

INTRODUCTION AND CORPORATE PROFILE



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Anthony M. Haines

President and Chief Executive Officer

Clare R. Copeland

Chairman

Letter from the Chairman of the Board, and the President and Chief Executive Officer

In 2009 Toronto Hydro Corporation (“the Corporation”) had a strong balance sheet, an effective workforce renewal strategy, and, for the fifth year in a row, recognition from the Top 100 Employers organization for being one of the Top 100 Employers in Canada.

In each of the traditional areas of corporate responsibility reporting – economic, environmental and social – the Corporation achieved good results. Thanks to the largest infrastructure renewal undertaking in our history, the frequency of power outages, as well as their duration, has decreased and we will continue to make prudent investments to help ensure this trend continues.

The electricity system that we are building today should help to support Toronto’s economic development for years to come. And the employees who are working to bring our vision of a modernized grid to life are part of a long tradition of skilled tradespeople sharing a commitment to public safety. We would like to thank all of the Corporation’s employees for their

commitment and hard work last year; we look forward to their contributions to our company in the years to come.

We are also very pleased to note that the Corporation moved a step closer to being carbon neutral last year, while at the same time supporting the City of Toronto and the Province of Ontario in their sustainability efforts. The conservation and demand management programs that we started to implement in 2005 have been very successful, and we are leading all Ontario agencies in bringing these programs to consumers, delivering total energy savings of approximately 658,000 megawatt-hours, or the annual equivalent energy consumed by 73,000 homes, in just five short years.

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From the vantage point of Toronto Hydro-Electric System Limited ("Toronto Hydro"), one of the largest electricity distribution companies in Canada, we have also been privileged to be part of Ontario's efforts to shift the public's mindset towards energy conservation. The challenge that lies before us now is to continue persuading our customers to take an active interest in conserving a commodity that many have taken for granted. We see the introduction of time-of-use ("TOU") rates and the launch of Feed-In Tariffs as tremendous opportunities to become even more engaged with our customers. Indeed, Toronto Hydro's rollout of TOU rates is now the largest of its kind in North America, and we believe we have a greater opportunity than ever to help our customers understand the benefits of electricity management and new green electricity generation technologies, such as solar PV panels.

Customer service has taken on an even greater importance within the Corporation. It is integral to our overall performance and business strategy. Our corporate responsibility demands no less than that we engage our customers in compelling and meaningful ways, working to provide high levels of customer service every day. This is a priority that is being developed within the company in tandem with the renewal of our electricity grid.

We would like to thank the Board of Directors and, in particular, former Toronto Hydro Corporation President and Chief Executive Officer David O'Brien, for their guidance and support during the past year. Special thanks also go to the internal subject matter experts who helped to shape our corporate responsibility efforts. With their assistance, we are moving gradually towards a more comprehensive and balanced Corporate Responsibility Report, one that we believe is a true reflection of our strengths, and of the challenges and achievements that we experienced last year.

Clare R. Copeland

Chairman

Anthony M. Haines

President and Chief Executive Officer

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