



# POWERING AHEAD

2020 ANNUAL REPORT





# POWERING AHEAD



## Message from the Chair of the Board, and President and Chief Executive Officer

We're pleased to present Toronto Hydro's 2020 Annual Report: *Powering Ahead*.

As we reflect on 2020, we must start by acknowledging how challenging of a year it was for our community. We were not only confronted with the difficulty of responding to the global COVID-19 pandemic, but also endured the first fatality that the company has experienced in almost 30 years. The loss of a member of the Toronto Hydro family has affected us terribly and deeply. The health, safety, and well-being of all Toronto Hydro employees remains our top priority, and this tragic loss has reaffirmed the importance of safety in all aspects of our operations.

We also spent last year responding to the challenges of the pandemic. At Toronto Hydro, we take pride in powering our city, and we've remained committed to safely powering our city's homes and businesses through this unprecedented time. When the pandemic began, we were designated an essential workplace, and our COVID-19 response has focused on what matters most: providing our customers with affordable, reliable and safe electricity during this unprecedented time.

**"We focused on preventing the transmission of COVID-19 in our workplace — and among the communities we serve — so that we could continue to provide safe and reliable power to our customers."**

To achieve this, we focused on preventing the transmission of COVID-19 in our workplace — and among the communities we serve — so that we could continue to provide safe and reliable power to our customers. Over the course of the year, and in keeping with evolving public health advice, we successfully implemented measures to avoid the spread of the virus in our workplace, including through the implementation of work-from-home where possible, providing the necessary equipment and resources to our employees, and extensive efforts to raise awareness about the importance of physical distancing.

We also successfully moved forward with critical grid renewal work and completed the first year of our regulator-approved investment plan for 2020-2024. This past year, we invested more than \$600 million to maintain the safety and reliability of our grid, support a growing city and meet the needs of our customers.

Through the pandemic, as always, we remained focused on delivering exceptional service. In 2020, we proudly lowered distribution rates by 17.4% for residential customers and were pleased that customers received the associated savings during this difficult time. Still, we know the pandemic has put economic stress on families and businesses. That's why we worked directly with customers to help them manage their bills, including by providing more flexible payment options and additional support through various financial assistance programs (including the provincial COVID-19 Energy Assistance Programs).

Finally, we continued to play an active role as a green city builder, including through our support of transportation electrification throughout the city. In fact, we're partnering with the TTC and Ontario Power Generation to help implement the TTC's Green Fleet Program and support the City's goal of net zero greenhouse gas (GHG) emissions by 2050. We believe electric vehicles (EVs) are the future of transportation, and in 2020, we partnered with the City on a pilot project to install EV charging stations on select streets across the city. Moving forward, we're excited about unlocking our potential to further support the City's climate change objectives.

On behalf of Toronto Hydro, we thank our frontline workers and all of our employees for their hard work and commitment throughout a uniquely challenging year. We're proud that through their efforts, as well as through the support of our customers and stakeholders, we were recognized as the Ontario Energy Association's Company of the Year for 2020.

As we look forward, we remain committed as an organization to powering brighter days ahead for all of us.

**David McFadden**  
Chair



**Anthony Haines**  
President and  
Chief Executive Officer

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## Company overview

Toronto Hydro Corporation is a holding company which wholly owns two subsidiaries:

- **Toronto Hydro-Electric System Limited** distributes electricity; and
- **Toronto Hydro Energy Services Inc.** provides streetlighting and expressway lighting services in the city of Toronto

To learn more about our corporate performance, visit [torontohydro.com/reports](http://torontohydro.com/reports).

### Did you know that Toronto Hydro serves both smaller and larger customers, including:



**698,482** Residential Service customers

(includes houses, apartments and condominiums)



**82,703** General Service customers with monthly peak demand of less than 5,000 kW\*

(includes schools, restaurants and most shopping malls)



**45** Large Users with monthly peak demand of 5,000 kW or greater\*

(includes hospitals, universities and large manufacturers)

### Our customers are serviced from:



**36**

terminal stations



**17,330**

primary switches



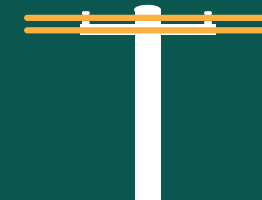
**60,910**

distribution transformers



**143**

in-service municipal substations



**15,450**

circuit kilometres of overhead wires



**13,555**

circuit kilometres of underground wires



**181,800**

poles



**4**

operation centres



**1**

control centre

\*Averaged over a 12-month period.



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## Our COVID-19 response

### 2020 highlights:

- Received the Most Effective Recovery Award by the Business Continuity Institute (BCI) Americas in recognition of our response to the COVID-19 pandemic
- As a result of the hard work and commitment of our frontline workers, we were able to continue with critical work throughout the pandemic in order to safely and reliably power our city's homes and businesses
- To help minimize inconvenience for our customers, we evaluated all of our planned work and postponed it where possible while prioritizing critical projects needed to help maintain the safety and reliability of the grid
- Implemented a cross-functional Pandemic Incident Management Task Force to help manage and combat the spread of COVID-19
- Successfully implemented measures to avoid transmission of COVID-19 in our workplace, including through the implementation of work-from-home where possible, providing the necessary equipment and resources to our employees, and extensive efforts to raise awareness about the importance of physical distancing
- Also helped safeguard the health and safety of our frontline workers from the spread of the virus by reminding residents to stay a safe distance away when coming across our crews performing critical work in the community
- Worked directly with customers to provide more flexible payment options and additional support through various financial assistance programs, including the provincial COVID-19 Energy Assistance Programs
- Suspended electricity disconnections throughout the pandemic so our customers didn't have to worry about being without electricity
- Worked closely with the City to support the safe rollout of its Caf  TO program, and worked directly with customers to facilitate patio installations while ensuring we could continue to maintain the safety and reliability of the grid

### We successfully implemented measures to avoid transmission of COVID-19 in our workplace



### We provided COVID-19 Energy Assistance Program (CEAP) credits to approximately:



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## Our focus on customer service

### 2020 highlights:

- Recognized as Company of the Year by the Ontario Energy Association for our efforts to improve the customer experience, including through regular post-contact feedback surveys, broader brand and reputation surveys, and the creation of a customer feedback advisory group
- Lowered rates for most customers following the Ontario Energy Board's approval of our 2020-2024 rates application. This included a 17.4% reduction on the distribution portion of residential bills, providing timely and meaningful relief to our customers during this difficult time
- Connected new services to the grid on time more than 99% of the time
- Resolved customer issues on the first try more than 90% of the time and generated accurate bills for customers more than 99% of the time
- Rapidly adapted our processes, systems and training to help implement COVID-19-related policies and relief programs for customers
- Supported the provincial rollout of pricing optionality for customers on Time-of-Use and Tiered pricing, which allows customers to choose the price plan that best suits their needs
- Enrolled an additional 23,000 customers for paperless billing, a convenient, sustainable and cost-effective way for customers to receive their bills
- Continued to drive increased customer and public safety awareness through education campaigns about powerline safety, fraud prevention and emergency preparedness

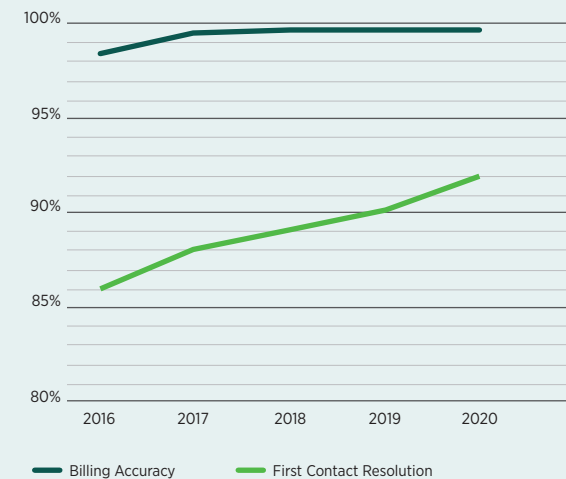
### We lowered the distribution portion of our bill for residential customers:



**17.4%**

decrease in residential distribution rates in 2020

### Customer service improvement





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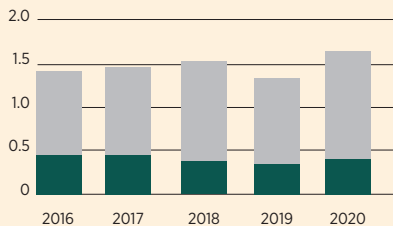
## Our performance and productivity

### 2020 highlights:

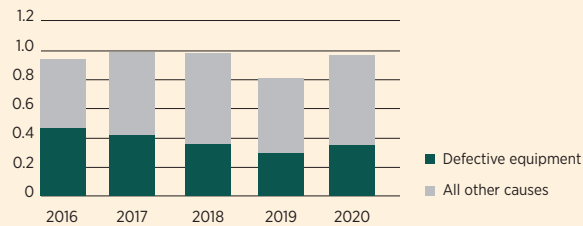
- Completed the first year of our five-year investment plan for 2020-2024 by investing \$617.2 million primarily in our grid to maintain safety and reliability, support a growing city and meet customer service needs
- Paid dividends totalling \$92.6 million to our sole shareholder, the City of Toronto, which can be used to fund essential city services for the benefit of Toronto residents
- Supported major capital projects across the city, including transit expansion projects such as the Eglinton Crosstown light rail transit (LRT) line, the Finch West LRT line and the GO Expansion program
- Improved our Outage Map to better reflect the status of outages by including preliminary and real-time estimated times of restoration using a machine-learning algorithm
- Advanced our information technology and operational technology systems to help support our modernization and productivity strategies
- Transitioned from the Toronto Hydro Work Protection Code and implemented the Utility Work Protection Code to better align with provincial electrical utility safety rules

### We continue to invest in our grid to help ensure reliable power for customers:

Average number of outages\*



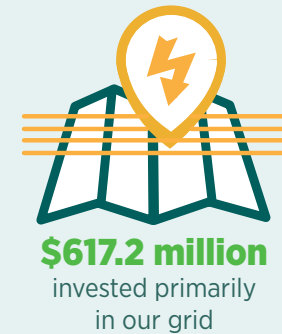
Average duration of outages\*\*



\* Represents System Average Interruption Frequency Index (SAIFI), a measure of the frequency of service interruptions for customers served, not including major event days.

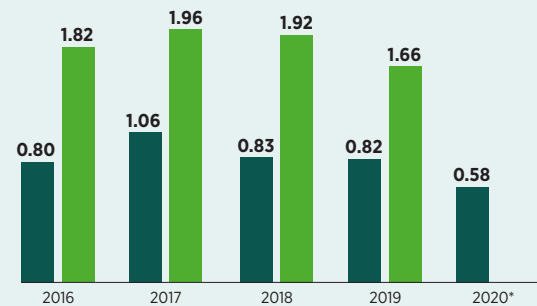
\*\* Represents System Average Interruption Duration Index (SAIDI), a measure (in hours) of the annual system average interruption duration for customers served, not including major event days.

### We completed the first year of our 2020-2024 investment plan:



### We continued to prioritize employee safety:

Total Recordable Injury Frequency (TRIF)



\*2020 CEA composite group average not available at the time of publishing.

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## Our strong environmental performance

### 2020 highlights:

- For the eighth consecutive year, we were certified to stringent, internationally recognized standards for environmental (ISO 14001:2015) and occupational safety (ISO 45001:2018) management systems by independent third-party auditors
- Continued to support the City's TransformTO strategy by reducing GHG emissions associated with our fleet, facilities, line losses and releases of sulphur hexafluoride gases
- Decreased our fleet size and continued to pursue initiatives to reduce our fleet emissions while extending the life cycle of our vehicles
- Ranked second on Corporate Knights' list of the Best 50 Corporate Citizens in Canada (and were first overall among utilities)
- Partnered with the City of Toronto on a pilot project to install EV charging stations on select streets across the city to help better understand EV charging usage in Toronto and support the reduction of GHG emissions (and other emissions harmful to air quality)
- Continued to support the TTC's move to electric buses, including by providing technical and logistical assistance that helped enable 60 electric buses to be in service by the end of 2020 (this makes up the largest fleet of electric buses in North America)
- Invested in renewable generation and energy storage projects across the city, including solar photovoltaic (PV) projects on City-owned facilities, our Bulwer Battery Energy Storage System and the Eglinton Crosstown LRT battery energy storage system
- Improved our distribution system's resilience to extreme weather events caused by climate change and collaborated on climate change adaptation with the City and other agencies
- Continued to build on improvements to our emergency response systems to help make us better able to respond to emergency events
- Exceeded our Conservation and Demand Management (CDM) program target by 10% and successfully executed the mandated CDM wind-down

We continue to monitor and assess all aspects of our environmental performance in an effort to reduce our environmental footprint and improve efficiency:



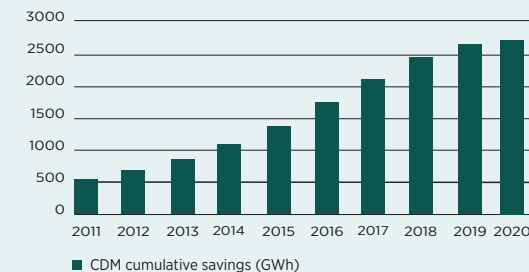
**50%+**  
reduction in  
annual paper  
consumption



**90%**  
overall  
recycling  
rate for 2020

Our conservation efforts over the past decade have produced enough savings to power the equivalent of more than 200,000 homes for an entire year:

CDM cumulative achievement (2011-2020)



■ CDM cumulative savings (GWh)

\* Energy savings represent cumulative totals, but do not account for savings persistence.

\*\* 2018-2020 figures are unverified and based on the net-to-gross values published in the Independent Electricity System Operator's 2017 Annual Report (the last year the report was published).

\*\*\* Savings equivalence is based on the estimated monthly residential electricity usage in Ontario (source: Statistics Canada).