

## NEWS RELEASE



### **Veridian Corporation and Whitby Hydro Energy Corporation Shareholders Approve Proposed Merger**

*(June 26, 2018, Ontario)* – All five municipal shareholders of Veridian Corporation (“Veridian”) and Whitby Hydro Energy Corporation (“Whitby Hydro”) have approved a proposed merger of the two companies to create a new yet-unnamed energy corporation. The two municipal electricity utilities and the municipal shareholders are now positioned to execute a merger agreement, following which the transaction will be submitted to the Ontario Energy Board (“OEB”) for regulatory approval.

The five shareholders of the two utilities include: the Municipality of Clarington, which approved the proposed merger on June 11; the Town of Ajax, which approved the proposed merger on June 18; and, the City of Belleville, the Town of Whitby, the City of Pickering, which each approved the proposed merger on June 25.

“We are very pleased that each of our shareholders, after a comprehensive and extensive analysis process, see the value of and have approved a merger between Veridian and Whitby Hydro. We firmly believe that combining our utilities positions us to deliver stable, reliable, safe, cost-effective energy services across the region,” said Adrian Foster, Chair of Veridian’s Board of Directors.

With the approval of municipal shareholders secured, Veridian, Whitby Hydro and their shareholders will now enter into a merger agreement and submit a Mergers, Acquisitions, Amalgamations and Divestitures (MAADs) application to the OEB for regulatory review and approval. The OEB process reviews many aspects of the merger, including a “No Harm Test”, that ensures the proposed merger does not have an adverse effect on ratepayers. A merger would only take place following OEB approval and assuming normal legal conditions set out in the agreement have been met.

“We are excited to mark another milestone in the merger process as we work toward delivering greater benefits for our customers and shareholders. The energy market is constantly evolving and the creation of a new more efficient and better-resourced company as a result of the merger will ensure customers are well served well into the future and municipal shareholders continue to benefit from their investments,” said Patrick McNeil, Chair of Whitby Hydro’s Board of Directors.

The merger will offer Veridian and Whitby Hydro customers greater rate stability, along with protection from potential future rate increases. Customers can also expect access to greater resources during major outage events, 24/7 control room capabilities across the entire service area, and better overall customer experience as the merged company leverages the best practices of both utilities. The merger offers Veridian and Whitby Hydro shareholders stronger, more sustainable cash flow in interest and dividends and is expected to produce about \$90 million in savings over the next 17 years. Municipal shareholders will receive increased dividends, which will offset tax increases and can be reinvested in local communities.

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The new, yet-unnamed, combined energy company would service more than 162,000 residential and business customers and be the fourth largest municipally-owned electric utility in Ontario. More information on the proposed merger is available online at: <http://learnmore.veridian.on.ca/> and <http://learnmore.whitbyhydro.on.ca.>

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### **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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