Corporation's Board of Directors and management believe that strong corporate governance is essential for creating shareholder value and maintaining investor confidence.

BOARD OF DIRECTORS

The Board of Directors of the Corporation is responsible for supervising the business and affairs of the Corporation and providing strategic guidance to management. The Board of Directors of the Corporation is composed of eight independent directors and three city councillors. All directors are appointed by the sole shareholder of the Corporation. The Board of Directors has four regularly scheduled meetings each year but meets as often as is necessary to fulfill its responsibilities to the Corporation.

The Board of Directors has worked to put in place a system of corporate governance that meets the requirements of applicable provincial legislation and Canadian Securities rules. As part of its ongoing commitment to corporate governance, the Board of Directors operates in accordance with a board mandate, and its committees operate in accordance with committee charters, which are all reviewed and approved by the Board of Directors.

The members of the Corporation's Board of Directors as of December 31, 2013 are introduced here. The description indicates committee and subsidiary Board of Directors' participation.

Effective January 1, 2013, Councillor Gloria Lindsay Luby was appointed as a Director of the Corporation. Councillor Shelley Carroll was re-appointed as a Director of the Corporation and Councillor Josh Colle was re-appointed as the Mayor's Designate.

GOVERNANCE

BOARD OF DIRECTORS (continued)

Effective April 15, 2013, David Williams was appointed Chair of the Corporation and Glenna Carr, Sara Gelgor, Colum Bastable, Vincent Brescia, Derek Cowbourne, Paulette Kennedy and Isabel Meharry were appointed Directors of the Corporation.

CODE OF BUSINESS CONDUCT AND CORPORATE RESPONSIBILITY

All employees, officers and directors of Toronto Hydro are required to comply with the principles set out in the Code of Business Conduct, which was implemented by the Corporation in 2004 and most recently amended and approved by the Board of Directors in November 2012. The Code provides for the appointment of an Ethics Officer and establishes a direct hotline to the Ethics Officer by which perceived violations of the principles set out in the Code may be reported, anonymously or otherwise. The Ethics Officer reports quarterly to the Audit Committee of the Board on the nature of complaints received including those related to audit and accounting matters. Where the complaint involves the conduct of a director or officer of the Corporation, the Ethics Officer is required to report it to the Chair of the Audit Committee, who oversees the investigation of that complaint. A copy of Toronto Hydro's Code of Business Conduct is available on our website.

DISCLOSURE

The Board of Directors recognizes the importance of complying with all disclosure requirements applicable by provincial Securities rules and is committed to promoting consistent disclosure practices aimed at accurate and timely disclosure of material information. To ensure consistent and appropriate disclosure practices, the Corporation has adopted a Disclosure Policy to govern the disclosure by its employees, officers and directors of material information about the Corporation and has established a Disclosure Policy Committee composed of senior executives to assist the Chief Executive Officer and the Chief Financial Officer in making accurate, complete and timely disclosure. The composition and operation of the Disclosure Policy Committee are established in the Disclosure Policy.

COMMITTEES

The Board of Directors believes that its ability to discharge its responsibilities is enhanced by the active participation of committees in the corporate governance process. Currently there are three committees of the Board of Directors: Corporate Governance, Audit and Human Resources. Each committee meets regularly throughout the year and provides a report at meetings of the Board of Directors on material matters considered by the committee.

GOVERNANCE

AUDIT COMMITTEE

The Audit Committee is responsible for overseeing the adequacy and effectiveness of financial reporting, accounting systems, internal financial control structures and financial risk management systems. The Audit Committee reviews the Corporation's quarterly and annual financial statements as well as financial statements prepared in connection with securities offerings or required by applicable regulatory authorities, reviews the audit plans of the external auditors, oversees the internal audit of the Corporation, reviews reports related to reimbursement of business expenses of officers and recommends the external auditor for appointment by the Corporation's sole shareholder.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee is responsible for considering and making recommendations to the Board with respect to matters relating to the corporate governance of Toronto Hydro, including board and committee composition and mandates, guidelines for assessing the effectiveness of the Board and its committees and procedures to ensure that the Board functions independently from management. The Corporate Governance Committee also reviews and approves all orientation and education materials and programs for new and current directors undertaken by management.

HUMAN RESOURCES COMMITTEE

The Human Resources Committee is responsible for reviewing and assisting the Board in overseeing the recruitment and assessment of the CEO and the compensation of the CEO, reviewing and approving the compensation of executive officers, reviewing and approving executive compensation disclosure under applicable securities laws, and reviewing and making recommendations to the Board regarding the compensation structure and benefit plans and programs of Toronto Hydro. The Human Resources Committee is also responsible for reviewing and approving the parameters of collective bargaining negotiations, and reviewing and making recommendations to the Board with respect to environmental and health and safety matters.

BOARD OF DIRECTORS

David Williams (Chair)

- Chair, Morrison Lamothe Inc.
- Director, Mitel Networks Corporation
- Director, Shoppers Drug Mart Corporation
- Lead Director, Mattamy Homes Corporation
- Former Interim President, Chief Executive Officer and Chair, Shoppers Drug Mart Corporation
- Former President and Chief Executive Officer, Workplace Safety and Insurance Board
- Former President, National Grocers Limited

Committee Memberships and Subsidiary Directorships

Human Resources Committee

Colum P. Bastable

- Chairman, Cushman & Wakefield Ltd.
- Member, Independent Review Committee, Brandes Investment Partners & Co.
- Trustee, Brookfield Canada Office Properties REIT
- Member, Audit Committee, Brookfield Canada Office Properties REIT
- Chairman, Governance and Nominating Committee, Brookfield Canada Office Properties REIT
- Past Chair, Board of Governors, McMaster University
- Former Member, Compensation Committee, McMaster University
- Former President & Chief Executive Officer, Cushman & Wakefield Ltd.
- Former Chief Financial Officer & Chief Executive Officer, Royal LePage Ltd.

Committee Memberships and Subsidiary Directorships

Human Resources Committee (Chair)

Toronto Hydro-Electric System Limited (Chair)

BOARD OF DIRECTORS

Vincent Brescia

- President, Wyse Meter Solutions Inc.
- Director and Past Chair, Canadian Federation of Apartment Associations
- Former President and Chief Executive Officer, Federation of Rental-Housing Providers of Ontario
- Former Director, Municipal Property Assessment Corporation
- Former Director of Government Relations, Greater Toronto Home Builders' Association

Committee Memberships and Subsidiary Directorships

Audit Committee

Toronto Hydro Energy Services Inc. (Chair)

Glenna Carr, ICD.D

- Former Board Chair, Atomic Energy of Canada Ltd.
- Former Board Chair, Independent Electricity System Operator
- Former Board Chair, Technical Standards and Safety Authority
- Former Board Chair, Sounding Boards Inc.
- Former Board Director, Ault Foods Ltd.
- Former President, Canadian Council for Public-Private Partnerships
- Former Secretary, Management Board of Cabinet/Chair of Civil Service, Government of Ontario
- Former Deputy Minister, Consumer and Commercial Relations, Government of Ontario
- Former Deputy Minister, Skills Development, Government of Ontario

Committee Memberships and Subsidiary Directorships

Corporate Governance Committee

BOARD OF DIRECTORS

Derek Cowbourne, ICD.D

- Former Vice-President and Chief Operating Officer, Independent Electricity System Operator
- Former Chair, North American Electric Reliability Corporation (NERC) Operating Committee
- Former Chair, Northeast Power Coordinating Council (NPCC) Reliability Coordinating Committee
- Fellow, Institution of Engineering & Technology
- Member, Professional Engineers of Ontario

Committee Memberships and Subsidiary Directorships

Corporate Governance Committee (Chair)

Sara Gelgor

- Vice-President, Enterprise Programs Compliance, Corporate and Canadian Banking Compliance, Global Compliance, Scotiabank
- Former Chief Compliance Officer, Scotiabank Financial, Scotiabank
- Former Vice-President, Regulatory Affairs, Advocis
- Former Governor and Treasurer, North York General Hospital Foundation
- Former Chair, Audit and Finance Committee, North York General Hospital Foundation
- Former Vice-President and Director, Canadian National Exhibition Board of Directors
- Former Chair, Board of Directors, Humewood House
- Member, Humewood House Advisory Board
- Former Vice-President, Regulatory Affairs, The Financial Advisors Association of Canada
- Former MBA Course Instructor, Rotman School of Management, University of Toronto

Committee Memberships and Subsidiary Directorships

Corporate Governance Committee

BOARD OF DIRECTORS

Paulette Kennedy

- Member, Governing Council, University of Toronto
- Member, Business Board, University of Toronto
- Member, Pension Committee, University of Toronto
- Chair, Audit Committee, University of Toronto
- Former Commissioner, Ontario Securities Commission
- Former Chief Auditor and Chief Financial Officer, AEGON Canada Inc.
- Former Senior Vice-President and Chief Internal Auditor, Sobeys Inc.
- Former Chief Auditor, Chief Accountant, Vice-President, Finance and Actuarial, Sun Life Financial Inc.
- Former Member, External Stakeholder Advisory Committee, Financial Consumer Agency of Canada

Committee Memberships and Subsidiary Directorships

Audit Committee (Chair)

Isabel Meharry

- Chief Financial Officer, Green Shield Canada
- Former President and Chief Executive Officer, Financial Executive International
- Board Member, Past Chair and Chair of the Nominating Committee, Kerry's Place Autism Services
- Former Board Member and former Chair of Audit Committee, and former Chair of Credit and Risk Committee, Ontario Infrastructure and Lands Corporation
- Former Member, Governing Council, Institute of Chartered Accountants of Ontario
- Board Member, Chair of Audit Committee, APRIO Inc.
- Board Member, Chair of Audit Committee, Hope Air
- Former Executive Consultant, SunLife Financial of Canada
- Former Executive Vice-President, Aviva Insurance Company of Canada

Committee Memberships and Subsidiary Directorships

Audit Committee

Toronto Hydro Energy Services Inc. (Director)

BOARD OF DIRECTORS

Councillor Shelley Carroll

- City Councillor, Ward 33 (Don Valley East)
- Member, North York Community Council
- Member, City of Toronto Audit Committee
- Member, Community Partnership and Investment Program Appeals Committee
- Vice-Chair, Economic Development Committee
- Vice-Chair, Toronto Atmospheric Fund
- Director, Hockey Hall of Fame
- Director, Toronto Centre for the Arts
- Member, Toronto Film Board
- Member, Toronto and Region Conservation Authority Partners in Project Green
- Member, Young Ambassadors Selection Committee for Learnx Foundation
- Director, Invest Toronto

Councillor Josh Colle

- City Councillor, Ward 15 (Eglinton-Lawrence)
- Member, North York Community Council
- Commissioner, Toronto Transit Commission
- Vice-Chair, City Council's Planning and Growth Management Committee
- Member, Toronto Food Policy Council
- Former Vice-President, Bridgepoint Group Ltd.
- Former Manager of Government Relations, Greater Toronto Airport Authority

Committee Memberships and Subsidiary Directorships

Human Resources Committee

BOARD OF DIRECTORS

Councillor Gloria Lindsay Luby

- City Councillor, Ward 4 (Etobicoke Centre)
- Former Director of Strategic Planning, Canadian Institute of Chartered Accountants
- Former Board of Directors and Audit Committee Member, Corporate Foods Ltd.
- Former Senior Consulting Associate, Coopers and Lybrand
- Former Chair, Toronto Police Services Board
- Paul Harris Fellowship recipient
- Director, Exhibition Place
- Director, Royal Agricultural Winter Fair
- Director, Toronto Zoo
- Member, Licensing and Standards Committee
- Member, Toronto & Region Conservation Authority
- Member, Toronto Film Board

Janet Beed*

- President and Chief Executive Officer, Markham Stouffville Hospital
- Former Chief Operating Officer, University Health Network
- Former Vice-President, Clinical Programs and Organizational Development, Princess Margaret Hospital/Ontario Cancer Institute
- Former Global Partner, Deloitte Consulting Inc.
- Member, Board of Directors, ventureLAB Inc.
- Member, Board of Governors, Character Community Foundation of York Region
- Former Director, Board of Directors, Toronto Hydro Corporation
- Member, Dean's Advisory Council of the Faculty of Health, York University

*Member of the Board of Directors,
Toronto Hydro-Electric System Limited

SENIOR MANAGEMENT TEAM



Anthony M. Haines^{1,2}

President and Chief Executive Officer

Jean-Sebastien Couillard^{1,2}

Executive Vice-President and Chief Financial Officer

Paul B. Sommerville^{1,2}

Executive Vice-President, Chief Regulatory Officer
and General Counsel

Ivano Labricciosa²

Executive Vice-President and Chief Business
Development Officer

Ben LaPianta²

Executive Vice-President and Chief Electric
Operations and Procurement Officer

Ave Lethbridge²

Executive Vice-President and Chief Human
Resources and Safety Officer

***Blair H. Peberdy**²

Vice-President, Marketing, Communications
and Public Affairs

Dino Priore²

Executive Vice-President and Chief Engineering and
Construction Officer

Chris Tyrrell²

Executive Vice-President and Chief Customer Care
and Conservation Officer

Robert Wong²

Executive Vice-President and Chief Information and
Risk Officer

¹ Toronto Hydro Corporation

² Toronto Hydro-Electric System Limited

* Retired effective December 31, 2013

TORONTO HYDRO CORPORATION



Toronto Hydro Corporation (the “Corporation”) is a holding company which wholly-owns two subsidiaries:

- Toronto Hydro-Electric System Limited – which distributes electricity and engages in conservation and demand management (“CDM”) activities; and
- Toronto Hydro Energy Services Inc. – which provides street lighting services.

SERVICES

- Supervises the operations of its subsidiaries.
- Provides corporate and management services and strategic direction to its subsidiaries.

2013 ACHIEVEMENTS

- Named one of Canada’s Top 100 Employers as selected by editors of the Canada’s Top 100 Employers project, organized by Mediacorp Canada Inc.; one of Greater Toronto’s Top Employers, one of Canada’s Top Family-Friendly Employers and one of Canada’s Greenest Employers, all of which are also organized by Mediacorp Canada Inc. and featured in The Globe and Mail.
- Raised more than \$450,000 for charities and community causes including United Way Toronto. Our United Way employee campaign raised approximately \$400,000 and was recognized with a United Way Spirit Award for Best Employee Campaign - Public Sector.

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2013 ACHIEVEMENTS (continued)

- Recognized as one of Canada's Outstanding Employers by The Learning Partnership for participation in the Take our Kids to Work™ program.
- Recognized for Corporate Social Responsibility efforts by the Electricity Distributors Association.
- Supported Trees Across Toronto, Leslieville Tree Festival and Local Enhancement and Appreciation of Forests through tree planting initiatives and education programs.
- On April 9, 2013, the Corporation issued \$250.0 million of 2.91% senior unsecured debentures due April 10, 2023 and \$200.0 million of 3.96% senior unsecured debentures due April 9, 2063.
- On December 17, 2013, the Corporation launched a commercial paper program allowing up to \$400.0 million of unsecured short-term promissory notes to be issued in various maturities of no more than one year.
- On March 19, 2014, the Board declared dividends in the amount of \$41.87 million. The dividends are comprised of \$35.62 million with respect to net income for the year ended December 31, 2013, payable to the City on March 28, 2014, and \$6.25 million with respect to the first quarter of 2014, payable to the City on March 31, 2014.
- As at December 31, 2013, the debentures issued under the Corporation's medium-term note program were rated "A (high)" by DBRS Limited and "A" by Standard & Poor's.

2014 OBJECTIVES

- Maintain an engaged, safe and healthy workforce to meet changing business requirements.
- Improve reliability through sustainable system management.
- Provide value to customers.
- Meet financial objectives of the Shareholder.

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FACTS & FIGURES



TORONTO HYDRO CORPORATION

(in millions of dollars)

Net Revenues

Operating Expenses

Capital Expenditures



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FACTS & FIGURES

Toronto Hydro-Electric System Limited

System Average Interruption
During Index (SAIDI)

1.14 hours

System Average Interruption
Frequency Index (SAIFI)

1.44 interruptions

Customer Average Interruption
During Index (CAIDI)

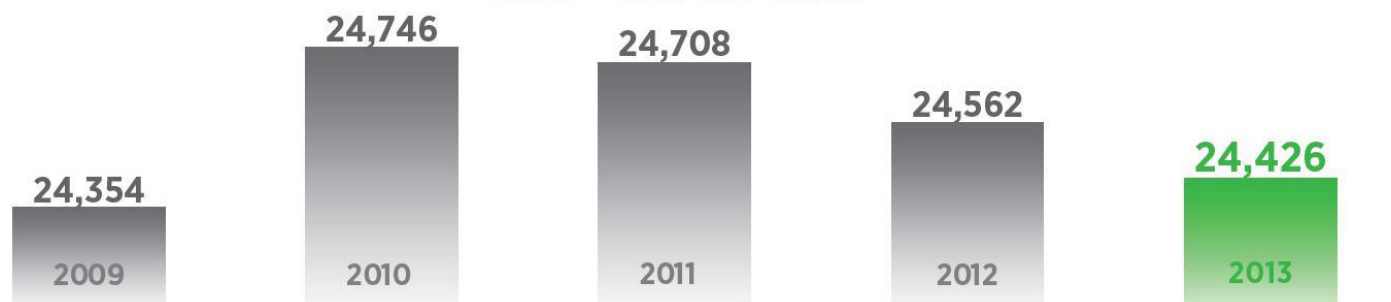
0.79 hours

Peak Load

4,907 megawatts
on July 17, 2013

Electricity Delivered

2013 — 24,426 GWh



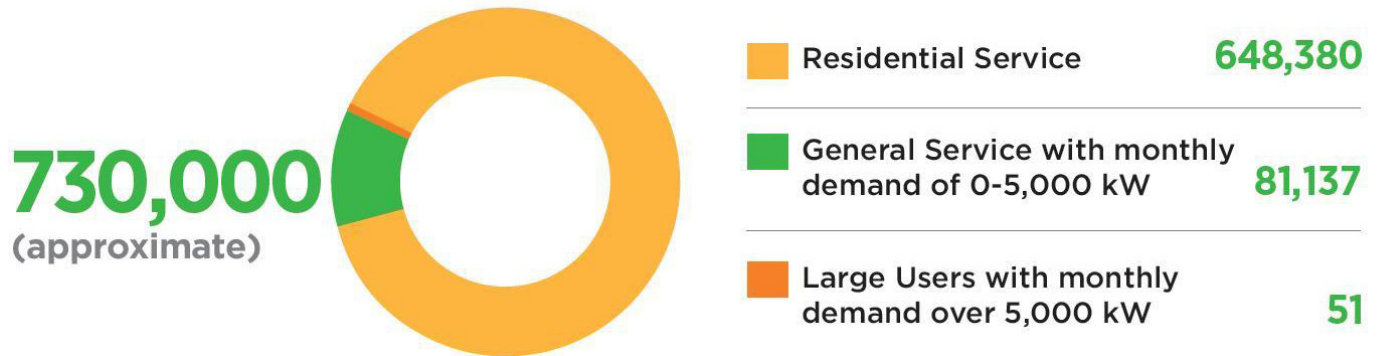
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FACTS & FIGURES

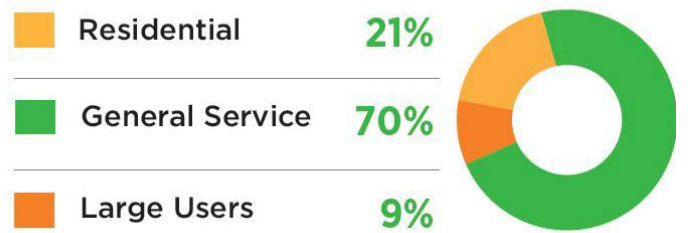
Total Number of Customers



Electricity Distributed by Class (GWh) (approximate)



Electricity (kWh) Distributed by Class (%) (approximate)



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FACTS & FIGURES



Number of Employees
(as of December 31, 2013)

1,530
(approximate)

Toronto Hydro Corporation 2013 Capital Expenditures (in millions of dollars)

Regulated Local Distribution Company

Distribution System	
Planned	340.3
Reactive	35.0
Copeland Station	45.3
Technology Assets	17.1
Other ¹	7.9
	\$445.6
Other ²	4.7
	\$450.3

Distribution System is serviced from: (approximate)

34	Terminal Stations
1	Transmission System Terminal Station
16,000	Primary Switches
60,560	Distribution Transformers
167	In-service Municipal Substations
15,000	Kilometres of overhead wires supported by 175,400 poles and approximately 11,200 kilometres of underground wires
1	Control Centre
7	Operations Centres

¹ Includes fleet capital and buildings

² Includes unregulated capital expenditures primarily related to Toronto Hydro Energy Services Inc. equipment

2013 ANNUAL REPORT GLOSSARY

Conservation and Demand Management (“CDM”)

Customer Average Interruption Duration Index (“CAIDI”)

A measure (in hours) of the average duration of interruptions experienced by customers, not including Major Event Days (“MED”) as defined by the Institute of Electrical and Electronic Engineers Inc. specification 1366. CAIDI represents the quotient obtained by dividing the System Average Interruption Duration Index (SAIDI) by the System Average Interruption Frequency Index (SAIFI). See below for more explanation.

Gigawatt-Hour (“GWh”)

A standard unit for measuring electrical energy produced or consumed over time. A GWh is equal to one million kilowatt-hours.

Kilovolt

Equals 1,000 volts

Kilowatt (“kW”)

A common measure of electrical power equal to 1,000 watts.

Kilowatt-Hour (“kWh”)

A standard unit for measuring electrical energy produced or consumed over time. One kWh is the amount of electricity consumed by 10 - 100 watt light bulbs burning for one hour.

Major Event Days (“MED”)

Refers to major event days as defined by IEEE specification 1366.

Megawatt (“MW”)

A common measure of electrical power equal to one million watts.

Peak Load

The maximum demand for power, measured in megawatts, that occurs within a stated period of time. Toronto Hydro’s peak system load (or peak demand) normally occurs in the summer because of power demands from air conditioning.

2013 ANNUAL REPORT GLOSSARY

System Average Interruption Duration Index (“SAIDI”)

A measure (in hours) of the annual system average interruption duration for customers served, not including MED. SAIDI represents the quotient obtained by dividing the total customer hours of interruptions longer than one minute by the number of customers served.

System Average Interruption Frequency Index (“SAIFI”)

A measure of the frequency of service interruptions for customers served, not including MED. SAIFI represents the quotient obtained by dividing the total number of customer interruptions longer than one minute by the number of customers served.

Watt

A common measure of electrical power. One watt equals the power used when one ampere of current flows through an electrical circuit with a potential of one volt.

Watt-Hour

A measure of energy production or consumption equal to one watt produced or consumed for one hour.

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TORONTO HYDRO-ELECTRIC SYSTEM LIMITED



Toronto Hydro-Electric System Limited owns and operates \$2.8 billion of capital assets comprised primarily of an electricity distribution system, which delivers electricity to approximately 730,000 customers located in the City of Toronto. It is the largest municipal electricity distribution company in Canada and distributes approximately 18% of the electricity consumed in the province of Ontario.

SERVICES

- Delivers safe, reliable and cost-effective electrical power to approximately 730,000 residential, commercial and industrial customers in the City of Toronto, which has a population base of approximately 2.8 million.
- Plans, maintains and operates the City of Toronto's electrical distribution system infrastructure efficiently and in an environmentally responsible manner.
- Provides consistent, high-quality customer service.
- Designs and delivers electricity CDM programs.

2013 ACHIEVEMENTS

- Among the leading local distribution companies in the delivery of CDM programs to help customers conserve energy, save money and help the environment.
- Recognized by Infrastructure Health & Safety Association for achieving 3.5 million hours without a lost time injury.
- Started construction on the new Clare R. Copeland Transformer Station, the first underground station in downtown Toronto, which will help increase electricity capacity.

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2013 ACHIEVEMENTS (continued)

- Supported training programs at Georgian College to help drive recruitment in the electricity industry.
- Supported the Mowat Centre for Policy Innovation, School of Public Policy & Governance, University of Toronto for research on energy technology policy.
- Participated in the Centre for Urban Energy at Ryerson University, a research and technology demonstration centre devoted to the discovery and commercialization of innovative solutions to urban energy issues.
- Continued to work with Hydro One Inc. to refurbish the existing 115 kilovolt transmission infrastructure serving midtown to help improve service and reliability.
- Facilitating a number of expansion and streetscape improvements including construction of the air rail link to help prepare for the Pan Am Games.
- Relocated and upgraded aging infrastructure as part of Waterfront Toronto's initiative to revitalize the waterfront.
- Continued public safety campaign to remind public of electrical hazards on the street and around the home.

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TORONTO HYDRO ENERGY SERVICES INC



2013 ACHIEVEMENTS

- Continued to provide reliable street lighting services to the City of Toronto.