

NEWS RELEASE



OEB Approves Merger of Veridian Connections Inc. and Whitby Hydro Electric Corporation

December 21, 2018, Ontario – In a decision released yesterday, the Ontario Energy Board (“OEB”) approved the proposed merger of Veridian Connections Inc. (“Veridian”) and Whitby Hydro Electric Corporation (“Whitby Hydro”). The new and yet-unnamed, combined energy company will service more than 162,000 residential and business customers, making it the fourth largest municipally-owned electricity distributor in Ontario.

The OEB decision also paves the way for the merger of the parent companies of Veridian and Whitby Hydro; Veridian Corporation and Whitby Hydro Energy Corporation. Veridian Corporation is jointly owned by the City of Pickering, the Town of Ajax, the Municipality of Clarington and the City of Belleville. Whitby Hydro Energy Corporation is wholly owned by the Town of Whitby. All five municipalities approved the proposed merger earlier this year.

In its decision, the OEB states that:

- *The OEB finds that the “no harm” test has been met with respect to price, economic efficiency and cost effectiveness. The Applicants have explicitly identified realistic future costs that will be avoided due to the amalgamation of Veridian Connections and Whitby Hydro.*
- *The OEB finds that the “no harm” test has been met with respect to reliability and quality of electricity service. The expansion of the 24/7 control room access to the Whitby Hydro service area may have positive impacts on service levels for customers in that territory. As 70% of the service territory of the amalgamated entity will be contiguous, LDC Mergeco should be able to combine resources to ensure that the existing service levels of each utility are maintained.*
- *The OEB has reviewed the financial information provided by the Applicants and is satisfied that the transaction will not have an adverse impact on the financial viability of the Applicants. The proposed transactions are non-cash in nature, and the anticipated amalgamation-related savings are expected to more than offset the Applicants’ forecasted amalgamation transition costs. The OEB has determined that the proposed transactions meet the “no harm” test with respect to financial viability.*

“We are extremely pleased that the OEB agreed that merging our two companies will offer greater benefits to customers, communities and shareholders than remaining as standalone utilities,” says Adrian Foster, Chair of Veridian’s Board of Directors. “We firmly believe that combining our utilities will better position us to deliver stable, reliable, safe and cost-effective energy services across the region.”

“We are confident that combining our two utilities will offer an improved overall customer experience as the merged company leverages the best practices of both utilities,” explains Patrick McNeil, Chair of Whitby Hydro’s Board of Directors. “Also, municipal shareholders will continue to receive dividends, which help offset tax increases and can be reinvested back into their communities.”

Veridian and Whitby Hydro have been working on merger implementation plans in anticipation of OEB approval. It is currently projected that the merger of the two companies will occur early in the second quarter of 2019.

The OEB's full decision on the MAAD application can be found on its website at: www.oeb.ca.

-30-

About Veridian Corporation

Veridian Corporation is a holding company that owns Veridian Connections Inc.; an OEB-regulated utility that distributes electricity to more than 121,000 residential and business customers in nine communities east and north of Toronto. Veridian Connections Inc. is the fifth largest municipally owned electric utility in Ontario. The utility has a successful history of effective growth through two mergers and five acquisitions. It is committed to providing customers with reliable, efficient and sustainable energy solutions and services, and helping to lower their electricity bills through the delivery of innovative conservation programs and reasonable rates. The utility not only contributes to local communities through industry leading financial returns, but also helps build stronger communities through the support of youth, health and mental health, education, poverty, women's shelters, the environment, the arts, economic development and community spirit. Environment-first thinking and creative employee programs has created an environment that has earned the utility nine consecutive Canada's Greenest Employer awards. Veridian Corporation, together with Veridian Connections Inc., has now diversified into renewable and behind-the-meter energy generation. The City of Pickering, the Town of Ajax, the Municipality of Clarington and the City of Belleville jointly own Veridian Corporation.

Please visit: <http://learnmore.veridian.on.ca/>

About Whitby Hydro Energy Corporation

Whitby Hydro Energy Corporation is a holding company owned by The Town of Whitby. Contained within it 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. Whitby Hydro serves more than 41,500 customers.

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

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