

EXHIBIT 9 – DEFERRAL AND VARIANCE ACCOUNTS

In this Exhibit, Alectra Utilities provides its Deferral and Variance Account (DVA) balances. The account balances recorded in these accounts are in accordance with the Accounting Procedures Handbook (APH), relevant accounting orders or other applicable guidelines issued by the OEB. This Exhibit also includes a detailed explanation of the specific Group 2 DVA balances proposed for disposition. In addition, the evidence outlines the accounts that Alectra Utilities proposes to continue, as well as new DVAs that the Alectra Utilities seeks to establish in the 2027–2031 rate term.

In this application, Alectra Utilities proposes to dispose of its Group 1 DVA balances as of December 31, 2025, and its Group 2 DVA balances as of December 31, 2026. Alectra Utilities' Group 2 balances comprise actuals as of December 31, 2024 and forecasted balances for 2025 and 2026. The clearance of both Group 1 and Group 2 DVA balances will be disposed of through class-specific rate riders for each rate zone. This approach reflects that DVA balances are accumulated and recorded on a rate zone-specific basis, rather than on a consolidated basis.

As part of this proceeding, Alectra Utilities will provide the Group 1 DVA balances once the audited 2025 balances become available. Alectra Utilities will also update the Group 2 DVA 2025 actual balances once the audited balances become available. The proposed Group 2 DVA rate riders have been calculated using the OEB's DVA Continuity Schedule Workform which has been completed for each rate zone and filed as Attachments 9-1 through 9-5 in this Exhibit.

1. SUMMARY OF DVA BALANCES

1.1. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

As part of this proceeding, Alectra Utilities proposes to dispose of its Group 1 DVA balances as of December 31, 2025, through class-specific rate riders for each rate zone, effective from January 1, 2027 to December 31, 2027. **Alectra Utilities will provide the Group 1 DVA balances and related evidence once the audited 2025 balances are available.**

Table 9-1-1 provides a complete list of Alectra Utilities' Group 1 DVAs and identifies which accounts Alectra Utilities will put forward for disposition in this proceeding, and which accounts it proposes to continue in the 2027-2031 rate term.

Table 9-1-1: Alectra Utilities' Group 1 DVAs

	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1550 Low Voltage Variance Account	Yes	Yes
1551 Smart Meter Entity Charge Variance Account	Yes	Yes
1580 RSVA – Wholesale Market Service	Yes	Yes
1584 RSVA-Network	Yes	Yes
1586 RSVA-Connection	Yes	Yes
1588 RSVA-Power	Yes	Yes
1589 RSVA-GA	Yes	Yes
1595 Disposition and Recovery/Refund of Regulatory Balances Control Account	Yes	Yes

1.2. GROUP 2 DEFERRAL AND VARIANCE ACCOUNTS

As part of this application, Alectra Utilities proposes to dispose of its Group 2 DVA balances as of December 31, 2024 and forecast balances for 2025 and 2026. Alectra Utilities proposes to dispose the balances through class-specific rate riders for each rate zone. The amounts proposed for disposition are aligned with the audited financial statements for the fiscal year ended December 31, 2024, and include forecasted principal activity and carrying costs for 2025 and 2026. Alectra Utilities will update the Group 2 DVA 2025 actual balances once the audited balances become available.

Tables 9-1-2 through 9-1-7 provide a complete list of Alectra Utilities' Group 2 DVAs and balances as of December 31, 2024, and identifies which accounts Alectra Utilities proposes for disposition in this application, and which accounts it proposes to continue in the 2027-2031 rate term. Table 9-1-2 provides the consolidated balances for Alectra Utilities, which is the sum of the balances for each rate zone; Tables 9-1-3 to 9-1-7 provides the balances for each rate zone.

1 **Table 9-1-2: Alectra Utilities’ Group 2 DVA Balances (\$MM)**

	Principal Balance as of December 31, 2024	Carrying Charge Balance as of December 31, 2024	Total Balance as of December 31, 2024	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - Earnings Sharing Mechanism	0.0	0.0	0.0	No	No
1508 - Energy East Consultation Costs	0.1	0.0	0.2	Yes	No
1508 - OEB Cost Assessment Variance	14.0	1.6	15.6	Yes	Yes
1508 - Other Post-Employment Benefit Deferral Account	(6.7)	0.0	(6.7)	Yes	Yes
1508 - Advanced Pricing Project	0.0	0.0	0.0	No	No
1508 - CGAAP IFRS Differential	(0.2)	0.1	(0.1)	Yes	No
1508 - Hydro-One Charges	0.1	0.0	0.1	Yes	No
1508 - Pole Attachment Revenue Variance	(14.8)	(1.6)	(16.4)	Yes	No
1508 - Capitalization Policy	(25.1)	0.0	(25.1)	Yes	No
1508 - Incremental Capital Module	1.0	(2.2)	(1.3)	Yes	No
1508 - Long-term Load Mitigation	0.0	0.0	0.0	Yes	No
1508 - Collection of Account Charge-Related Lost Revenue	13.3	1.3	14.5	Yes	No
1508 - GOCA Variance Account	4.8	0.3	5.1	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	0.9	0.0	0.9	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	0.0	0.0	0.0	No	No
1511 Incremental Cloud Computing Implementation Costs	1.3	0.0	1.3	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	0.7	0.2	1.0	Yes	No
1548 RCVA STR	0.3	0.1	0.3	Yes	No
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	0.0	(1.2)	(1.2)	Yes	No
1525 - Miscellaneous Deferred Debits	3.4	0.0	3.4	No	Yes
1531 Renewable Connection Capital Deferral Account	0.5	0.2	0.7	Yes	No
1532 Renewable Connection OM&A Deferral Account	1.2	0.2	1.4	Yes	No
1533 Renewable Generation Connection Funding Adder Deferral Account	(0.3)	0.0	(0.3)	Yes	No
1535 Smart Grid OM&A Deferral Account	2.7	0.6	3.3	Yes	No
1536 Smart Grid Funding Adder Deferral Account	0.0	0.0	0.0	Yes	No
1555 Smart Meter Capital and Recovery Offset Variance Account, Sub-account Stranded Meter Costs	(0.1)	0.4	0.2	Yes	No
1557 Meter Cost Deferral Account	8.7	0.0	8.7	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	0.0	0.0	0.0	No	Yes
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(35.5)	(4.3)	(39.8)	Yes	Yes
Total Balance	(29.8)	(4.5)	(34.3)		

1 **Table 9-1-3: Alectra Utilities’ Group 2 DVA Balances - HRZ (\$MM)**

	Principal Balance as of December 31, 2024	Carrying Charge Balance as of December 31, 2024	Total Balance as of December 31, 2024	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - Earnings Sharing Mechanism	0.0	0.0	0.0	No	No
1508 - Energy East Consultation Costs	0.0	0.0	0.0	Yes	No
1508 - OEB Cost Assessment Variance	4.6	0.5	5.1	Yes	Yes
1508 - Pole Attachment Revenue Variance	(6.0)	(0.7)	(6.7)	Yes	No
1508 - Capitalization Policy	(29.6)	0.0	(29.6)	Yes	No
1508 - Long-term Load Mitigation	0.0	0.0	0.0	Yes	No
1508 - GOCA Variance Account	0.6	0.0	0.6	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	0.2	0.0	0.2	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	0.0	0.0	0.0	No	No
1511 Incremental Cloud Computing Implementation Costs	0.2	0.0	0.3	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	0.1	0.0	0.1	Yes	No
1548 RCVA STR	0.0	0.0	0.0	Yes	No
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	0.0	(0.3)	(0.3)	Yes	No
1533 Renewable Generation Connection Funding Adder Deferral Account	(0.1)	0.0	(0.1)	Yes	No
1555 Smart Meter Capital and Recovery Offset Variance Account, Sub-account Stranded Meter Costs	0.0	0.1	0.2	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	0.0	0.0	0.0	No	Yes
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(7.2)	(0.9)	(8.1)	Yes	Yes
Total Balance	(37.2)	(1.1)	(38.3)		

1 **Table 9-1-4: Alectra Utilities’ Group 2 DVA Balances - BRZ (\$MM)**

	Principal Balance as of December 31, 2024	Carrying Charge Balance as of December 31, 2024	Total Balance as of December 31, 2024	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - OEB Cost Assessment Variance	2.7	0.3	3.1	Yes	Yes
1508 - Pole Attachment Revenue Variance	(1.6)	(0.2)	(1.8)	Yes	No
1508 - Capitalization Policy	18.1	0.0	18.1	Yes	No
1508 - Incremental Capital Module	(0.7)	(0.6)	(1.3)	Yes	No
1508 - Collection of Account Charge-Related Lost Revenue	3.0	0.3	3.3	Yes	No
1508 - GOCA Variance Account	1.0	0.1	1.1	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	0.1	0.0	0.1	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	0.0	0.0	0.0	No	No
1511 Incremental Cloud Computing Implementation Costs	0.2	0.0	0.2	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	(0.1)	0.0	(0.1)	Yes	No
1548 RCVA STR	0.0	0.0	0.0	Yes	No
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	0.0	(0.3)	(0.3)	Yes	No
1557 Meter Cost Deferral Account	0.9	0.0	0.9	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	0.0	0.0	0.0	No	Yes
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(4.4)	(0.5)	(4.9)	Yes	Yes
Total Balance	19.2	(1.0)	18.3		

1 **Table 9-1-5: Alectra Utilities’ Group 2 DVA Balances - PRZ (\$MM)**

	Principal Balance as of December 31, 2024	Carrying Charge Balance as of December 31, 2024	Total Balance as of December 31, 2024	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - Energy East Consultation Costs	0.1	0.0	0.1	Yes	No
1508 - OEB Cost Assessment Variance	5.5	0.6	6.1	Yes	Yes
1508 - Other Post-Employment Benefit Deferral Account	(4.7)	0.0	(4.7)	Yes	Yes
1508 - Advanced Pricing Project	0.0	0.0	0.0	No	No
1508 - CGAAP IFRS Differential	(0.2)	0.1	(0.1)	Yes	No
1508 - Hydro-One Charges	0.1	0.0	0.1	Yes	No
1508 - Pole Attachment Revenue Variance	(3.7)	(0.4)	(4.1)	Yes	No
1508 - Incremental Capital Module	3.0	(0.9)	2.1	Yes	No
1508 - Collection of Account Charge-Related Lost Revenue	8.6	0.8	9.4	Yes	No
1508 - GOCA Variance Account	1.4	0.1	1.5	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	0.3	0.0	0.3	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	0.0	0.0	0.0	No	No
1511 Incremental Cloud Computing Implementation Costs	0.4	0.0	0.4	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	0.4	0.1	0.6	Yes	No
1548 RCVA STR	0.0	0.0	0.0	Yes	No
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	0.0	(0.4)	(0.4)	Yes	No
1532 Renewable Connection OM&A Deferral Account	0.0	0.0	0.1	Yes	No
1533 Renewable Generation Connection Funding Adder Deferral Account	(0.2)	0.0	(0.2)	Yes	No
1535 Smart Grid OM&A Deferral Account	2.7	0.6	3.3	Yes	No
1536 Smart Grid Funding Adder Deferral Account	0.0	0.0	0.0	Yes	No
1555 Smart Meter Capital and Recovery Offset Variance Account, Sub-account Stranded Meter Costs	(0.3)	0.1	(0.1)	Yes	No
1557 Meter Cost Deferral Account	4.3	0.0	4.3	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	0.0	0.0	0.0	No	Yes
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(15.0)	(1.8)	(16.8)	Yes	Yes
Total Balance	2.9	(1.0)	1.8		

1 **Table 9-1-6: Alectra Utilities’ Group 2 DVA Balances - ERZ (\$MM)**

	Principal Balance as of December 31, 2024	Carrying Charge Balance as of December 31, 2024	Total Balance as of December 31, 2024	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - Energy East Consultation Costs	0.0	0.0	0.0	Yes	No
1508 - OEB Cost Assessment Variance	0.6	0.0	0.7	Yes	Yes
1508 - Other Post-Employment Benefit Deferral Account	(3.6)	0.0	(3.6)	Yes	Yes
1508 - Pole Attachment Revenue Variance	(2.3)	(0.3)	(2.6)	Yes	No
1508 - Capitalization Policy	(11.3)	0.0	(11.3)	Yes	No
1508 - Incremental Capital Module	(1.3)	(0.7)	(2.0)	Yes	No
1508 - Collection of Account Charge-Related Lost Revenue	0.9	0.1	1.0	Yes	No
1508 - GOCA Variance Account	1.4	0.1	1.5	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	0.2	0.0	0.2	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	0.0	0.0	0.0	No	No
1511 Incremental Cloud Computing Implementation Costs	0.3	0.0	0.3	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	(0.1)	0.0	(0.1)	Yes	No
1548 RCVA STR	0.3	0.1	0.4	Yes	No
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	0.0	(0.2)	(0.2)	Yes	No
1525 - Miscellaneous Deferred Debits	3.4	0.0	3.4	No	Yes
1531 Renewable Connection Capital Deferral Account	0.5	0.2	0.7	Yes	No
1532 Renewable Connection OM&A Deferral Account	1.1	0.2	1.3	Yes	No
1533 Renewable Generation Connection Funding Adder Deferral Account	(0.01)	0.00	(0.01)	Yes	No
1555 Smart Meter Capital and Recovery Offset Variance Account, Sub-account Stranded Meter Costs	0.1	0.1	0.2	Yes	No
1557 Meter Cost Deferral Account	3.2	0.0	3.2	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	0.0	0.0	0.0	No	Yes
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(7.2)	(0.9)	(8.1)	Yes	Yes
Total Balance	(13.7)	(1.3)	(15.0)		

1 **Table 9-1-7: Alectra Utilities’ Group 2 DVA Balances - GRZ (\$MM)**

	Principal Balance as of December 31, 2024	Carrying Charge Balance as of December 31, 2024	Total Balance as of December 31, 2024	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - OEB Cost Assessment Variance	0.6	0.1	0.7	Yes	Yes
1508 - Other Post-Employment Benefit Deferral Account	1.6	0.0	1.6	Yes	Yes
1508 - Pole Attachment Revenue Variance	(1.2)	(0.1)	(1.3)	Yes	No
1508 - Capitalization Policy	(2.3)	0.0	(2.3)	Yes	No
1508 - Collection of Account Charge-Related Lost Revenue	0.7	0.1	0.8	Yes	No
1508 - GOCA Variance Account	0.4	0.0	0.4	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	0.1	0.0	0.1	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	0.0	0.0	0.0	No	No
1511 Incremental Cloud Computing Implementation Costs	0.1	0.0	0.1	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	0.4	0.0	0.4	Yes	No
1548 RCVA STR	0.0	0.0	0.0	Yes	No
1557 Meter Cost Deferral Account	0.2	0.0	0.2	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	0.0	0.0	0.0	No	No
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(1.7)	(0.2)	(1.9)	Yes	Yes
Total Balance	(1.0)	(0.1)	(1.1)		

2. CARRYING CHARGES

Alectra Utilities applied carrying charges to specific DVA accounts on a monthly basis using the OEB's prescribed interest rates summarized in Table 9-1-8 below. For the period after 2025 Q4, Alectra Utilities applied the OEB's prescribed interest rate for 2025 Q4 as a forecast. Alectra Utilities intends to update these rates with the actual approved rates at the time of disposition of these accounts.

Table 9-1-8: Interest on Carrying Charges

Quarter	Annual %	Quarter	Annual %
Q1 2017	1.10%	Q3 2021	0.57%
Q2 2017	1.10%	Q4 2021	0.57%
Q3 2017	1.10%	Q1 2022	0.57%
Q4 2017	1.50%	Q2 2022	1.02%
Q1 2018	1.50%	Q3 2022	2.20%
Q2 2018	1.89%	Q4 2022	3.87%
Q3 2018	1.89%	Q1 2023	4.73%
Q4 2018	2.17%	Q2 2023	4.98%
Q1 2019	2.45%	Q3 2023	4.98%
Q2 2019	2.18%	Q4 2023	5.49%
Q3 2019	2.18%	Q1 2024	5.49%
Q4 2019	2.18%	Q2 2024	5.49%
Q1 2020	2.18%	Q3 2024	5.20%
Q2 2020	2.18%	Q4 2024	4.40%
Q3 2020	0.57%	Q1 2025	3.64%
Q4 2020	0.57%	Q2 2025	3.16%
Q1 2021	0.57%	Q3 2025	2.91%
Q2 2021	0.57%	Q4 2025	2.91%

Attachment 9-1

DVA Continuity Schedule HRZ

Please see live Excel version

Attachment 9-2

DVA Continuity Schedule BRZ

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Attachment 9-3

DVA Continuity Schedule PRZ

Please see live Excel version

Attachment 9-4

DVA Continuity Schedule ERZ

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Attachment 9-5

DVA Continuity Schedule GRZ

Please see live Excel version

3. **PLANNED DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS**

In accordance with the OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications*, distributors are required to provide specific information regarding the review and disposition of DVAs. Alectra Utilities has included this information in the following sections of the application:

- Section 4: Identifies the Group 2 DVAs that Alectra Utilities proposes to dispose of, effective January 1, 2027, for each rate zone.
- Section 5: Lists the Group 2 DVA accounts that Alectra Utilities is not seeking disposition for as part of this application.
- Section 6: Summarizes the proposed Group 2 DVA balances for disposition.
- Section 7: Describes the proposed allocation and recovery methodology for each Group 2 DVA account.
- Section 8: Summarizes the approach Alectra Utilities used to calculate the Group 2 DVA rate riders.
- Section 9: Proposes the new DVA accounts that Alectra Utilities seeks for approval.

1 **4. DVA PROPOSED FOR DISPOSITION**

2 **4.1. GROUP 1 DVA PROPOSED FOR DISPOSITION**

3 Alectra Utilities will update this section of the schedule once the audited Group 1 DVA balances
4 for 2025 become available.

4.2. GROUP 2 DVA PROPOSED FOR DISPOSITION

4.2.1. Account 1508 Sub-account - Energy East Consultation Costs

On June 13, 2014, the OEB established guidelines for a deferral account to record the Energy East Pipeline Project Consultation Costs as referenced in OEB Letter: Re: Board Costs Associated with Consultations on TransCanada Pipelines Limited's Proposed Energy East Pipeline Project Board File No.: EB-2013-0398, June 13, 2014. The OEB advised that various stakeholders would share the costs of these proceedings, similar to the OEB assessment costs. As a result, LDCs would pay their proportional share of the incurred Energy East Pipeline Project Consultation Costs. The deferral account tracks the Energy East Consultation Costs allocated by the OEB to rate-regulated electricity distributors.

The account balance reflects the Energy East Consultation Costs allocated to HRZ, PRZ, and ERZ based on the invoices received from the OEB from April 1, 2015, to January 1, 2016, along with the associated carrying charges. HRZ, PRZ and ERZ have not requested the disposition of this account in the past proceedings. In this application, Alectra Utilities is seeking approval to clear the \$0.2MM debit balance in this account through rate zone-specific rate riders for HRZ, PRZ, and ERZ, effective from January 1, 2027, to December 31, 2027. Following the clearance of this balance, Alectra Utilities proposes to discontinue this account.

Table 9-3-1 provides the details of the actual and forecasted balances included in this account for each rate zone.

1 **Table 9-3-1: Energy East Consultation Costs (\$MM)**

	2017 Closing Principal Balance	Actual						Forecast				Total
		2018	2019	2020	2021	2022	2023	2024	2025	2026		
HRZ	0.04	—	—	—	—	—	—	—	—	—	0.04	
Carrying Charges	—	—	—	—	—	—	—	—	—	—	0.01	
Total Proposed for Disposition	0.04	—	—	—	—	—	—	—	—	—	0.05	
PRZ	0.06	—	—	—	—	—	—	—	—	—	0.06	
Carrying Charges	—	—	—	—	—	—	—	—	—	—	0.01	
Total Proposed for Disposition	0.06	—	—	—	—	—	—	—	—	—	0.07	
ERZ	0.04	—	—	—	—	—	—	—	—	—	0.04	
Carrying Charges	—	—	—	—	—	—	—	—	—	—	0.01	
Total Proposed for Disposition	0.04	—	—	—	—	—	—	—	—	—	0.05	
Alectra Total - Principal Balance	0.14	—	—	—	—	—	—	—	—	—	0.14	
Alectra Total - Carrying Charges	—	—	—	—	—	—	0.01	0.01	—	—	0.04	
Alectra Total	0.14	—	—	—	—	—	0.01	0.01	—	—	0.17	

4.2.2. Account 1508 Sub-account - OEB Cost Assessment Variance

On February 9, 2016, the OEB established Account 1508 OEB Cost Assessment Variance for electricity distributors and transmitters to record material differences between OEB cost assessments currently built into rates, and cost assessments that result from the application of the new cost assessment model effective April 1, 2016.

This account captures the differences between the OEB assessment costs and cost assessment built into rates for Alectra Utilities from April 1, 2016 to December 31, 2024, along with the forecasted balances for 2025 and 2026. Alectra Utilities proposes the clearance of a \$23.1MM debit balance in this account by means of rate zone-specific rate riders, effective January 1, 2027 to December 31, 2027. Alectra Utilities requests to update the actual 2025 and 2026 OEB cost assessment during this proceeding. Alectra Utilities also proposes the continuation of this account due to the high volatility of the OEB assessment costs.

Table 9-3-2 provides the details of the actual and forecasted balances included in this account for each rate zone.

1 **Table 9-3-2: OEB Cost Assessment Variance (\$MM)**

	Actual							Forecast				
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
HRZ	0.37	0.51	0.44	0.46	0.44	0.39	0.50	0.63	0.82	0.89	0.92	6.38
Carrying Charges	—	0.01	0.02	0.03	0.03	0.01	0.06	0.17	0.21	0.16	0.17	0.87
Total Proposed for Disposition	0.37	0.52	0.46	0.50	0.46	0.40	0.56	0.81	1.03	1.05	1.09	7.25
BRZ	0.22	0.27	0.23	0.24	0.26	0.25	0.33	0.42	0.52	0.60	0.62	3.95
Carrying Charges	—	—	0.01	0.02	0.01	0.01	0.03	0.10	0.13	0.10	0.11	0.52
Total Proposed for Disposition	0.22	0.28	0.24	0.26	0.27	0.26	0.36	0.52	0.64	0.69	0.72	4.47
PRZ	0.28	0.58	0.47	0.49	0.47	0.42	0.59	0.79	1.40	1.19	1.24	7.92
Carrying Charges	—	0.01	0.02	0.03	0.03	0.01	0.06	0.18	0.24	0.19	0.21	0.99
Total Proposed for Disposition	0.28	0.58	0.49	0.52	0.49	0.43	0.65	0.98	1.64	1.38	1.45	8.90
ERZ	0.11	0.01	0.02	0.03	0.01	(0.04)	0.05	0.15	0.30	0.36	0.38	1.37
Carrying Charges	—	—	—	—	—	—	—	0.01	0.02	0.03	0.03	0.11
Total Proposed for Disposition	0.11	0.01	0.02	0.04	0.01	(0.04)	0.05	0.16	0.32	0.38	0.42	1.48
GRZ	0.05	0.06	0.05	0.05	0.05	0.04	0.07	0.10	0.13	0.15	0.16	0.91
Carrying Charges	—	—	—	—	—	—	0.01	0.02	0.03	0.02	0.02	0.11
Total Proposed for Disposition	0.05	0.06	0.05	0.06	0.05	0.04	0.07	0.12	0.16	0.17	0.18	1.02
Alectra Total - Principal Balance	1.03	1.44	1.21	1.28	1.22	1.06	1.54	2.09	3.17	3.19	3.31	20.53
Alectra Total - Carrying Charges	—	0.02	0.06	0.09	0.07	0.04	0.16	0.49	0.62	0.49	0.55	2.60
Alectra Total	1.03	1.46	1.26	1.38	1.29	1.10	1.70	2.58	3.79	3.68	3.86	23.13

2

3

Table 9-3-3 provides the difference between the actual cost assessments and the amount embedded in base rates for Alectra Utilities' predecessor utilities from 2016 to 2026. The 2016 amount included in rates is prorated for nine months, reflecting the period starting April 1, 2016, when the account became effective. The 2025 and 2026 costs are forecasted amounts. The forecasted amounts are derived from the 2024 actual costs, adjusted for inflation of 2% for 2025 and 2026.

Table 9-3-3: Account 1508 OEB Cost Assessment Variance (\$MM)

Year	Actual Cost	Amount in Rates	Difference
2016	3.4	2.3	1.1
2017	4.6	3.1	1.5
2018	4.3	3.1	1.2
2019	4.4	3.1	1.3
2020	4.3	3.1	1.2
2021	4.2	3.1	1.1
2022	4.6	3.1	1.6
2023	5.2	3.1	2.1
2024	6.1	3.1	3.0
2025	6.3	3.1	3.2
2026	6.4	3.1	3.3
Total	53.6	33.1	20.5

Tables 9-3-4 through 9-3-8 outline the difference between the actual cost assessments and the amount embedded in the base rate for each rate zone.

Horizon RZ

Horizon RZ has not requested the disposition of this account in past proceedings. The amount proposed for disposition for the Horizon RZ is identified in Table 9-3-4, below. The former Horizon Utilities Corporation's approved OM&A costs include \$600,000 for OEB Assessment Costs, as referenced in EB-2014-0002, Horizon Utilities Corporation, 2015–2019 Custom IR Application, Horizon_Appendix 2-L-2-N_2, Tab App.2-M_Regulatory_Costs, June 24, 2014.

1 **Table 9-3-4: Account 1508 OEB Cost Assessment Variance - Horizon RZ (\$MM)**

Year	Actual Cost	Amount in Rates	Difference
2016	0.8	0.5	0.4
2017	1.1	0.6	0.5
2018	1.0	0.6	0.4
2019	1.1	0.6	0.5
2020	1.0	0.6	0.4
2021	1.0	0.6	0.4
2022	1.1	0.6	0.5
2023	1.2	0.6	0.6
2024	1.4	0.6	0.8
2025	1.5	0.6	0.9
2026	1.5	0.6	0.9
Total	12.8	6.5	6.4

3 **Brampton RZ**

4 Brampton RZ has not requested the disposition of this account in past proceedings. The amount
5 proposed for disposition for the Brampton RZ is identified in Table 9-3-5, below. The former
6 Hydro One Brampton Networks Inc.'s approved OM&A costs include \$406,000 for OEB
7 Assessment Costs, as referenced in EB-2014-0083, Hydro One Brampton Networks Inc. 2015
8 Cost of Service Application, HOBNI_2015_Chapter_2_Appendices_20140423, Tab App.2-
9 M_Regulatory_Costs, April 23, 2014.

1 **Table 9-3-5: Account 1508 OEB Cost Assessment Variance - Brampton RZ (\$MM)**

Year	Actual Cost	Amount in Rates	Difference
2016	0.5	0.3	0.2
2017	0.7	0.4	0.3
2018	0.6	0.4	0.2
2019	0.6	0.4	0.2
2020	0.7	0.4	0.3
2021	0.7	0.4	0.3
2022	0.7	0.4	0.3
2023	0.8	0.4	0.4
2024	1.0	0.4	0.5
2025	1.0	0.4	0.6
2026	1.0	0.4	0.6
Total	8.3	4.4	3.9

3 **PowerStream RZ**

4 PowerStream RZ_has not requested the disposition of this account in past proceedings. The
5 amount proposed for disposition for the PowerStream RZ is identified in Table 9-3-6, below. The
6 former PowerStream Inc.'s approved OM&A costs include \$1,035,261 for OEB Assessment
7 Costs, as referenced in EB-2015-0003, PowerStream Inc., 2016–2020 Custom IR Application,
8 PowerStream_APPL_Custom_IR_Part 3_20150522, J-4-1, Appendix 2-M, page 904, May 22,
9 2015.

1 **Table 9-3-6: Account 1508 OEB Cost Assessment Variance - PowerStream RZ (\$MM)**

Year	Actual Cost	Amount in Rates	Difference
2016	1.2	0.8	0.4
2017	1.6	1.0	0.6
2018	1.5	1.0	0.5
2019	1.5	1.0	0.5
2020	1.5	1.0	0.5
2021	1.5	1.0	0.5
2022	1.7	1.0	0.6
2023	1.9	1.0	0.8
2024	2.1	1.0	1.1
2025	2.2	1.0	1.2
2026	2.3	1.0	1.2
Total	19.0	11.1	7.9

3 **Enersource RZ**

4 Enersource RZ has not requested the disposition of this account in past proceedings. The
5 amount proposed for disposition for the Enersource RZ is identified in Table 9-3-7, below. The
6 former Enersource Hydro Mississauga Inc.'s approved OM&A costs include \$854,000 for OEB
7 Assessment Costs, as referenced in EB-2012-0033, Enersource Hydro Mississauga Inc., 2013
8 Cost of Service Application, Enersource_APPL_2013 CoS_Part3_20120427, page 735, April 27
9 2012.

1 **Table 9-3-7: Account 1508 OEB Cost Assessment Variance - Enersource RZ (\$MM)**

Year	Actual Cost	Amount in Rates	Difference
2016	0.7	0.6	0.0
2017	0.9	0.9	0.1
2018	0.9	0.9	0.0
2019	0.9	0.9	0.0
2020	0.9	0.9	0.0
2021	0.8	0.9	0.0
2022	0.9	0.9	0.0
2023	1.0	0.9	0.2
2024	1.2	0.9	0.3
2025	1.2	0.9	0.4
2026	1.2	0.9	0.4
Total	10.6	9.2	1.4

3 **Guelph Hydro RZ**

4 Guelph Hydro RZ has not requested the disposition of this account in past proceedings. The
5 amount proposed for disposition for the Guelph Hydro RZ is identified in Table 9-3-8, below. The
6 former Guelph Hydro Electric Systems Inc.'s approved OM&A costs include \$180,000 for OEB
7 Assessment Costs, as referenced in EB-2015-0073, Guelph Hydro Electric Systems Inc., 2016
8 Cost of Service Application, Guelph_Settlement_Updated_Filing_Requirements_Chapter2_
9 Appendices_20151020, App.2-M_Regulatory_Costs, September 2, 2015.

1 **Table 9-3-8: Account 1508 OEB Cost Assessment Variance - Guelph Hydro RZ (\$MM)**

Year	Actual Cost	Amount in Rates	Difference
2016	0.2	0.1	0.0
2017	0.2	0.2	0.1
2018	0.2	0.2	0.0
2019	0.2	0.2	0.1
2020	0.2	0.2	0.1
2021	0.2	0.2	0.0
2022	0.2	0.2	0.1
2023	0.3	0.2	0.1
2024	0.3	0.2	0.1
2025	0.3	0.2	0.2
2026	0.3	0.2	0.2
Total	2.8	1.9	0.9

2

4.2.3. Account 1508 Sub-account - Other Post-Employment Benefit (OPEB) Deferral

Account

The OEB approved the establishment of Account 1508 OPEB Deferral Account for legacy PowerStream (EB-2012-0161, PowerStream Inc., 2013 Cost of Service Application, Rate Order, Appendix B, January 31, 2013) to record cumulative actuarial gains or losses arising from updated actuarial assumptions related to its OPEB. These cumulative gains or losses are recognized in other comprehensive income within equity and, as a result, never enter rates. PRZ has not requested the disposition of this account in past proceedings.

The OEB approved the establishment of Account 1508 OPEB Deferral Account for legacy Enersource (EB-2012-0033, Decision and Order Rates, December 13, 2012, page 59) to record cumulative actuarial gains or losses arising from updated actuarial assumptions related to its OPEB. These cumulative gains or losses are recognized in other comprehensive income within equity and, as a result, never enter rates. ERZ has not requested the disposition of this account in past proceedings.

As outlined in Guelph Hydro Electric Systems Inc. EB-2015-0073 2016 Cost of Service Application, Settlement Proposal originally filed on September 24, 2015 (amended October 20, 2015), Guelph Hydro agreed to the recovery of OPEB costs on a cash basis as an interim measure pending on the outcome of the OEB's OPEB consultation. The OEB, in EB-2015-0073, Decision and Rate Order, Schedule B Accounting Orders, November 26, 2015, authorized the establishment of the deferral account 1508 OPEB forecast cash versus forecast accrual differential account for GRZ to record and track the difference in revenue requirement between OPEB accounted for using a forecasted cash basis (reflected in rates) and OPEB accounted for using a forecasted accrual basis. GRZ has not requested the disposition of this account in past proceedings.

On September 14, 2017, the OEB issued its final report on the *Regulatory Treatment of Pension and Other Post-employment Benefits Costs*, stipulating that utilities may propose disposition of this deferral account if the gains and losses that are tracked in this account do not substantially offset over time. Alectra Utilities found that the net gains that are tracked in this account did not substantially offset over time for PRZ and ERZ. Therefore, Alectra Utilities proposes to clear the

1 credit balances in this account through rate zone-specific rate riders for the PRZ and the ERZ
2 respectively, effective January 1, 2027 to December 31, 2027. Alectra Utilities expects that the
3 OPEB plans will continue to experience actuarial gains or losses as result of changes in
4 actuarial assumptions. To record these expected changes, Alectra Utilities proposes the
5 continuation of this account in the 2027-2031 rate term for all rate zones.

6 Table 9-3-9 provides the details of the actual and forecasted balances included in this account
7 by each rate zone. The forecasted balances are set to zero, consistent with the approach
8 outlined in the actuarial reports.

9 **Table 9-3-9: Account 1508 Sub-account - Other Post-Employment Benefit (OPEB) Deferral**
10 **Account (\$MM)**

		Actual						Forecast			
	2017 Closing Balance	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
PRZ	(1.9)	(1.7)	7.5	1.9	(1.9)	(9.0)	0.8	(0.4)	—	—	(4.7)
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	(1.9)	(1.7)	7.5	1.9	(1.9)	(9.0)	0.8	(0.4)	—	—	(4.7)
ERZ	(0.1)	(0.6)	0.6	0.5	(0.5)	(3.6)	0.2	(0.1)	—	—	(3.6)
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	(0.1)	(0.6)	0.6	0.5	(0.5)	(3.6)	0.2	(0.1)	—	—	(3.6)
GRZ	0.8	0.4	0.2	0.2	0.1	—	(0.1)	(0.1)	—	—	1.6
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	0.8	0.4	0.2	0.2	0.1	—	(0.1)	(0.1)	—	—	1.6
Alectra Total - Principal Balance	(1.2)	(1.9)	8.3	2.6	(2.2)	(12.6)	1.0	(0.6)	—	—	(6.7)
Alectra Total - Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Alectra Total	(1.2)	(1.9)	8.3	2.6	(2.2)	(12.6)	1.0	(0.6)	—	—	(6.7)

Alectra Utilities proposes the clearance of a \$4.7MM credit balance in this account for the PRZ. The credit balance is supported by the actuarial valuations. This balance reflects the PRZ's cumulative actuarial gains, resulting from updated actuarial assumptions related to its OPEB, for the period from 2014 to 2024. The actuarial reports for former PowerStream Inc. from 2014 to 2016 are filed as Attachment 9-17 to this Exhibit.

Alectra Utilities proposes the clearance of a \$3.6MM credit balance in this account for the ERZ. The credit balance is supported by the actuarial valuations. This balance reflects the ERZ's cumulative actuarial gains, resulting from updated actuarial assumptions related to its OPEB, for the period from 2013 to 2024. The actuarial reports for former Enersource Hydro Mississauga Inc. from 2013 to 2016 are filed as Attachment 9-18 to this Exhibit.

1 Alectra Utilities proposes the clearance of a \$1.6MM debit balance in this account for the GRZ.
2 The accrual balance is supported by the actuarial valuations. This balance reflects the GRZ's
3 OPEB forecast cash versus forecast accrual differential from 2016 to 2024. The actuarial reports
4 for former Guelph Hydro Electric Systems Inc. for 2016 and 2018 are filed as Attachment 9-19 to
5 this Exhibit.

6 The actuarial reports for Alectra Utilities from 2017 to 2021 and 2023 are filed as Attachment
7 9-20, The actuarial report for 2022 is filed as Attachment 4-8 in Exhibit 4, Tab 3, Schedule 5, and
8 the actuarial report for 2024 is filed as Attachment 6-8 in Exhibit 6, Tab 2, Schedule 1. Alectra
9 Utilities applies the accrual accounting method to determine its OPEB amounts. This approach
10 is applied consistently across all five rate zones.

Attachment 9-17

PRZ Actuarial Reports

(2014 to 2016)

2014 Actuarial Report

COLLINS BARROW TORONTO
ACTUARIAL SERVICES

POWERSTREAM INC.

Report on the Actuarial Valuation of
Post-Retirement Non-Pension Benefits

As at December 31, 2014

February 27, 2015 – Final

Clarity Defined.™
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Collins Barrow

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EXECUTIVE SUMMARY

PURPOSE

Collins Barrow Toronto Actuarial Services Inc. was engaged by PowerStream Inc. (the "Corporation") to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2014. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards (the "IFRS") guidelines for post-retirement non-pension benefits as outlined in the amendments to the International Accounting Standard IAS 19 – Employee Benefits ("IAS 19") issued in June 2011. IAS 19 was first applied to the Corporation with effect from January 1, 2012.

The most recent full valuation was prepared as at December 31, 2011 based on the then appropriate assumptions and in accordance with IAS 19.

The purpose of this valuation is threefold:

- i) to determine the Corporation's liabilities in respect of post-retirement non-pension benefits at December 31, 2014;
- ii) to determine the expense to be recognized in the income statement for fiscal year 2015; and
- iii) to provide all other pertinent information necessary for compliance with IAS 19.

The intended users of this report include the Corporation and its auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.

SUMMARY OF KEY RESULTS

The key results of this actuarial valuation as at December 31, 2014 with comparative results from the previous valuation as at December 31, 2011 are shown below:

	December 31, 2011 (\$000's)	December 31, 2014 (\$000's)
Present Value of Defined Benefit Obligation (PV DBO)		
a) People in receipt of benefits	5,207	6,780
b) Fully eligible actives	6,353	5,544
c) Not fully eligible actives	<u>5,251</u>	<u>5,038</u>
Total PV DBO	16,811	17,362

	CY 2012 (\$000's)	CY 2015 (\$000's)
Current Service Cost:	1,051	1,002
Net Interest Cost:	744	683
Defined Benefit Cost Recognized in Income Statement:	1,795	1,685

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by PowerStream Inc. (the "Corporation") as at December 31, 2014, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards, we hereby certify that, in our opinion, for the purposes stated in the Executive Summary:

1. The data on which the valuation is based is sufficient and reliable;
2. The assumptions employed, as outlined in this report, have been selected by the Corporation as management's best estimate assumptions (no provision for adverse deviations) and we express no opinion on them;
3. All known legal and constructive obligations with respect to the post-retirement non-pension benefits sponsored by and identified by the Corporation are included in the calculations; and
4. This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We are not aware of any subsequent events after December 31, 2014 that would have a significant effect on our valuation.

The latest date on which the next actuarial valuation should be performed is December 31, 2017. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

COLLINS BARROW TORONTO ACTUARIAL SERVICES INC.



Stanley Caravaggio, FSA FCIA
Senior Manager



Patrick G. Kavanagh, AB ASA ACIA CERA
Manager

Toronto, Ontario

February 27, 2015

SECTION A— VALUATION RESULTS

Table A - 1 shows the key valuation results for the prior valuation and the current valuation.

Table A - 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown a change to the assumed retirement age from age 59 to 57, and an increase/decrease in the health and dental claims cost trend rates by 1% per annum.

Table A - 3 presents the determination of the actuarial gain/(loss) at December 31, 2014.

VALUATION RESULTS

Table A.1—Valuation Results
(in thousands of dollars)

	December 31, 2011	December 31, 2014
1. Present Value of Defined Benefit Obligation		
a) People in receipt of benefits	5,207	6,780
b) Fully eligible actives	6,353	5,544
c) Not fully eligible actives	<u>5,251</u>	<u>5,038</u>
Total PV DBO	16,811	17,362

	CY 2012	CY 2015
2. Defined Benefit Cost		
a) Current Service Cost	1,051	1,002
b) Past Service Cost/(Gain)	-	-
c) Net Interest Cost	<u>744</u>	<u>683</u>
Total Defined Benefit Cost Recognized in Income Statement	1,795	1,685
3. Benefit Payments	558	576

The benefit payments for CY 2015 are based on the estimated payments to be made for those expected to be eligible for benefits.

SENSITIVITY ANALYSIS

Table A.2—Sensitivity Analysis
(in thousands of dollars)

	December 31, 2014			
	Valuation Results	Retirement Age 57	1% Higher Trend	1% Lower Trend
1. Present Value of Defined Benefit Obligation				
a) People in receipt of benefits	6,780	6,780	7,210	6,415
b) Fully eligible actives	5,544	5,895	6,126	5,059
c) Not fully eligible actives	<u>5,038</u>	<u>5,758</u>	<u>5,628</u>	<u>4,547</u>
Total PV DBO	17,362	18,433	18,964	16,021
2. Current Service Cost for 2015	1,002	1,107	1,148	885

DEVELOPMENT OF NET GAINS OR LOSSES

Table A.3—Development of Net Gains or Losses
(in thousands of dollars)

Expected PV DBO at December 31, 2014	20,843
Actual PV DBO at December 31, 2014	<u>17,362</u>
Actuarial Loss/(Gain)	(3,480)

The expected PV DBO at December 31, 2014 is based on extrapolations of results using the previous valuation data at December 31, 2011 and assumptions as at December 31, 2013.

Please note that the actual PV DBO at December 31, 2014 is approximately \$3,480,000 lower than the expected PV DBO at December 31, 2014. This is due to a combination of the following factors:

- A change in the discount rate assumption (an increase of approximately \$1,844,000)
- A change in the withdrawal rate assumption (an increase of approximately \$72,000)
- A change in the mortality table assumptions (a decrease of approximately \$56,000)
- A change in the health and dental trend rate assumptions (a decrease of approximately \$435,000)
- Differences between the actual and expected health and dental benefit cost rates (a decrease of approximately \$3,541,000)
- Deviations from the expected demographic changes of the valued group and other miscellaneous factors (a decrease of approximately \$1,364,000 in the total PV DBO)

SECTION B— PLAN PARTICIPANTS

Table B – 1 sets out the summary information with respect to the plan participants valued in the report, along with comparisons to the participants in the previous valuation at December 31, 2011.

Table B – 2 reconciles the number of participants in the last valuation to the number of participants in the current valuation.

PARTICIPANT DATA

Table B.1—Participant Data

Membership data as at December 31, 2014 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

We have reviewed the data and compared it to the data used in the prior valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of hire prior to date of birth
- Salaries less than \$20,000 per year, or greater than \$250,000 per year
- Ages under 18 or over 100
- Abnormal levels of benefits and/or premiums
- Duplicate records

In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

Active Employees

	December 31, 2011			December 31, 2014		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Number of Employees	310	168	478	341	172	513
Average Length of Service	16.3	14.4	15.6	14.6	15.0	14.8

As of December 31, 2014		Current Age				
Age Band	Active Lives – Not Fully Eligible			Active Lives – Fully Eligible		
	Count			Count		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30	59	16	75	-	-	-
30-35	37	16	53	-	-	-
36-40	22	14	36	-	-	-
41-45	31	20	51	-	-	-
46-50	54	35	89	-	-	-
51-55	58	36	94	18	6	24
56-60	-	-	-	42	23	65
61-65	-	-	-	15	5	20
66-70	-	-	-	5	1	6
71-75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
Total	261	137	398	80	35	115

As of December 31, 2014		Average Service				
Age Band	Active Lives – Not Fully Eligible			Active Lives – Fully Eligible		
	Count			Count		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30	3.1	4.1	3.3	-	-	-
30-35	4.1	4.8	4.3	-	-	-
36-40	6.7	6.9	6.8	-	-	-
41-45	9.3	11.5	10.2	-	-	-
46-50	19.4	20.7	19.9	-	-	-
51-55	23.7	19.1	22.0	23.3	16.8	21.7
56-60	-	-	-	21.6	19.0	20.7
61-65	-	-	-	22.5	26.4	23.5
66-70	-	-	-	26.8	27.6	26.9
71-75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
Total	12.2	13.7	12.7	22.5	19.9	21.7

People in Receipt of Benefits (includes people on LTD)

Number of Members	December 31, 2011			December 31, 2014		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
	115	39	154	146	48	194

As of December 31, 2014 Age Band	Expected Annual Benefit Payments for 2015		
	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30	-	-	-
30-35	-	-	-
36-40	-	-	-
41-45	-	-	-
46-50	-	-	-
51-55	-	-	-
56-60	107,970	5,008	112,977
61-65	80,167	46,416	126,583
66-70	18,864	10,806	29,670
71-75	30,369	6,490	36,859
Greater than 75	105,149	25,745	130,894
Total	342,519	94,464	436,984

PARTICIPATION RECONCILIATION

Table B.2—Participation Reconciliation

	Actives	LTD	Retirees
<i>As at December 31, 2011</i>	478	4	150
New Entrants	89	-	-
New Dependents	-	-	-
Active	-	2 ¹¹	48 ²¹
LTD	(2) ¹¹	-	-
Terminated	(17)	-	-
Deceased	(6)	-	(10)
Retired	(48) ²¹	-	-
Correction in Data	19 ³¹	-	-
As at December 31, 2014	513	6	188

¹¹ These 2 individuals were disabled prior to the previous valuation data at December 31, 2011, but were indicated as active.

²¹ This figure includes 13 individuals who retired prior to the previous valuation data at December 31, 2011 but were indicated as active.

³¹ This figure includes 28 individuals who were hired prior to the previous valuation date at December 31, 2011 but were not included in the database provided by the Corporation. It also includes 9 individuals that were duplicate entries of already existing individuals in the previous valuation data at December 31, 2011.

SECTION C— SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

ACTUARIAL METHOD

The aim of an actuarial valuation of post-retirement non-pension benefits is to provide a reasonable and systematic allocation of the cost of these future benefits to the years in which the related employees' services are rendered. To accomplish this, it is necessary to:

- make assumptions as to the discount rates, salary rate increases, mortality and other decrements;
- use these assumptions to calculate the present value of the expected future benefits; and
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment.

The Present Value of the Defined Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19 when future salary levels or cost escalation affect the amount of the employee's future benefits. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to post-retirement non-pension benefits under the plan and ends on the date when further service by the employee will lead to no material amount of further post-retirement non-pension benefits under the plan, other than from further salary increases.

For each employee not yet fully eligible for benefits, the Present Value of the Defined Benefit Obligation is equal to the present value of expected future benefits multiplied by the ratio of the years of service to the valuation date to the total years of service in the attribution period. The Current Service Cost is equal to the present value of expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period.

For health and dental benefits, the Corporation has selected the premium rates charged to retirees as management's best estimate of the benefits costs to be incurred. The total monthly premium rates, inclusive of premium taxes, used are as follows:

	Health Premiums		Dental Premiums	
	Single Coverage	Family Coverage	Single Coverage	Family Coverage
Former RH, Markham, Vaughan	\$ 113.89	\$ 244.50	\$ 56.50	\$ 163.82
PowerStream and Former Barrie	\$ 101.26	\$ 237.19	\$ 52.73	\$ 156.59

The above premium rates were provided by the Corporation and represent the rates at 100%, prior to any cost-sharing provisions, effective as of December 31, 2014.

The PV DBO at December 31, 2014 is based on membership data and management's best estimate assumptions at December 31, 2014.

MANAGEMENT'S BEST ESTIMATE ASSUMPTIONS

The following are management's best estimate economic and demographic assumptions as at December 31, 2014.

ECONOMIC ASSUMPTIONS

Consumer Price Index

The consumer price index is assumed to be 2.00% per annum.

This assumption remains unchanged from the previous valuation.

Discount Rate

The rate used to discount future benefits is assumed to be 4.00% per annum. This rate reflects the market interest rates at the measurement date on high quality debt instruments with consideration given to the timing and amount of projected benefit payments.

The assumption used in the previous valuation was 4.50% per annum as at December 31, 2011 which was subsequently updated to 4.80% per annum at December 31, 2013.

Salary Increase Rate

The rate used to increase salaries is assumed to be 3.50% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion adjusted for company specific information.

This assumption remains unchanged from the previous valuation.

Claims Cost Trend Rate

The rates used to project benefits costs into the future are as follows:

End of Year	Current Valuation		Previous Valuation	
	Health	Dental	Health	Dental
2014	7.00%	4.60%	7.25%	5.00%
2015	6.66%	4.60%	6.88%	5.00%
2016	6.31%	4.60%	6.50%	5.00%
2017	5.97%	4.60%	6.13%	5.00%
2018	5.63%	4.60%	5.75%	5.00%
2019	5.29%	4.60%	5.38%	5.00%
2020	4.94%	4.60%	5.00%	5.00%
2021	4.60%	4.60%	5.00%	5.00%
2022 and Thereafter	4.60%	4.60%	5.00%	5.00%

* The 2014 year end rates were adjusted to reflect the actual benefit rate levels for 2015 provided by the Corporation.

DEMOGRAPHIC ASSUMPTIONS

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee final report dated February 11, 2014 (CIA Report). More specifically, the Canada Pensioners Mortality ("CPM") Table Public Sector (CPM2014 PUBL) has been used with the generational projection of mortality improvement based upon CPM Improvement Scale B1-2014.

Mortality rates are applied on a sex-distinct basis.

The prior valuation assumption was the 1994 Uninsured Pensioner Mortality (UP-94) table, with a projection of mortality improvements to the year 2020 based upon Projection Scale AA. More recently at December 31, 2013, the mortality table was updated to the draft version of the 2014 Registered Pension Plans Public Sector Mortality table, with a generational projection of mortality improvements based upon the CPM Improvement Scale B1-2014.

Rates of Withdrawal

Termination of employment is assumed to be in accordance with the following withdrawal table, which was compiled using withdrawal experience for a group of local distribution companies and municipalities for which data was available:

Age Bucket	Withdrawal Rate per Annum
18 – 29	2.75%
30 – 34	2.25%
35 – 39	2.00%
40 – 54	1.50%

In the prior valuation, a flat rate of 2.00% per annum was used for termination of employment prior to age 55.

Retirement Age

All active employees are assumed to retire at age 59 (or immediately if currently over age 59), which was based on the Corporation's retirement experience as well as a three year retirement experience study on a group of local distribution companies and municipalities for which data was available.

This assumption remains unchanged from the previous valuation.

Disability

No provision was made for future disability. It is assumed that individuals currently receiving long-term disability benefits will remain disabled until retirement at age 65.

This assumption remains unchanged from the previous valuation.

Family/Single Coverage

It is assumed that the coverage type as at December 31, 2014, as provided by the Corporation, will remain the same until the employee reaches the assumed retirement age. For family coverage, it is assumed that the retiree has a spouse of opposite gender and no other dependents. Male spouses are assumed to be three years older than female spouses.

These assumptions remain unchanged from the extrapolation at December 31, 2013.

Expenses and Taxes

We have assumed 10% of benefits is required for the cost of sponsoring the program for life insurance. We have assumed taxes and expenses are included in the premium rates for health and dental benefits.

These assumptions remain unchanged from the previous valuation.

SECTION D— SUMMARY OF POST-RETIREMENT BENEFITS

The following is a summary of the plan provisions that are pertinent to this valuation, based on information provided by and discussions with the Corporation.

GOVERNING DOCUMENTS

The program is governed by the following documents:

- Collective Agreement between PowerStream Inc. and Power Workers Union Cupe Local 1000, effective April 1, 2013 to March 31, 2016
- The MEARIE Group Employee Benefit Booklet for PowerStream Inc. Retirees, prepared July 2014

What follows is only a summary of the post retirement non-pension benefits program. For a complete description, please refer to the above-noted documents.

PARTICIPANT CONTRIBUTIONS

The Corporation shall pay 100% of the cost of the life insurance, health and dental benefits for all eligible retirees who retain their retiree benefit coverage according to the plan at their respective former hydro unless otherwise noted below. For Union employees retiring post July 16, 2010, 75% of the cost of life insurance, health, and dental benefits will be paid by the Corporation.

PAST SERVICE

Past service is defined as continuous service prior to joining the plan if the participant was employed by another local distribution company prior to joining the Corporation.

LENGTH OF SERVICE

Length of service is defined as continuous service from the date of hire to the valuation date, measured in years and months.

SUMMARY OF BENEFITS

Former Hydro Vaughan Distribution Inc. Employees

All former Vaughan employees are eligible for post-retirement life insurance, health, and dental benefits if they had a minimum of 12 years of consecutive service at Hydro Vaughan Distribution Inc. on May 25, 2005 (date of signing the Collective Agreement). The former Hydro Vaughan Distribution Inc. provisions required a minimum of 5 years of consecutive service for post-retirement benefits.

All eligible employees are entitled to post-retirement life insurance of a \$10,000 flat coverage amount, and health and dental benefits for life.

Former Markham Hydro Inc. Employees

All former Markham employees are eligible for post-retirement life insurance, health, and dental benefits if they had a minimum of 12 years of consecutive service at Markham Hydro Inc. on May 25, 2005 (date of signing the Collective Agreement). The former Markham Hydro Inc. provisions required a minimum of 5 years of consecutive service for post-retirement benefits.

All eligible employees are entitled to post-retirement life insurance benefits according to the following table, which continues for life:

Class A – retire with less than 10 years of service	\$2,000
Class B – retire with 10 or more years of service but not in the Superseded Plan	50% of final annual earnings, reducing by 2.5% of final annual earnings each retirement anniversary, to a minimum of 25% of final annual earnings
Class C – was in the Superseded Plan	50% of final average earnings

All eligible employees are entitled to post-retirement health and dental benefits where the Corporation pays 3% of the annual premium per year of service to a maximum of 70%. Coverage ends at 65.

Former Richmond Hill Hydro Inc. Employees

All former Richmond Hill employees are eligible for post-retirement life insurance, health, and dental benefits if they had a minimum of 12 years of consecutive service at Richmond Hill Hydro Inc. on May 25, 2005 (date of signing the Collective Agreement). The former Richmond Hill Hydro Inc. provisions required a minimum of 20 years of consecutive service for post-retirement benefits.

All eligible employees are entitled to post-retirement life insurance benefits according to the following table, which continues for life:

Retiree hired prior to 1984	100% of basic earning at retirement subject to a maximum of \$100,000 reduced to \$50,000 at age 70.
Retiree hired after 1983 with more than 10 years of service	100% of basic earnings at retirement. Amount insured is reduced by 5% per year for 10 years. Benefit after 10 years is 50% of basis earnings at retirement.
Retiree hired after 1983 with less than 10 years of service	\$2,000

All eligible employees are entitled to post-retirement health and dental benefits where the Corporation pays 50% of the annual premium plus an additional 1% for per year of service between 20 and 30 years, to a maximum of 60%. Coverage ends at 65.

Former Aurora Hydro Connections Limited Employees

All former Aurora employees are eligible for post-retirement life insurance benefits if they had a minimum of 12 years of consecutive service at Aurora Hydro Connections Limited on November 1, 2005 (date of signing the Collective Agreement).

All eligible employees are entitled to post-retirement life insurance benefits according to the following table, which continues for life:

Plan Option	Amount of Coverage	Eligibility
1	Flat \$2,000.	If employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings reducing by 2.5% of final annual earnings each year thereafter for 10 years, to a final benefit equal to 25.0% of final annual earnings. Reduction occurs on anniversary date of retirement.	If employee was ever insured under Employee Plan options 2, 3 or 4, or if employee retires with 10 or more years of service in Plan but was never in superseded plan.
3	50% of final annual earnings.	If employee was insured under superseded plan and was hired on or after May 1, 1967 and elected coverage under Option 1 only.
4	70% of the final amount insured for under the life plan immediately prior to retirement.	If employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under Option 1 only.
5	Amount of retirement insurance coverage in force under superseded plan grandfathered.	Frozen group of insured whose retirement occurred under superseded plan prior to transfer to Great West Life.

Former Barrie Hydro Distribution Inc. Employees

All former Barrie employees are eligible for post-retirement life insurance, health, and dental benefits if they had a minimum of 15 years of consecutive service total and retire with an OMERS pension (for health and dental only).

All eligible employees are entitled to post-retirement life insurance benefits according to the following table, which continues for life:

Plan Option	Amount of Coverage	Eligibility
1	Flat \$2,000.	If employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings reducing by 2.5% of final annual earnings each year thereafter for 10 years, to a final benefit equal to 25.0% of final annual earnings. Reduction occurs on anniversary date of retirement.	If employee was ever insured under Employee Plan options 2, 3 or 4, or if employee retires with 10 or more years of service in Plan but was never in superseded plan.
3	50% of final annual earnings.	If employee was insured under superseded plan and was hired on or after May 1, 1967 and elected coverage under Option 1 only.
4	70% of the final amount insured for under the life plan immediately prior to retirement.	If employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under Option 1 only.
5	Amount of retirement insurance coverage in force under superseded plan grandfathered.	Frozen group of insured whose retirement occurred under superseded plan prior to transfer to Great West Life.

All eligible employees are entitled to post-retirement health and dental benefits where the Corporation pays 50% of the annual premium for those who retired prior to May 6, 2002 and 75% for those who retired after May 6, 2002. Coverage ends at 65.

Union Benefits

All Union employees are eligible for post-retirement life insurance, health, and dental benefits if they have a minimum of 15 years of consecutive service total and retire with an OMERS pension (for health and dental only).

All eligible employees are entitled to post-retirement life insurance benefits in the amount of 50% of the salary at retirement, declining 2.5% each year to 25% of the salary at retirement for life. The Corporation pays 75% of the benefits.

All eligible employees are entitled to post-retirement health and dental benefits where the Corporation pays for 75% of the benefits. Coverage ends at 65.

A detailed description of the health and dental benefits covered under the post-retirement non-pension benefits can be found in the above-noted governing documents.

SECTION E— EMPLOYER CERTIFICATION

**Post-Retirement Non-Pension Benefit Plan
of PowerStream Inc.
Actuarial Valuation as at December 31, 2014**

I hereby confirm as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of PowerStream Inc. that, to the best of my knowledge and belief, for the purposes of the valuation:

- i) the membership data summarized in Section B is accurate and complete;
- ii) the assumptions upon which this report is based as summarized in Section C, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and
- iii) the summary of Plan Provisions in Section D is an accurate and complete summary of the terms of the Plan in effect on December 31, 2014.

POWERSTREAM INC.

2/20/15
Date

Carolyn Young
Signature

Carolyn Young
Name

SVP Finance
Title

PowerStream Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
EXECUTIVE EMPLOYEES
FINAL

	CY 2014	Projected *** CY 2015	Projected *** CY 2016	Projected *** CY 2017	Projected *** CY 2018	Projected *** CY 2018	Projected *** CY 2020
Discount Rate at January 1	4.80%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31 **	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Initial Rate	7.00%	6.86%	6.31%	5.97%	5.63%	5.29%	4.94%
Year Ultimate Rate Reached	2021	2021	2021	2021	2021	2021	2021
Dental Benefit Cost Trend Rate at December 31 **	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
Salary Scale Rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Assumed Increase in Employer Contributions	actuals	expected *	expected *	expected *	expected *	expected *	expected *
A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet							
Net Defined Benefit Liability/(Asset) as at January 1	84,474	174,954	201,495	229,879	255,043	273,431	295,495
Defined Benefit Cost Recognized in Income Statement	7,425	26,541	28,384	30,231	31,914	33,569	35,317
Defined Benefit Cost Recognized in Other Comprehensive Income	83,055	-	-	(5,087)	(13,526)	(11,505)	(13,953)
Benefits Paid by the Employer							
Net Defined Benefit Liability/(Asset) as at December 31	174,954	201,495	229,879	255,043	273,431	295,495	316,859
B. Determination of Defined Benefit Cost							
B1. Determination of Defined Benefit Cost Recognized in Income Statement							
Service Cost	3,370	19,543	20,324	21,137	21,983	22,862	23,777
- Current Service Cost	-	-	-	-	-	-	-
- Past Service Cost	4,055	6,998	8,060	9,094	9,931	10,707	11,541
Net Interest Cost							
Defined Benefit Cost Recognized in Income Statement	7,425	26,541	28,384	30,231	31,914	33,569	35,317
B2. Remasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income							
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(2,865)	-	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	2,303	-	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	83,417	-	-	-	-	-	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-	-	-	-	-	-
Change in effect of asset ceiling	-	-	-	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	83,055	-	-	-	-	-	-
Total Defined Benefit Cost	90,480	26,541	28,384	30,231	31,914	33,569	35,317
C. Change in the Present Value of Defined Benefit Obligation							
Expected Present Value of Defined Benefit Obligation as at January 1	84,474	174,954	201,495	229,879	255,043	273,431	295,495
Current Service Cost	3,370	19,543	20,324	21,137	21,983	22,862	23,777
Past Service Cost	-	-	-	-	-	-	-
Interest Cost	4,055	6,998	8,060	9,094	9,931	10,707	11,541
Benefits Paid	-	-	-	(5,087)	(13,526)	(11,505)	(13,953)
Net Actuarial Loss/(Gain)	83,055	-	-	-	-	-	-
Present Value of Defined Benefit Obligation as at December 31	174,954	201,495	229,879	255,043	273,431	295,495	316,859

* based on expected benefits to be paid to those eligible for benefits

** The 2014 year end rates were adjusted to reflect the actual benefit rate levels for 2015 provided by the Corporation.

*** Projected CY2015 to CY2020 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

PowerStream Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
EXECUTIVE EMPLOYEES
FINAL

	CY 2014	Projected *** CY 2015	Projected *** CY 2016	Projected *** CY 2017	Projected *** CY 2018	Projected *** CY 2019	Projected *** CY 2020
Discount Rate at January 1	4.80%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31 **	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Ultimate Rate	7.00%	6.86%	6.31%	5.97%	5.63%	5.29%	4.94%
Year Ultimate Rate Reached	2021	2021	2021	2021	2021	2021	2021
Dental Benefit Cost Trend Rate at December 31 **	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
Salary Scale Rate	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
Assumed Increase in Employer Contributions	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
	actuals	expected *	expected *	expected *	expected *	expected *	expected *
D. Calculation of Component Items							
Service Cost							
- Current Service Cost	3,370	19,543	20,324	21,137	21,983	22,862	23,777
- Past Service Cost	-	-	-	-	-	-	-
Interest Cost							
- Net Defined Benefit Liability/(Asset) as at January 1	84,474	174,954	201,495	229,879	255,043	273,431	295,495
- Benefits Paid	-	-	-	(2,534)	(6,763)	(5,753)	(6,976)
- Accrued Benefits	84,474	174,954	201,495	227,346	248,280	267,678	288,518
- Interest Cost	4,055	6,998	8,060	9,094	9,931	10,707	11,541
Expected Present Value of Defined Benefit Obligation as at December 31							
- Present Value of Defined Benefit Obligation as at January 1	84,474	174,954	201,495	229,879	255,043	273,431	295,495
- Current Service Cost	3,370	19,543	20,324	21,137	21,983	22,862	23,777
- Past Service Cost	-	-	-	-	-	-	-
- Interest Cost	4,055	6,998	8,060	9,094	9,931	10,707	11,541
- Benefits Paid	-	-	-	(2,534)	(6,763)	(5,753)	(6,976)
Expected Present Value of Defined Benefit Obligation as at December 31							
- Expected Present Value of Defined Benefit Obligation	91,899	201,495	229,879	255,043	273,431	295,495	318,859
E. Net Actuarial Loss/(Gain)							
Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31							
- Expected Present Value of Defined Benefit Obligation	91,899	201,495	229,879	255,043	273,431	295,495	318,859
- Past Service Cost	-	-	-	-	-	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	91,899	201,495	229,879	255,043	273,431	295,495	318,859
- Actual Present Value of Defined Benefit Obligation	174,954	201,495	229,879	255,043	273,431	295,495	318,859
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	83,055	-	-	-	-	-	-

*** based on expected benefits to be paid to those eligible for benefits
** The 2014 year end rates were adjusted to reflect the actual benefit rate levels for 2015 provided by the Corporation.

*** Projected CY2015 to CY2020 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

PowerStream Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
MANAGEMENT EMPLOYEES
FINAL

	CY 2014	Projected *** CY 2015	Projected *** CY 2016	Projected *** CY 2017	Projected *** CY 2018	Projected *** CY 2019	Projected *** CY 2020
Discount Rate at January 1	4.80%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31 **	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Initial Rate							
Ultimate Rate	7.00%	6.86%	6.31%	5.97%	5.63%	5.29%	4.94%
Year Ultimate Rate Reached	2021	2021	2021	2021	2021	2021	2021
Denial Benefit Cost Trend Rate at December 31 **	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%
Salary Scale Rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Assumed Increase in Employer Contributions	actuals	expected *	expected *	expected *	expected *	expected *	expected *
A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet							
Net Defined Benefit Liability/(Asset) as at January 1	3,294,466	3,421,115	3,930,555	4,457,589	4,999,044	5,540,336	6,074,403
Defined Benefit Cost Recognized in Income Statement	440,998	535,660	571,643	608,881	647,049	685,751	724,791
Defined Benefit Cost Recognized in Other Comprehensive Income	(314,049)	(26,220)	(44,809)	(87,426)	(105,758)	(151,683)	(202,125)
Benefits Paid by the Employer							
Net Defined Benefit Liability/(Asset) as at December 31	3,421,115	3,930,555	4,457,589	4,999,044	5,540,336	6,074,403	6,597,069
B. Determination of Defined Benefit Cost							
B1. Determination of Defined Benefit Cost Recognized in Income Statement							
Service Cost							
- Current Service Cost	282,563	399,340	415,313	431,926	449,203	467,171	485,858
- Past Service Cost							
Net Interest Cost	158,134	136,320	156,330	176,955	197,847	218,580	238,934
Defined Benefit Cost Recognized in Income Statement	440,698	535,660	571,643	608,881	647,049	685,751	724,791
B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income							
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(467,211)	-	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	17,795	-	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	135,368	-	-	-	-	-	-
Return on Plan Assets (excluding amounts included in net interest cost)		-	-	-	-	-	-
Change in effect of asset ceiling	-	-	-	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(314,049)	-	-	-	-	-	-
Total Defined Benefit Cost	126,649	535,660	571,643	608,881	647,049	685,751	724,791
C. Change in the Present Value of Defined Benefit Obligation							
Expected Present Value of Defined Benefit Obligation as at January 1	3,294,466	3,421,115	3,930,555	4,457,589	4,999,044	5,540,336	6,074,403
Current Service Cost	282,563	399,340	415,313	431,926	449,203	467,171	485,858
Past Service Cost							
Interest Cost	158,134	136,320	156,330	176,955	197,847	218,580	238,934
Benefits Paid		(26,220)	(44,809)	(87,426)	(105,758)	(151,683)	(202,125)
Net Actuarial Loss/(Gain)	(314,049)	-	-	-	-	-	-
Present Value of Defined Benefit Obligation as at December 31	3,421,115	3,930,555	4,457,589	4,999,044	5,540,336	6,074,403	6,597,069

* based on expected benefits to be paid to those eligible for benefits

** The 2014 year end rates were adjusted to reflect the actual benefit rate levels for 2015 provided by the Corporation

*** Projected CY2015 to CY2020 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

PowerStream Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
MANAGEMENT EMPLOYEES
FINAL

	CY 2014	Projected *** CY 2015	Projected *** CY 2016	Projected *** CY 2017	Projected *** CY 2018	Projected *** CY 2019	Projected *** CY 2020
Discount Rate at January 1	4.80%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31 **	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Initial Rate	7.00%	6.66%	6.31%	5.97%	5.63%	5.29%	4.94%
Year Ultimate Rate Reached	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%
Dental Benefit Cost Trend Rate at December 31 **	2021	2021	2021	2021	2021	2021	2021
Salary Scale Rate	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%
Assumed Increase in Employer Contributions	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
	actuals	expected *	expected *	expected *	expected *	expected *	expected *
D. Calculation of Component Items							
Service Cost	282,563	399,340	415,313	431,926	449,203	467,171	485,858
- Current Service Cost							
- Past Service Cost							
Interest Cost							
- Net Defined Benefit Liability/(Asset) as at January 1	3,294,466	3,421,115	3,930,555	4,457,589	4,999,044	5,540,336	6,074,403
- Benefits Paid	-	(13,110)	(22,305)	(33,713)	(52,879)	(75,842)	(101,063)
- Accrued Benefits	3,294,466	3,408,005	3,908,250	4,423,876	4,946,165	5,464,494	5,973,340
- Interest Cost	158,134	136,320	156,330	176,955	197,847	218,580	238,934
Expected Present Value of Defined Benefit Obligation as at December 31							
- Present Value of Defined Benefit Obligation as at January 1	3,294,466	3,421,115	3,930,555	4,457,589	4,999,044	5,540,336	6,074,403
- Current Service Cost	282,563	399,340	415,313	431,926	449,203	467,171	485,858
- Past Service Cost	-	-	-	-	-	-	-
- Interest Cost	158,134	136,320	156,330	176,955	197,847	218,580	238,934
- Benefits Paid	-	(26,220)	(44,609)	(67,426)	(105,756)	(151,683)	(202,125)
Expected Present Value of Defined Benefit Obligation as at December 31	3,735,164	3,930,555	4,457,589	4,999,044	5,540,336	6,074,403	6,597,069
E. Net Actuarial Loss/(Gain)							
Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31							
- Expected Present Value of Defined Benefit Obligation	3,735,164	3,930,555	4,457,589	4,999,044	5,540,336	6,074,403	6,597,069
- Past Service Cost	-	-	-	-	-	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	3,735,164	3,930,555	4,457,589	4,999,044	5,540,336	6,074,403	6,597,069
- Actual Present Value of Defined Benefit Obligation	3,421,115	3,930,555	4,457,589	4,999,044	5,540,336	6,074,403	6,597,069
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	(314,049)	-	-	-	-	-	-

* based on expected benefits to be paid to those eligible for benefits

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PowerStream Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
RETIREES
FINAL

	CY 2014	Projected *** CY 2015	Projected *** CY 2016	Projected *** CY 2017	Projected *** CY 2018	Projected *** CY 2019	Projected *** CY 2020
Discount Rate at January 1	4.80%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31 **	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Ultimate Rate							
Year Ultimate Rate Reached	7.00%	6.86%	6.31%	5.97%	5.63%	5.29%	4.94%
Dental Benefit Cost Trend Rate at December 31 **	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
Salary Scale Rate	2021	2021	2021	2021	2021	2021	2021
Assumed Increase in Employer Contributions	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
	actuals	expected *	expected *	expected *	expected *	expected *	expected *
A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet							
Net Defined Benefit Liability/(Asset) as at January 1	4,800,493	6,779,812	6,704,273	6,644,045	6,587,274	6,548,019	6,525,481
Defined Benefit Cost Recognized in Income Statement	327,913	361,445	362,665	364,408	366,724	369,879	373,715
Defined Benefit Cost Recognized in Other Comprehensive Income	1,950,405	-	-	-	-	-	-
Benefits Paid by the Employer	(289,000)	(436,984)	(422,893)	(421,179)	(405,979)	(382,417)	(367,163)
Net Defined Benefit Liability/(Asset) as at December 31	6,779,812	6,704,273	6,644,045	6,587,274	6,548,019	6,525,481	6,512,033
B. Determination of Defined Benefit Cost							
B1. Determination of Defined Benefit Cost Recognized in Income Statement							
Service Cost							
- Current Service Cost	104,666	98,992	102,952	107,070	111,353	115,807	120,439
- Past Service Cost	-	-	-	-	-	-	-
Net Interest Cost	223,248	262,453	259,713	257,338	255,371	254,072	253,276
Defined Benefit Cost Recognized in Income Statement	327,913	361,445	362,665	364,408	366,724	369,879	373,715
B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income							
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(620,753)	-	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(15,091)	-	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	2,586,250	-	-	-	-	-	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-	-	-	-	-	-
Change in effect of asset ceiling	-	-	-	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	1,950,405	-	-	-	-	-	-
Total Defined Benefit Cost	2,278,319	361,445	362,665	364,408	366,724	369,879	373,715
C. Change in the Present Value of Defined Benefit Obligation							
Expected Present Value of Defined Benefit Obligation as at January 1	4,800,493	6,779,812	6,704,273	6,644,045	6,587,274	6,548,019	6,525,481
Current Service Cost	104,666	98,992	102,952	107,070	111,353	115,807	120,439
Past Service Cost	-	-	-	-	-	-	-
Interest Cost	223,248	262,453	259,713	257,338	255,371	254,072	253,276
Benefits Paid	(299,000)	(436,984)	(422,893)	(421,179)	(405,979)	(382,417)	(367,163)
Net Actuarial Loss/(Gain)	1,950,405	-	-	-	-	-	-
Present Value of Defined Benefit Obligation as at December 31	6,779,812	6,704,273	6,644,045	6,587,274	6,548,019	6,525,481	6,512,033

* based on expected benefits to be paid to those eligible for benefits

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PowerStream Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
RETIREES
FINAL

	CY 2014	Projected *** CY 2015	Projected *** CY 2016	Projected *** CY 2017	Projected *** CY 2018	Projected *** CY 2019	Projected *** CY 2020
Discount Rate at January 1	4.80%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Discount Rate at December 31	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31 **							
Initial Rate							
Ultimate Rate	7.00%	6.66%	6.31%	5.97%	5.63%	5.29%	4.94%
Year Ultimate Rate Reached	4.80%	4.60%	4.50%	4.40%	4.30%	4.20%	4.10%
Dental Benefit Cost Trend Rate at December 31 **	2021	2021	2021	2021	2021	2021	2021
Salary Scale Rate	4.80%	4.60%	4.50%	4.40%	4.30%	4.20%	4.10%
Assumed Increase in Employer Contributions	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
actuals		expected *	expected *	expected *	expected *	expected *	expected *
D. Calculation of Component Items							
Service Cost							
- Current Service Cost	104,666	98,992	102,952	107,070	111,353	115,807	120,439
- Past Service Cost							
Interest Cost							
- Net Defined Benefit Liability/(Asset) as at January 1							
- Benefits Paid	4,800,493	6,779,812	6,704,273	6,644,045	6,587,274	6,548,019	6,525,481
- Accrued Benefits	(148,500)	(218,492)	(211,447)	(210,590)	(202,990)	(196,208)	(183,581)
- Interest Cost	4,650,993	6,561,320	6,492,826	6,433,455	6,384,284	6,351,810	6,331,900
	223,248	262,453	259,713	257,338	255,371	254,072	253,276
Expected Present Value of Defined Benefit Obligation as at December 31							
- Present Value of Defined Benefit Obligation as at January 1							
- Current Service Cost	4,800,493	6,779,812	6,704,273	6,644,045	6,587,274	6,548,019	6,525,481
- Past Service Cost	104,666	98,992	102,952	107,070	111,353	115,807	120,439
- Interest Cost	223,248	262,453	259,713	257,338	255,371	254,072	253,276
- Benefits Paid	(269,000)	(436,894)	(422,893)	(421,179)	(405,979)	(392,417)	(387,163)
Expected Present Value of Defined Benefit Obligation as at December 31	4,859,406	6,704,273	6,644,045	6,587,274	6,548,019	6,525,481	6,512,033
E. Net Actuarial Loss/(Gain)							
Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31							
- Expected Present Value of Defined Benefit Obligation	4,829,406	6,704,273	6,644,045	6,587,274	6,548,019	6,525,481	6,512,033
- Past Service Cost							
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	4,829,406	6,704,273	6,644,045	6,587,274	6,548,019	6,525,481	6,512,033
- Actual Present Value of Defined Benefit Obligation	6,778,812	6,704,273	6,644,045	6,587,274	6,548,019	6,525,481	6,512,033
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	1,950,406						

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PowerStream Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
UNION EMPLOYEES
FINAL

	CY 2014	Projected *** CY 2015	Projected *** CY 2016	Projected *** CY 2017	Projected *** CY 2018	Projected *** CY 2019	Projected *** CY 2020
Discount Rate at January 1	4.80%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31 **	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Initial Rate							
Ultimate Rate	7.00%	6.66%	6.31%	5.97%	5.63%	5.29%	4.94%
Year Ultimate Rate Reached	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
Dental Benefit Cost Trend Rate at December 31 **	2021	2021	2021	2021	2021	2021	2021
Salary Scale Rate	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
Assumed Increase in Employer Contributions	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
actuals		expected *	expected *	expected *	expected *	expected *	expected *
A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet							
Net Defined Benefit Liability/(Asset) as at January 1	10,903,340	6,986,543	7,635,500	8,297,987	8,951,560	9,598,955	10,235,400
Defined Benefit Cost Recognized in Income Statement	1,282,874	761,384	806,085	851,637	897,683	944,214	991,053
Defined Benefit Cost Recognized in Other Comprehensive Income	(5,199,671)	(112,427)	(143,589)	(198,064)	(250,287)	(307,769)	(371,545)
Benefits Paid by the Employer							
Net Defined Benefit Liability/(Asset) as at December 31	6,986,543	7,635,500	8,297,987	8,951,560	9,598,955	10,235,400	10,854,908
B. Determination of Defined Benefit Cost							
B1. Determination of Defined Benefit Cost Recognized in Income Statement							
Service Cost							
- Current Service Cost	759,514	484,171	503,537	523,679	544,626	566,411	589,068
- Past Service Cost	-	-	-	-	-	-	-
Net Interest Cost	523,360	277,213	302,548	327,858	353,057	377,803	401,985
Defined Benefit Cost Recognized in Income Statement	1,282,874	761,384	806,085	851,637	897,683	944,214	991,053
B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income							
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(1,041,537)	-	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	11,371	-	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(4,169,505)	-	-	-	-	-	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-	-	-	-	-	-
Change in effect of asset ceiling	-	-	-	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(5,199,671)	-	-	-	-	-	-
Total Defined Benefit Cost	(3,816,797)	761,384	806,085	851,637	897,683	944,214	991,053
C. Change in the Present Value of Defined Benefit Obligation							
Expected Present Value of Defined Benefit Obligation as at January 1	10,903,340	6,986,543	7,635,500	8,297,987	8,951,560	9,598,955	10,235,400
Current Service Cost	759,514	484,171	503,537	523,679	544,626	566,411	589,068
Interest Cost	-	-	-	-	-	-	-
Benefits Paid	523,360	277,213	302,548	327,858	353,057	377,803	401,985
Net Actuarial Loss/(Gain)	(5,199,671)	(112,427)	(143,589)	(198,064)	(250,287)	(307,769)	(371,545)
Present Value of Defined Benefit Obligation as at December 31	6,986,543	7,635,500	8,297,987	8,951,560	9,598,955	10,235,400	10,854,908

* based on expected benefits to be paid to those eligible for benefits

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PowerStream Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
UNION EMPLOYEES
FINAL

	CY 2014	Projected *** CY 2015	Projected *** CY 2016	Projected *** CY 2017	Projected *** CY 2018	Projected *** CY 2019	Projected *** CY 2020
Discount Rate at January 1	4.80%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31 **	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Initial Rate							
Ultimate Rate	7.00%	6.66%	6.31%	5.97%	5.63%	5.29%	4.94%
Year Ultimate Rate Reached	2021	2021	2021	2021	2021	2021	2021
Dental Benefit Cost Trend Rate at December 31 **	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%
Salary Scale Rate	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%
Assumed Increase in Employer Contributions	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
	actuals	expected **	expected **	expected **	expected **	expected **	expected **
D. Calculation of Component Items							
Service Cost	759,514	484,171	503,537	523,679	544,626	566,411	589,068
- Current Service Cost							
- Past Service Cost							
Interest Cost							
- Net Defined Benefit Liability/(Asset) as at January 1							
- Benefits Paid	10,903,340	6,986,543	7,635,500	8,297,987	8,951,560	9,598,855	10,235,400
- Accrued Benefits		(56,213)	(71,789)	(99,032)	(125,144)	(153,885)	(185,772)
- Interest Cost		6,930,330	7,563,701	8,180,855	8,826,416	9,445,070	10,049,628
	523,360	277,213	302,548	327,958	353,057	377,803	401,985
Expected Present Value of Defined Benefit Obligation as at December 31							
- Present Value of Defined Benefit Obligation as at January 1	10,903,340	6,986,543	7,635,500	8,297,987	8,951,560	9,598,855	10,235,400
- Current Service Cost	759,514	484,171	503,537	523,679	544,626	566,411	589,068
- Interest Cost							
- Benefits Paid	523,360	277,213	302,548	327,958	353,057	377,803	401,985
- Expected Present Value of Defined Benefit Obligation as at December 31	12,186,214	(112,427)	(143,599)	(188,064)	(250,287)	(307,769)	(371,545)
E. Net Actuarial Loss/(Gain)							
Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31							
- Expected Present Value of Defined Benefit Obligation	12,186,214	7,635,500	8,297,987	8,951,560	9,598,855	10,235,400	10,854,908
- Past Service Cost							
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	12,186,214	7,635,500	8,297,987	8,951,560	9,598,855	10,235,400	10,854,908
- Actual Present Value of Defined Benefit Obligation	6,986,543	7,635,500	8,297,987	8,951,560	9,598,855	10,235,400	10,854,908
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	(5,199,671)						

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PowerStream Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
TOTAL
FINAL

	CY 2014	Projected *** CY 2015	Projected *** CY 2016	Projected *** CY 2017	Projected *** CY 2018	Projected *** CY 2019	Projected *** CY 2020
Discount Rate at January 1	4.80%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Discount Rate at December 31	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31 **							
Initial Rate							
Ultimate Rate	7.00%	6.66%	6.31%	5.97%	5.63%	5.29%	4.94%
Year Ultimate Rate Reached	2021	2021	2021	2021	2021	2021	2021
Dental Benefit Cost Trend Rate at December 31 **	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
Salary Scale Rate	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
Assumed Increase in Employer Contributions	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
actuals		expected *	expected *	expected *	expected *	expected *	expected *
A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet							
Net Defined Benefit Liability/(Asset) as at January 1	19,082,773	17,362,424	18,471,823	19,629,500	20,792,921	21,960,740	23,130,778
Defined Benefit Cost Recognized in Income Statement	2,058,910	1,685,029	1,768,778	1,855,157	1,943,370	2,033,413	2,124,876
Defined Benefit Cost Recognized in Other Comprehensive Income	(3,480,259)	(575,630)	(811,101)	(691,736)	(775,551)	(883,375)	(974,785)
Benefits Paid by the Employer	(298,000)						
Net Defined Benefit Liability/(Asset) as at December 31	17,362,424	18,471,823	19,629,500	20,792,921	21,960,740	23,130,778	24,280,870
B. Determination of Defined Benefit Cost							
B1. Determination of Defined Benefit Cost Recognized in Income Statement							
Service Cost							
- Current Service Cost	1,150,113	1,002,045	1,042,127	1,083,812	1,127,164	1,172,251	1,219,141
- Past Service Cost	908,787	682,984	726,651	771,345	816,206	861,162	905,735
Net Interest Cost	2,058,910	1,685,029	1,768,778	1,855,157	1,943,370	2,033,413	2,124,876
Defined Benefit Cost Recognized in Income Statement							
B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income							
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(2,132,166)	-	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	16,378	-	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(1,364,471)	-	-	-	-	-	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-	-	-	-	-	-
Change in effect of asset ceiling	-	-	-	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(3,480,259)						
Total Defined Benefit Cost	(1,421,350)	1,685,029	1,768,778	1,855,157	1,943,370	2,033,413	2,124,876
C. Change in the Present Value of Defined Benefit Obligation							
Expected Present Value of Defined Benefit Obligation as at January 1	19,082,773	17,362,424	18,471,823	19,629,500	20,792,921	21,960,740	23,130,778
Current Service Cost	1,150,113	1,002,045	1,042,127	1,083,812	1,127,164	1,172,251	1,219,141
Interest Cost							
Benefits Paid	908,787	682,984	726,651	771,345	816,206	861,162	905,735
Net Actuarial Loss/(Gain)	(3,480,259)	(575,630)	(811,101)	(691,736)	(775,551)	(883,375)	(974,785)
Present Value of Defined Benefit Obligation as at December 31	17,362,424	18,471,823	19,629,500	20,792,921	21,960,740	23,130,778	24,280,870

* based on expected benefits to be paid to those eligible for benefits

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PowerStream Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
TOTAL
FINAL

	CY 2014	Projected *** CY 2015	Projected *** CY 2016	Projected *** CY 2017	Projected *** CY 2018	Projected *** CY 2019	Projected *** CY 2020
Discount Rate at January 1	4.80%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31 **	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Initial Rate							
Ultimate Rate	7.00%	6.88%	6.31%	5.97%	5.63%	5.28%	4.94%
Year Ultimate Rate Reached	2021	2021	2021	2021	2021	2021	2021
Dental Benefit Cost Trend Rate at December 31 **	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
Salary Scale Rate	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
Assumed Increase in Employer Contributions	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Actuals		expected *	expected *	expected *	expected *	expected *	expected *
D. Calculation of Component Items							
Service Cost							
- Current Service Cost	1,150,113	1,002,045	1,042,127	1,083,812	1,127,164	1,172,251	1,219,141
- Past Service Cost							
Interest Cost							
- Net Defined Benefit Liability/(Asset) as at January 1							
- Benefits Paid	19,082,773	17,382,424	18,471,823	19,629,500	20,792,921	21,960,740	23,130,778
- Accrued Benefits	(149,500)	(287,815)	(305,550)	(345,868)	(387,775)	(431,688)	(487,393)
- Interest Cost	18,933,273	17,074,609	18,166,273	19,283,632	20,405,146	21,529,053	22,643,366
	908,797	682,984	726,651	771,345	816,206	861,162	905,735
Expected Present Value of Defined Benefit Obligation as at December 31							
- Present Value of Defined Benefit Obligation as at January 1	19,082,773	17,382,424	18,471,823	19,629,500	20,792,921	21,960,740	23,130,778
- Current Service Cost	1,150,113	1,002,045	1,042,127	1,083,812	1,127,164	1,172,251	1,219,141
- Interest Cost							
- Benefits Paid	908,797	682,984	726,651	771,345	816,206	861,162	905,735
- Expected Present Value of Defined Benefit Obligation as at December 31	(299,000)	(575,650)	(611,101)	(691,738)	(775,551)	(863,375)	(974,785)
	20,842,683	18,471,823	19,629,500	20,792,921	21,960,740	23,130,778	24,280,870
E. Net Actuarial Loss/(Gain)							
Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31							
- Expected Present Value of Defined Benefit Obligation	20,842,683	18,471,823	19,629,500	20,792,921	21,960,740	23,130,778	24,280,870
- Past Service Cost							
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	20,842,683	18,471,823	19,629,500	20,792,921	21,960,740	23,130,778	24,280,870
- Actual Present Value of Defined Benefit Obligation	17,382,424	18,471,823	19,629,500	20,792,921	21,960,740	23,130,778	24,280,870
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	(3,460,259)						

* based on expected benefits to be paid to those eligible for benefits

** The 2014 year end rates were adjusted to reflect the actual benefit rate levels for 2015 provided by the Corporation.

2015 Actuarial Report

PowerStream Inc.
Estimated Benefit Expense (IAS 19)
TOTAL
FINAL

	CY 2015	Projected * CY 2016
Discount Rate at January 1	4.00%	4.00%
Discount Rate at December 31	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31	6.66%	6.31%
Dental Benefit Cost Trend Rate at December 31	4.60%	4.60%
Salary Scale Rate	3.50%	3.50%
Assumed Increase in Employer Contributions	actuals	expected **

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	17,362,424	18,308,585
Defined Benefit Cost Recognized in Income Statement	1,688,886	1,720,186
Defined Benefit Cost Recognized in Other Comprehensive Income	(359,928)	-
Benefits Paid by the Employer	(382,797)	(611,101)
Net Defined Benefit Liability/(Asset) as at December 31	18,308,585	19,417,671

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	1,002,045	1,000,065
Interest Cost	686,841	720,121
Defined Benefit Cost Recognized in Income Statement	1,688,886	1,720,186

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-
Net Actuarial Loss/(Gain) arising from Corrections ***	(359,928)	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(359,928)	-
Total Defined Benefit Cost	1,328,958	1,720,186

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	17,362,424	18,308,585
Current Service Cost	1,002,045	1,000,065
Interest Cost	686,841	720,121
Benefits Paid	(382,797)	(611,101)
Net Actuarial Loss/(Gain)	(359,928)	-
Present Value of Defined Benefit Obligation as at December 31	18,308,585	19,417,671

* Projected CY 2016 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefits cost, or significant swings in demographics may require a full actuarial review.

** Based on expected benefits to be paid to those eligible for benefits.

*** Corrections in attribution period calculation for certain individuals

PowerStream Inc.
Estimated Benefit Expense (IAS 19)
TOTAL
FINAL

	CY 2015	Projected * CY 2016
Discount Rate at January 1	4.00%	4.00%
Discount Rate at December 31	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31	6.66%	6.31%
Dental Benefit Cost Trend Rate at December 31	4.60%	4.60%
Salary Scale Rate	3.50%	3.50%
Assumed Increase in Employer Contributions	actuals	expected **

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	17,362,424	18,308,585
Benefits Paid	(191,398)	(305,550)
Accrued Benefits	17,171,026	18,003,035
Interest Cost	686,841	720,121

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	17,362,424	18,308,585
Current Service Cost	1,002,045	1,000,065
Benefits Paid	(382,797)	(611,101)
Interest Cost	686,841	720,121
Expected Present Value of Defined Benefit Obligation as at December 31	18,668,513	19,417,671

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	18,668,513	19,417,671
Actual Present Value of Defined Benefit Obligation	18,308,585	19,417,671
Net Actuarial Loss/(Gain) as at December 31	(359,928)	-

* Projected CY 2016 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

** Based on expected benefits to be paid to those eligible for benefits.

*** Corrections in attribution period calculation for certain individuals

2016 Actuarial Report

COLLINS BARROW TORONTO
ACTUARIAL SERVICES

POWERSTREAM INC.

Report on the Actuarial Valuation of
Post-Retirement Non-Pension Benefits

As at December 31, 2016

February 1, 2017 – Final

Clarity Defined.™
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EXECUTIVE SUMMARY

PURPOSE

Collins Barrow Toronto Actuarial Services Inc. was engaged by PowerStream Inc. (the "Corporation") to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2016. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards (the "IFRS") guidelines for post-retirement non-pension benefits as outlined in the International Accounting Standard IAS 19 – Employee Benefits ("IAS 19") in effect January 1, 2016. IAS 19 was first applied to the Corporation with effect from January 1, 2012.

The most recent full valuation was prepared as at December 31, 2014 based on the then appropriate assumptions and in accordance with IAS 19.

The purpose of this valuation is threefold:

- i) To determine the Corporation's liabilities in respect of post-retirement non-pension benefits at December 31, 2016;
- ii) To determine the expense to be recognized in the income statement for fiscal year 2016; and
- iii) To provide all other pertinent information necessary for compliance with IAS 19.

The intended users of this report include the Corporation and its auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.

SUMMARY OF KEY RESULTS

The key results of this actuarial valuation as at December 31, 2016 with comparative results from the previous valuation as at December 31, 2014 are shown below:

	December 31, 2014 (\$000's)	December 31, 2016 (\$000's)
Present Value of Defined Benefit Obligation (PV DBO)		
a) People in receipt of benefits	6,780	8,448
b) Fully eligible actives	5,544	6,352
c) Not fully eligible actives	<u>5,038</u>	<u>5,501</u>
Total PV DBO	17,362	20,301

	CY 2014 (\$000's)	CY 2016 (\$000's)
Current Service Cost:	1,002	1,003
Past Service Cost	-	(1,176)
Net Interest Cost:	683	719
Defined Benefit Cost Recognized in Income Statement:	1,685	547
Defined Benefit Cost Recognized in Other Comprehensive Income		2,091

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by PowerStream Inc. (the "Corporation") as at December 31, 2016, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards, we hereby certify that, in our opinion, for the purposes stated in the Executive Summary:

1. The data on which the valuation is based is sufficient and reliable;
2. The assumptions employed, as outlined in this report, have been selected by the Corporation as management's best estimate assumptions (no provision for adverse deviations) and we express no opinion on them;
3. All known legal and constructive obligations with respect to the post-retirement non-pension benefits sponsored by and identified by the Corporation are included in the calculations; and
4. This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We are not aware of any subsequent events after December 31, 2016 that would have a significant effect on our valuation.

The latest date on which the next actuarial valuation should be performed is December 31, 2019. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

COLLINS BARROW TORONTO ACTUARIAL SERVICES INC.



Stanley Caravaggio, FSA FCIA
Senior Manager



Matthew Haymes
Consultant

Toronto, Ontario

February 1, 2017

SECTION A— VALUATION RESULTS

Table A - 1 shows the key valuation results for the prior valuation and the current valuation. Also included is a breakdown of the results by company, i.e. PowerStream Energy Services (PES), PowerStream Inc. (PI), and PowerStream Solar (PS).

Table A - 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown an increase/decrease in the health and dental claims cost trend rates by 1% per annum, and an increase/decrease in the discount rate by 1% per annum.

Table A - 3 presents the development of changes in the present value of defined benefit obligation as a result of re-measurement at December 31, 2016.

VALUATION RESULTS

Table A.1—Valuation Results
(in thousands of dollars)

	December 31, 2014	December 31, 2016
1. Present Value of Defined Benefit Obligation		
a) People in receipt of benefits	6,780	8,448
b) Fully eligible actives	5,544	6,352
c) Not fully eligible actives	<u>5,038</u>	<u>5,501</u>
Total PV DBO	17,362	20,301

	CY 2014	CY 2016
2. Defined Benefit Cost		
a) Current Service Cost	1,002	1,003
b) Past Service Cost	-	(1,176)
c) Interest Cost	<u>683</u>	<u>719</u>
Defined Benefit Cost Recognized in Income Statement	1,685	547
Actuarial (Gains)/Losses		2,091
Defined Benefit Cost Recognized in Other Comprehensive Income		2,091
Total Defined Benefit Cost		2,637
3. Benefit Payments	576	647

The benefit payments for CY 2016 are based on the estimated payments to be made for those eligible for benefits as provided by the Corporation.

In addition, as requested, the table below provides a breakdown of the valuation results at December 31, 2016 between the different reporting entities, i.e. PES, PI, and PS.

	PowerStream Energy Services (\$)	PowerStream Inc. (\$)	PowerStream Solar (\$)
Present Value of Defined Benefit Obligation	6,052	20,288,899	6,006
Defined Benefit Cost Recognized in Income	2,909	537,626	6,006
Defined Benefit Cost Recognized in Other Comprehensive Income	1,040	2,089,688	-

SENSITIVITY ANALYSIS

Table A.2—Sensitivity Analysis

	PowerStream Energy Services		
	PV DBO at December 31, 2016	Current Service Cost CY 2017	Interest Cost CY 2017
Valuation Results	6,052	4,865	251
Discount Rate +1%	4,899	3,911	240
Discount Rate – 1%	7,593	6,144	220
1% Higher Trend Rate	6,780	5,543	264
1% Lower Rate Trend	5,424	4,294	212

	PowerStream Inc.		
	PV DBO at December 31, 2016	Current Service Cost CY 2017	Interest Cost CY 2017
Valuation Results	20,288,899	1,123,792	781,526
Discount Rate +1%	17,850,044	934,711	855,250
Discount Rate – 1%	23,321,578	1,368,306	664,843
1% Higher Trend Rate	22,321,769	1,334,761	855,106
1% Lower Rate Trend	18,582,106	954,886	709,259

	PowerStream Solar		
	PV DBO at December 31, 2016	Current Service Cost CY 2017	Interest Cost CY 2017
Valuation Results	6,006	2,024	241
Discount Rate +1%	4,964	1,689	243
Discount Rate – 1%	7,368	2,459	214
1% Higher Trend Rate	6,582	2,218	257
1% Lower Rate Trend	5,497	1,852	214

DEVELOPMENT OF CHANGES IN THE DEFINED BENEFIT OBLIGATION

**Table A.3—Development of Changes in the Present Value of Defined Benefit Obligation
(in thousands of dollars)**

PV DBO at December 31, 2015	18,311
2016 Current Service Cost	1,003
2016 Past Service Cost	(1,176)
2016 Benefit Payments	(647)
2016 Interest Cost	719
Expected PV DBO at December 31, 2016	18,210
Actuarial (Gain)/Loss at December 31, 2016	2,091
PV DBO at December 31, 2016	20,301

The increase indicated above of \$2,091,000 in the PV DBO from the expected PV DBO at December 31, 2016 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

- A change in the health and dental benefit cost level assumptions (an increase of approximately \$2,237,000)
- A change in the discount rate assumption (an increase of approximately \$268,000)
- A change in the withdrawal rate assumption (an increase of approximately \$5,000)
- A change in the mortality improvement assumption (a decrease of approximately \$32,000)
- Deviations from the expected demographic changes due to factors such as the difference between expected and actual group experience, changes in coverage type, changes in employee status, and new hires (a decrease of approximately \$387,000)

Pursuant to IAS 19, the re-measurement of the PV DBO at December 31, 2016 based on the changes in the assumptions and experience is recognized immediately as an adjustment to other comprehensive income at December 31, 2016.

The Past Service Cost above reflects a net gain of \$1,176,000 in 2016 due to changes occurring to the benefit provisions for union employees as well as the benefit provisions for union employees who were employees of a former amalgamated hydro. More specifically, the employer's cost sharing proportion for retiring union employees was increased from 75% to 80% and employees who were with previous former hydros have been reclassified, and all now fall under the single current union agreement and benefit provisions with PowerStream. Pursuant to IAS 19, the Past Service Cost for 2016 is recognized immediately as an expense on the income statement for 2016.

SECTION B— PLAN PARTICIPANTS

Table B – 1 sets out the summary information with respect to the plan participants valued in the report, along with comparisons to the participants in the previous valuation at December 31, 2014.

Table B – 2 reconciles the number of participants in the last valuation to the number of participants in the current valuation.

PARTICIPANT DATA

Table B.1—Participant Data

Membership data as at November 30, 2016 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

Although data provided reflected status and benefit information as at November 30, 2016, any changes in status and other member data occurring from November 30 to December 31 are not expected to be material to the valuation results.

We have reviewed the data and compared it to the data used in the prior valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of hire prior to date of birth
- Salaries less than \$20,000 per year, or greater than \$250,000 per year
- Ages under 18 or over 100
- Abnormal levels of benefits and/or premiums
- Duplicate records

In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

Active Employees

	December 31, 2014			December 31, 2016		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Number of Employees	341	172	513	321	167	488
Average Length of Service	14.6	15.0	14.8	14.8	16.1	15.2

Count as of December 31, 2016

Age Band	Active Lives - Not Fully Eligible			Active Lives - Fully Eligible		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30	47	7	54	-	-	-
30 - 35	48	19	67	-	-	-
36 - 40	23	21	44	-	-	-
41 - 45	27	10	37	-	-	-
46 - 50	41	33	74	-	-	-
51 - 55	49	36	85	11	6	17
56 - 60	15	9	24	35	17	52
61 - 65	11	1	12	10	8	18
66 - 70	-	-	-	4	-	4
71 - 75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
Total	261	136	397	60	31	91

Average Service as of December 31, 2016

Age Band	Active Lives - Not Fully Eligible			Active Lives - Fully Eligible		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30	4.0	4.8	4.1	-	-	-
30 - 35	5.6	6.2	5.8	-	-	-
36 - 40	6.7	7.8	7.2	-	-	-
41 - 45	10.4	12.9	11.1	-	-	-
46 - 50	18.6	18.1	18.4	-	-	-
51 - 55	23.7	20.3	22.3	28.3	33.0	30.0
56 - 60	10.2	10.2	10.2	27.7	22.8	26.1
61 - 65	9.9	11.8	10.1	27.6	27.7	27.6
66 - 70	-	-	-	30.9	-	30.9
71 - 75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
Total	11.8	13.8	12.5	28.0	26.0	27.3

People in Receipt of Benefits (includes people on LTD)

	December 31, 2014			December 31, 2016		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Number of Members	146	48	194	164	55	219

As of December 31, 2016 Age Band	Expected Annual Benefit Payments for 2017		
	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30	-	-	-
30-35	-	-	-
36-40	-	-	-
41-45	-	-	-
46-50	-	-	-
51-55	9,979	-	9,979
56-60	148,207	14,712	162,919
61-65	113,812	44,518	158,330
66-70	52,467	9,081	61,549
71-75	31,687	13,553	45,240
Greater than 75	117,798	36,331	154,129
Total	473,951	118,195	592,146

PARTICIPATION RECONCILIATION

Table B.2—Participation Reconciliation

	Actives	LTD	Retirees
<i>As at December 31, 2014</i>	513	6	188
New Entrants	29		
LTD	(2)	2	
Terminated	(18)		
Deceased			(11)
Retired	(34)		34
Correction in Data			
As at December 31, 2016	488	8	211
PowerStream Energy Services	4	-	-
PowerStream Inc.	482	8	211
PowerStream Solar	2	-	-

SECTION C— SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

ACTUARIAL METHOD

The aim of an actuarial valuation of post-retirement non-pension benefits is to provide a reasonable and systematic allocation of the cost of these future benefits to the years in which the related employees' services are rendered. To accomplish this, it is necessary to:

- make assumptions as to the discount rates, salary rate increases, mortality and other decrements;
- use these assumptions to calculate the present value of the expected future benefits; and
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment.

The Present Value of the Defined Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19 when future salary levels or cost escalation affect the amount of the employee's future benefits. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to post-retirement non-pension benefits under the plan and ends on the date when further service by the employee will lead to no material amount of further post-retirement non-pension benefits under the plan, other than from further salary increases.

For each employee not yet fully eligible for benefits, the Present Value of the Defined Benefit Obligation is equal to the present value of expected future benefits multiplied by the ratio of the years of service to the valuation date to the total years of service in the attribution period. The Current Service Cost is equal to the present value of expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period.

For health and dental benefits, the Corporation has selected the premium rates charged to retirees as management's best estimate of the benefits costs to be incurred. The total monthly premium rates, inclusive of premium taxes, used are as follows:

	Health Premiums		Dental Premiums	
	Single Coverage	Family Coverage	Single Coverage	Family Coverage
Former Richmond Hill, Vaughan	\$ 151.47	\$ 185.77	\$ 64.08	\$ 325.19
Former Markham	\$ 153.13	\$ 328.76	\$ 64.08	\$ 185.87
PowerStream and Former Barrie	\$ 134.68	\$ 315.46	\$ 55.36	\$ 164.42

The above premium rates were provided by the Corporation and represent the rates at 100%, prior to any cost-sharing provisions, effective as of December 31, 2016.

The PV DBO at December 31, 2016 is based on membership data and management's best estimate assumptions at December 31, 2016.

MANAGEMENT'S BEST ESTIMATE ASSUMPTIONS

The following are management's best estimate economic and demographic assumptions as at December 31, 2016.

ECONOMIC ASSUMPTIONS

Consumer Price Index

The consumer price index is assumed to be 2.00% per annum.

This assumption remains unchanged from the previous valuation.

Discount Rate

The rate used to discount future benefits is assumed to be 3.90% per annum. This rate reflects the market interest rates at the measurement date on high quality debt instruments with consideration given to the timing and amount of projected benefit payments.

The assumption used in the previous valuation was 4.00% per annum as at December 31, 2014.

Salary Increase Rate

The rate used to increase salaries is assumed to be 3.50% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion adjusted for company specific information.

This assumption remains unchanged from the previous valuation.

Claims Cost Trend Rate

The rates used to project benefits costs into the future are as follows:

End of Year	Current Valuation		Previous Valuation	
	Health	Dental	Health	Dental
2016	6.31%	4.60%	6.31%	4.60%
2017	5.97%	4.60%	5.97%	4.60%
2018	5.63%	4.60%	5.63%	4.60%
2019	5.29%	4.60%	5.29%	4.60%
2020	4.94%	4.60%	4.94%	4.60%
2021	4.60%	4.60%	4.60%	4.60%
2022	4.60%	4.60%	4.60%	4.60%
2023	4.60%	4.60%	4.60%	4.60%
2024 and Thereafter	4.60%	4.60%	4.60%	4.60%

Expenses and Taxes

We have assumed 10% of benefits is required for the cost of sponsoring the program for life insurance.
We have assumed taxes and expenses are included in the premium rates for health and dental benefits.

These assumptions remain unchanged from the previous valuation.

SECTION D— SUMMARY OF POST-RETIREMENT BENEFITS

The following is a summary of the plan provisions that are pertinent to this valuation, based on information provided by and discussions with the Corporation.

GOVERNING DOCUMENTS

The program is governed by the following documents:

- Collective Agreement between PowerStream Inc. and Power Workers Union CUPE Local 1000, effective April 1, 2016.
- SunLife group benefit packages effective December 1, 2014 for the following employee classes:
 - Class D – PowerStream Early Retirees
 - Class C – Former Vaughan Hydro Management Retirees Under Age 65
 - Class C1 – Former Vaughan Hydro Union Retirees Over Age 65
 - Class F – Former Vaughan Hydro Union Retirees Under Age 65
 - Class F1 – Former Vaughan Hydro Union Retirees Age 65 and Over

What follows is only a summary of the post retirement non-pension benefits program. For a complete description, please refer to the above-noted document.

PARTICIPANT CONTRIBUTIONS

The Corporation shall pay 100% of the cost of the life insurance, health and dental benefits for all eligible retirees who retain their retiree benefit coverage according to the plan at their respective former hydro unless otherwise noted below.

- For Union employees retiring after July 16, 2010 but before April 1, 2016, 75% of the cost of health, and dental benefits will be paid by the Corporation.
- For Union employees retiring after April 1, 2016, 80% of the cost of health, and dental benefits will be paid by the Corporation.
- For Former Barrie hydro employees who retired after May 6, 2002 75% of the cost of health, and dental benefits will be paid by the Corporation.

PAST SERVICE

Past service is defined as continuous service prior to joining the plan if the participant was employed by another local distribution company prior to joining the Corporation.

LENGTH OF SERVICE

Length of service is defined as continuous service from the date of hire to the valuation date, measured in years and months.

SUMMARY OF BENEFITS

Union Benefits

All current Union employees are eligible for post-retirement life insurance, health, and dental benefits if they have a minimum of 15 years of consecutive service and retire with an OMERS pension.

All eligible employees are entitled to post-retirement life insurance benefits in the amount of 50% of the salary at retirement, declining 2.5% each year to 25% of the salary at retirement for life.

All eligible employees are entitled to post-retirement health and dental benefits. Coverage ends at 65.

Former Hydro Vaughan Distribution Inc. Employees

All former Vaughan employees are eligible for post-retirement life insurance, health, and dental benefits if they had a minimum of 12 years of consecutive service at Hydro Vaughan Distribution Inc. on May 25, 2005 (date of signing the Collective Agreement).

All eligible employees are entitled to post-retirement life insurance of a \$10,000 flat coverage amount, and health and dental benefits for life.

Former Markham Hydro Inc. Retirees

All eligible retirees are entitled to post-retirement life insurance benefits for life according to the following table, and post-retirement health and dental benefits coverage to age 65:

Class A – retire with less than 10 years of service	\$2,000
Class B – retire with 10 or more years of service but not in the Superseded Plan	50% of final annual earnings, reducing by 2.5% of final annual earnings each retirement anniversary, to a minimum of 25% of final annual earnings
Class C – was in the Superseded Plan	50% of final average earnings

Former Richmond Hill Hydro Inc. Retirees

All eligible retirees are entitled to post-retirement life insurance benefits for life according to the following table, and post-retirement health and dental benefits coverage to age 65:

Retiree hired prior to 1984	100% of basic earning at retirement subject to a maximum of \$100,000 reduced to \$50,000 at age 70.
Retiree hired after 1983 with more than 10 years of service	100% of basic earnings at retirement. Amount insured is reduced by 5% per year for 10 years. Benefit after 10 years is 50% of basis earnings at retirement.
Retiree hired after 1983 with less than 10 years of service	\$2,000

Former Aurora Hydro Connections Limited Retirees

All eligible retirees are entitled to post-retirement life insurance benefits according to the following table, which continues for life:

Plan Option	Amount of Coverage	Eligibility
1	Flat \$2,000.	If employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings reducing by 2.5% of final annual earnings each year thereafter for 10 years, to a final benefit equal to 25.0% of final annual earnings. Reduction occurs on anniversary date of retirement.	If employee was ever insured under Employee Plan options 2, 3 or 4, or if employee retires with 10 or more years of service in Plan but was never in superseded plan.
3	50% of final annual earnings.	If employee was insured under superseded plan and was hired on or after May 1, 1967 and elected coverage under Option 1 only.
4	70% of the final amount insured for under the life plan immediately prior to retirement.	If employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under Option 1 only.
5	Amount of retirement insurance coverage in force under superseded plan grandfathered.	Frozen group of insured whose retirement occurred under superseded plan prior to transfer to Great West Life.

Former Barrie Hydro Distribution Inc. Retirees

All eligible retirees are entitled to post-retirement life insurance benefits for life according to the following table, and post-retirement health and dental benefits coverage to age 65:

Plan Option	Amount of Coverage	Eligibility
1	Flat \$2,000.	If employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings reducing by 2.5% of final annual earnings each year thereafter for 10 years, to a final benefit equal to 25.0% of final annual earnings. Reduction occurs on anniversary date of retirement.	If employee was ever insured under Employee Plan options 2, 3 or 4, or if employee retires with 10 or more years of service in Plan but was never in superseded plan.
3	50% of final annual earnings.	If employee was insured under superseded plan and was hired on or after May 1, 1967 and elected coverage under Option 1 only.
4	70% of the final amount insured for under the life plan immediately prior to retirement.	If employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under Option 1 only.
5	Amount of retirement insurance coverage in force under superseded plan grandfathered.	Frozen group of insured whose retirement occurred under superseded plan prior to transfer to Great West Life.

A detailed description of the health and dental benefits covered under the post-retirement non-pension benefits can be found in the above-noted governing documents.

SECTION E— EMPLOYER CERTIFICATION

**Post-Retirement Non-Pension Benefit Plan
of PowerStream Inc.
Actuarial Valuation as at December 31, 2016**

I hereby confirm as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of PowerStream Inc. that, to the best of my knowledge and belief, for the purposes of the valuation:

- i) the membership data summarized in Section B is accurate and complete;
- ii) the assumptions upon which this report is based as summarized in Section C, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and
- iii) the summary of Plan Provisions in Section D is an accurate and complete summary of the terms of the Plan in effect on December 31, 2016.

POWERSTREAM INC.

Date Jan 31/17

Signature C Young

Name Carolyn Young

Title SVP Finance

Powerstream - Solar
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

	Actual CY 2016	Projected ** Jan 1 - Jan 31 2017	Projected ** Feb 1 - Dec 31 2017	Projected ** CY 2018
Discount Rate at January 1	N/A	3.90%	3.90%	3.90%
Discount Rate at December 31	3.90%	3.90%	3.90%	3.90%
Health Benefit Cost Trend Rate at December 31				
Initial Rate	5.97%	5.83%	5.83%	5.28%
Ultimate Rate	4.80%	4.80%	4.80%	4.80%
Year Ultimate Rate Reached	2021	2021	2021	2021
Dental Benefit Cost Trend Rate	4.80%	4.80%	4.80%	4.80%
Salary Scale Rate	3.50%	3.50%	3.50%	3.50%
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	-	6,006	6,194	8,271
Defined Benefit Cost Recognized in Income Statement	6,006	188	2,077	2,425
Defined Benefit Cost Recognized in Other Comprehensive Income	-	-	-	-
Benefits Paid by the Employer	-	-	-	-
Net Defined Benefit Liability/(Asset) as at December 31	6,006	6,194	8,271	10,696

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost	-	189	1,855	2,103
- Current Service Cost	-	-	-	-
- Past Service Cost *	6,006	-	-	-
Net Interest Cost	-	20	221	323
Defined Benefit Cost Recognized in Income Statement	6,006	188	2,077	2,425

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	-	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-	-	-
Change in effect of asset ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	-	-	-	-
Total Defined Benefit Cost	6,006	188	2,077	2,425

* Past Service costs reflect a transfer of employees from Powerstream Inc. to Powerstream-Solar

** Projected CY 2017, and CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant savings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

Powerstream - Solar
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

	Actual CY 2016	Projected ** Jan 1 - Jan 31 2017	Projected ** Feb 1 - Dec 31 2017	Projected ** CY 2018
Discount Rate at January 1	N/A	3.90%	3.90%	3.90%
Discount Rate at December 31	3.90%	3.90%	3.90%	3.90%
Health Benefit Cost Trend Rate at December 31				
Initial Rate	5.97%	5.63%	5.63%	5.29%
Ultimate Rate	4.60%	4.60%	4.60%	4.60%
Year Ultimate Rate Reached	2021	2021	2021	2021
Dental Benefit Cost Trend Rate	4.60%	4.60%	4.60%	4.60%
Salary Scale Rate	3.50%	3.50%	3.50%	3.50%
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***	expected ***

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	-	6,006	6,194	8,271
Current Service Cost	-	169	1,855	2,103
Past Service Cost *	6,006	-	-	-
Interest Cost	-	20	221	323
Benefits Paid	-	-	-	-
Net Actuarial Loss/(Gain)	-	-	-	-
Present Value of Defined Benefit Obligation as at December 31	6,006	6,194	8,271	10,696

D. Calculation of Component Items

Service Cost				
- Current Service Cost	-	169	1,855	2,103
- Past Service Cost *	6,006	-	-	-
Interest Cost				
- Net Defined Benefit Liability/(Asset) as at January 1	-	6,006	6,194	8,271
- Benefits Paid	-	-	-	-
- Accrued Benefits	-	6,006	6,194	8,271
- Interest Cost	-	20	221	323
Expected Present Value of Defined Benefit Obligation as at December 31	-	6,194	8,271	10,696
- Present Value of Defined Benefit Obligation as at January 1	-	6,006	6,194	8,271
- Current Service Cost	-	169	1,855	2,103
- Interest Cost	-	20	221	323
- Benefits Paid	-	-	-	-
- Expected Present Value of Defined Benefit Obligation as at December 31	-	6,194	8,271	10,696

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31				
- Expected Present Value of Defined Benefit Obligation	-	6,194	8,271	10,696
- Past Service Cost *	6,006	-	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	6,006	6,194	8,271	10,696
- Actual Present Value of Defined Benefit Obligation	6,006	6,194	8,271	10,696
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	-	-	-	-

* Past Service costs reflect a transfer of employees from Powerstream Inc. to Powerstream-Solar

** Projected CY 2017, and CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

Powerstream - PES
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

	Actual CY 2016*	Projected *** Jan 1 - Jan 31 2017	Projected *** Feb 1 - Dec 31 2017	Projected *** CY 2018
Discount Rate at January 1	4.00%	3.90%	3.90%	3.90%
Discount Rate at December 31	3.90%	3.90%	3.90%	3.90%
Health Benefit Cost Trend Rate at December 31				
Initial Rate	5.97%	5.63%	5.63%	5.29%
Ultimate Rate	4.60%	4.60%	4.60%	4.60%
Year Ultimate Rate Reached	2021	2021	2021	2021
Dental Benefit Cost Trend Rate	4.60%	4.60%	4.60%	4.60%
Salary Scale Rate	3.50%	3.50%	3.50%	3.50%
Assumed Increase in Employer Contributions	actuals	expected ****	expected ****	expected ****

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	2,103	6,052	6,477	11,169
Defined Benefit Cost Recognized in Income Statement	2,909	425	4,692	5,491
Defined Benefit Cost Recognized in Other Comprehensive Income	1,040	-	-	-
Benefits Paid by the Employer	-	-	-	-
Net Defined Benefit Liability/(Asset) as at December 31	6,052	6,477	11,169	16,659

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost				
- Current Service Cost	2,590	405	4,460	5,055
- Past Service Cost**	235	-	-	-
Net Interest Cost	84	20	232	436
Defined Benefit Cost Recognized in Income Statement	2,909	425	4,692	5,491

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	705	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(14)	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	349	-	-	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-	-	-
Change in effect of asset ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	1,040	-	-	-
Total Defined Benefit Cost	3,949	425	4,692	5,491

* The CY 2016 defined benefit cost is based on the December 31, 2015 PV DBO and management's best estimate assumptions at December 31, 2015

** Past Service costs reflect changes to the benefit provisions for union employees

*** Projected CY 2017, and CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review

**** Based on expected benefits to be paid to those eligible for benefits

Powerstream - PES
ESTIMATED FBENEFIT EXPENSE (IAS 19)
FINAL

	Actual CY 2016*	Projected *** Jan 1 - Jan 31 2017	Projected *** Feb 1 - Dec 31 2017	Projected *** CY 2018
Discount Rate at January 1	4.00%	3.90%	3.90%	3.90%
Discount Rate at December 31	3.90%	3.90%	3.90%	3.90%
Health Benefit Cost Trend Rate at December 31				
Initial Rate	5.97%	5.63%	5.63%	5.29%
Ultimate Rate	4.60%	4.60%	4.60%	4.60%
Year Ultimate Rate Reached	2021	2021	2021	2021
Dental Benefit Cost Trend Rate	4.60%	4.60%	4.60%	4.60%
Salary Scale Rate	3.50%	3.50%	3.50%	3.50%
Assumed Increase in Employer Contributions	actuals	expected ****	expected ****	expected ****

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	2,103	6,052	6,477	11,169
Current Service Cost	2,580	405	4,460	5,055
Past Service Cost**	235	-	-	-
Interest Cost	84	20	232	436
Benefits Paid	-	-	-	-
Net Actuarial Loss/(Gain)	1,040	-	-	-
Present Value of Defined Benefit Obligation as at December 31	6,052	6,477	11,169	16,659

D. Calculation of Component Items

Service Cost				
- Current Service Cost	2,580	405	4,460	5,055
- Past Service Cost **	235	-	-	-
Interest Cost				
- Net Defined Benefit Liability/(Asset) as at January 1	2,103	6,052	6,477	11,169
- Benefits Paid	-	-	-	-
- Accrued Benefits	2,103	6,052	6,477	11,169
- Interest Cost	84	20	232	436
Expected Present Value of Defined Benefit Obligation as at December 31				
- Present Value of Defined Benefit Obligation as at January 1	2,103	6,052	6,477	11,169
- Current Service Cost	2,580	405	4,460	5,055
- Interest Cost	84	20	232	436
- Benefits Paid	-	-	-	-
- Expected Present Value of Defined Benefit Obligation as at December 31	4,777	6,477	11,169	16,659

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31				
- Expected Present Value of Defined Benefit Obligation	4,777	6,477	11,169	16,659
- Past Service Cost **	235	-	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	5,012	6,477	11,169	16,659
- Actual Present Value of Defined Benefit Obligation	6,052	6,477	11,169	16,659
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	1,040	-	-	-

* The CY 2016 defined benefit cost is based on the December 31, 2015 PV DBO and management's best estimate assumptions at December 31, 2015

** Past Service costs reflect changes to the benefit provisions for union employees

*** Projected CY 2017, and CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review

**** Based on expected benefits to be paid to those eligible for benefits

Powerstream
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

	Actual CY 2016*	Projected *** Jan 1 - Jan 31 2017	Projected *** Feb 1 - Dec 31 2017	Projected *** CY 2018
Discount Rate at January 1	4.00%	3.90%	3.90%	3.90%
Discount Rate at December 31	3.90%	3.90%	3.90%	3.90%
Health Benefit Cost Trend Rate at December 31				
Initial Rate	5.97%	5.63%	5.63%	5.29%
Ultimate Rate	4.60%	4.60%	4.60%	4.60%
Year Ultimate Rate Reached	2021	2021	2021	2021
Dental Benefit Cost Trend Rate	4.60%	4.60%	4.60%	4.60%
Salary Scale Rate	3.50%	3.50%	3.50%	3.50%
Assumed Increase in Employer Contributions	actuals	expected ****	expected ****	expected ****

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	18,308,585	20,288,869	20,382,385	21,402,268
Defined Benefit Cost Recognized in Income Statement	537,626	159,481	1,745,836	1,940,440
Defined Benefit Cost Recognized in Other Comprehensive Income	2,089,688	-	-	-
Benefits Paid by the Employer	(847,000)	(65,994)	(725,936)	(871,418)
Net Defined Benefit Liability/(Asset) as at December 31	20,288,869	20,382,385	21,402,268	22,471,308

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost				
- Current Service Cost	1,000,065	93,649	1,030,142	1,122,744
- Past Service Cost **	(1,181,842)	-	-	-
Net Interest Cost	719,403	65,832	715,894	817,998
Defined Benefit Cost Recognized in Income Statement	537,626	159,481	1,745,836	1,940,440

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	2,504,732	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(26,920)	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(388,124)	-	-	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-	-	-
Change in effect of asset ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	2,089,688	-	-	-
Total Defined Benefit Cost	2,627,314	159,481	1,745,836	1,940,440

* The CY 2016 defined benefit cost is based on the December 31, 2015 PV DBO and management's best estimate assumptions at December 31, 2015.

** Past Service costs reflect a transfer of employees from Powerstream Inc. to Powerstream-Solar as well as changes to the benefit provisions for union employees and changes to the benefit provisions for employees of former hydros.

*** Projected CY 2017, and CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

**** Based on expected benefits to be paid to those eligible for benefits.

Powerstream
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

	Actual CY 2016*	Projected *** Jan 1 - Jan 31 2017	Projected *** Feb 1 - Dec 31 2017	Projected *** CY 2018
Discount Rate at January 1	4.00%	3.90%	3.90%	3.90%
Discount Rate at December 31	3.90%	3.90%	3.90%	3.90%
Health Benefit Cost Trend Rate at December 31				
Initial Rate	5.97%	5.63%	5.63%	5.29%
Ultimate Rate	4.60%	4.60%	4.60%	4.60%
Year Ultimate Rate Reached	2021	2021	2021	2021
Dental Benefit Cost Trend Rate	4.60%	4.60%	4.60%	4.60%
Salary Scale Rate	3.50%	3.50%	3.50%	3.50%
Assumed Increase in Employer Contributions	actuals	expected ****	expected ****	expected ****

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	18,308,585	20,288,899	20,382,385	21,402,286
Current Service Cost	1,000,065	93,849	1,030,142	1,122,744
Past Service Cost **	(1,181,842)	-	-	-
Interest Cost	719,403	65,832	715,894	817,696
Benefits Paid	(647,000)	(65,994)	(725,936)	(871,418)
Net Actuarial Loss/(Gain)	2,089,688	-	-	-
Present Value of Defined Benefit Obligation as at December 31	<u>20,288,899</u>	<u>20,382,385</u>	<u>21,402,286</u>	<u>22,471,308</u>

D. Calculation of Component Items

Service Cost				
- Current Service Cost	1,000,065	93,849	1,030,142	1,122,744
- Past Service Cost **	(1,181,842)	-	-	-
Interest Cost				
- Net Defined Benefit Liability/(Asset) as at January 1	18,308,585	20,288,899	20,382,385	21,402,286
- Benefits Paid	(323,500)	(32,997)	(362,968)	(435,709)
- Accrued Benefits	17,985,085	20,255,902	20,019,417	20,966,577
- Interest Cost	719,403	65,832	715,894	817,696
Expected Present Value of Defined Benefit Obligation as at December 31				
- Present Value of Defined Benefit Obligation as at January 1	18,308,585	20,288,899	20,382,385	21,402,286
- Current Service Cost	1,000,065	93,849	1,030,142	1,122,744
- Interest Cost	719,403	65,832	715,894	817,696
- Benefits Paid	(647,000)	(65,994)	(725,936)	(871,418)
- Expected Present Value of Defined Benefit Obligation as at December 31	<u>19,381,053</u>	<u>20,382,385</u>	<u>21,402,286</u>	<u>22,471,308</u>

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31				
- Expected Present Value of Defined Benefit Obligation	19,381,053	20,382,385	21,402,286	22,471,308
- Past Service Cost **	(1,181,842)	-	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	<u>18,199,211</u>	<u>20,382,385</u>	<u>21,402,286</u>	<u>22,471,308</u>
- Actual Present Value of Defined Benefit Obligation	20,288,899	20,382,385	21,402,286	22,471,308
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	<u>2,089,688</u>	<u>-</u>	<u>-</u>	<u>-</u>

* The CY 2016 defined benefit cost is based on the December 31, 2015 PV DBO and management's best estimate assumptions at December 31, 2015.

** Past Service costs reflect a transfer of employees from Powerstream Inc. to Powerstream-Solar as well as changes to the benefit provisions for union employees and changes to the benefit provisions for employees of former hydrex.

*** Projected CY 2017, and CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant savings in demographics may require revised projections or a full actuarial review.

**** Based on expected benefits to be paid to those eligible for benefits.

Attachment 9-18

ERZ Actuarial Reports
(2013 to 2016)

2013 Actuarial Report



**POST-RETIREMENT BENEFITS FOR EMPLOYEES OF
ENERSOURCE CORPORATION**

ACTUARIAL VALUATION AS AT DECEMBER 31, 2013

Prepared January 2014

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INTRODUCTION

PURPOSE

Enersource Corporation (the "Corporation") retained the services of Morneau Shepell Ltd. to perform a valuation of post-retirement benefits as at December 31, 2013. The previous valuation was performed as at January 1, 2011. This valuation was performed in accordance with International Reporting Financial Standards IAS 19, as revised in June 2011 ("IAS 19R") and the report presents the results of our valuation.

We determined the accrued benefit obligation and net benefit costs (i.e. the expense) for the following post-retirement benefits (the "Plan"):

- health benefits,
- dental benefits,
- life insurance benefits, and
- retirement gift.

This report was prepared for the Corporation for the following purposes:

- to determine the accrued benefit obligation for post-retirement benefits as at December 31, 2013;
- to determine the net benefit cost to be recognized for financial statement purposes for the fiscal year ending December 31, 2013 ("Fiscal 2013");
- to estimate the accrued benefit obligation for post-retirement benefits as at December 31, 2014;
- to estimate the net benefit cost to be recognized for financial statement purposes for the fiscal year ending December 31, 2014 ("Fiscal 2014"); and
- to provide the information and the actuarial opinion required by the Corporation's auditor.

RESULTS

The following tables present the Fiscal 2013 net benefit cost and the December 31, 2013 accrued benefit liability, under IAS 19R. Further details are provided in Appendix G.

INCOME STATEMENT ITEMS

	Estimate Fiscal 2014	Fiscal 2013
Current service cost	\$324,600	\$376,000
Net interest cost	284,800	259,900
Expense or income recognized in profit and loss	\$609,400	\$635,900
Amount recognized in OCI	0	(1,246,800)
Defined benefit cost	\$609,400	(\$610,900)

CALCULATION OF ACCRUAL

	Estimate December 31, 2014	December 31, 2013
Opening balance	\$5,822,100	\$6,674,000
Expense for the year	609,400	635,900
Estimated benefit payments	(301,000)	(241,000)
Amount recognized in OCI	0	(1,246,800)
Closing balance	\$6,130,500	\$5,822,100

There are no assets associated with the post-retirement benefits.

ELIGIBILITY, PROVISIONS AND ASSUMPTIONS

ELIGIBILITY FOR BENEFITS

The following table summarizes the eligibility for post-retirement benefits and if eligible, the percentage of any premium paid by the retiree:

Group	Extended Healthcare	Dental	Life
Retirees who retired before April 1, 2006*	100%	100%	Nil
Current and future retirees retiring after April 1, 2006			
• with less than 15 years of service	50%	50%	Nil
• with 15 or more years of service	25%	25%	Nil

The premiums paid by retirees are different than those for active employees.

* There are 28 retirees in this closed category in total, one which is under age 65 at the time of this valuation. For the purposes of our valuation, we valued this member as if he retired after April 1, 2006 with less than 15 years of service.

CHANGES IN PLAN PROVISIONS

There were no significant changes to plan provisions. However, the Corporation does provide a monetary gift for retirees. As discussed with the Corporation, this benefit was included in our valuation.

The obligation for the retirement gift was determined to be \$102,000 at December 31, 2013. We recognized this obligation through plan experience, thereby going through Other Comprehensive Income ("OCI"), not through the Profit or Loss statement (as this benefit always existed but was not valued).

The plan provisions are summarized in Appendix D of this report.

DISABLED EMPLOYEES

As at December 31, 2013, two employees were on disability. These employees were valued as actives for valuation purposes.

We understand the following:

- The Corporation is fully insured for long term disability income benefits
- Health and dental benefits are provided for only the initial three years of disability. The Corporation pays 100% of the premium in year one and two, but in year three the employee pays 100% of the premium.
- There is a life insurance premium waiver for members on disability.

ASSUMPTIONS

The actuarial assumptions and methods on which the calculations were based can be found in Appendix A.

Certain assumptions as at the valuation date differ from those adopted in the prior fiscal period. The table below summarizes the impact of the changes in assumptions and demographics:

ABO at December 31, 2013 (before assumption and demographic changes)	\$7,068,900*
Change in demographics and program refinements	(406,900)
Change in claim costs and trend rates	581,300
Change in mortality table	(211,600)
Change in take up rates	(321,400)
Change in percentage electing family coverage	(125,800)
Change in discount rate (from 3.75% to 4.75%)	(864,400)
Addition of retirement gift obligation	102,000
ABO at December 31, 2013 (after assumption and demographic changes)	\$5,822,100

** Reflects the change in 2013 current service cost from the estimated \$544,000, as shown in our January 2013 accounting report, to \$376,000.*

VALUATION DETAILS

STATEMENT OF FINANCIAL POSITION

The financial position of a post-retirement benefit plan is determined by comparing the value of assets to the actuarial liability (also known as the accrued benefit obligation), assuming the plan continues indefinitely. The Corporation's Plan is unfunded, as are most post-retirement benefits plans in Canada. Therefore, there are no assets associated with the Corporation's Plan.

The following table provides a breakdown of the accrued benefit obligation as at December 31, 2013. These figures are based on the plan provisions as summarized in Appendix D.

Appendix A provides the actuarial assumptions and the methodology used to determine the accrued benefit obligation. A discount rate of 4.75% per annum was used. A summary of the membership data can be found in Appendix C.

TOTAL ACCRUED BENEFIT OBLIGATION AS AT DECEMBER 31, 2013

	Extended Health (\$)	Dental (\$)	Life Insurance (\$)	Retirement Gift (\$)	Total (\$)
Actives	2,103,000	474,200	1,063,800	102,000	3,743,000
Retirees	388,500	104,700	1,585,900	0	2,079,100
Total	2,491,500	578,900	2,649,700	102,000	5,822,100

ACTUARIAL OPINION

With respect to the post-retirement benefits for employees of Enersource Corporation, we performed a valuation as at December 31, 2013, based on data as at the valuation date and plan provisions as summarized in Appendix D.

With respect to the Corporation's post-retirement benefits, I hereby certify that, in my opinion, as at December 31, 2013:

- These benefits are defined benefits for purposes of International Financial Reporting Standards ("IFRS") IAS 19R, as revised in June 2011 (IAS 19R).
- The valuation was performed in accordance with the standards of the Canadian Institute of Actuaries. The financial statement items resulting from the valuation and extrapolation thereof have been determined in accordance with my understanding of IAS 19R.
- The valuation was performed using best-estimate assumptions developed by the Corporation as at December 31, 2013 and I do not express any opinion on such assumptions. These assumptions are summarized in Appendix A.
- I confirmed with the Corporation that the plan provisions are up to date as at the date of this report. I am not aware of any events that could have a significant effect on the valuation or on the Corporation's financial statements.
- I am a member in good standing of the Canadian Institute of Actuaries. I understand that this report will be used for audit evidence and may be relied on under the terms of the CIA/CICA Joint Policy Statement as described in Section 1630 of the Canadian Institute of Actuaries Standards of Practice.
- I am, and Morneau Shepell Ltd. is, independent with respect to Enersource Corporation.

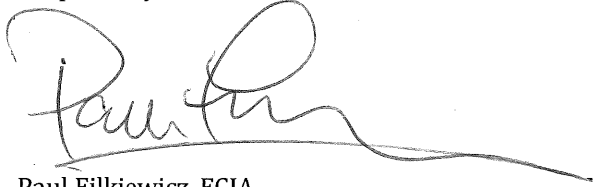
Furthermore, I hereby declare that in my opinion:

- The data upon which this valuation is based are sufficient and reliable for the purposes of the valuation; and
- This report has been prepared, and my opinion given, in accordance with generally accepted actuarial practice.

Emerging experience differing from assumptions will result in gains and losses which will be revealed in future valuations.

I am available, at your convenience, to provide you with any additional information that you may require.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Paul Filkiewicz', with a long horizontal flourish extending to the right.

Paul Filkiewicz, FCIA

MORNEAU SHEPELL LTD.
895 Don Mills Road,
Tower One
Toronto, Ontario
M3C 1W3

January 28, 2014

This report and any enclosures were peer reviewed by Richard M. Kular, FCIA

APPENDIX A – ACTUARIAL ASSUMPTIONS AND METHODS

ACTUARIAL ASSUMPTIONS

	December 31, 2013		
Economic Factors			
Discount rate for calculation of Accrued Benefit Obligation	4.75% per annum		
Salary Scale	3.0% per annum		
Dental Cost Trend Rates	4.0% per annum		
Extended Health Care Trend Rates	9.0% per annum; decreasing by 0.25% per annum to an ultimate rate of 5.0%		
Demographic Factors			
Retirement age	Age 60 and 10 years of service or immediate if older than 60 and 10 years of service		
Mortality	New Canadian Pensioner Private Sector Mortality Table		
Termination of employment (sample rates)		Age	%
		20	7.5
		25	5.0
		30	3.5
		35	3.5
		40	3.0
		45	1.5
		50	1.0
		55+	0.0
Full eligibility age – EHC & Dental	Hire Age		Eligibility Age
	Less than 45		Age 55 with 15 years of continuous service
	45-55		10 consecutive years of service
Full eligibility age – Life Insurance	Age 55 and 10 consecutive years of service but no later than age 60		
Disability	None		

ACTUARIAL ASSUMPTIONS (CONT'D)

Loadings - Administration – Health & Dental - Administration – Life - Premium Tax - Sales Tax	Implicit in claims information 8.0% 2.0% 8.0%
Age difference between retiree and spouse	Women are three years younger than men
Members electing coverage at retirement (Health and Dental) - Retirees with 10 to 14 years of service - Retirees with 15 or more years of service	80% 90%
Percentage electing family coverage - Current retirees - Future retirees	Current elected category 80% assumed to elect family coverage

The following table indicates the assumptions that changed from the prior valuation:

	Assumptions in Period Prior to Fiscal 2013
Extended Health Care Trend Rates	9.0% per annum; decreasing by 0.5% per annum to an ultimate rate of 5.0%
Mortality	Uninsured Pensioners Mortality Table (UP94) with adjustment Scale AA to 2020, Sex Distinct
Members electing coverage at retirement (Health and Dental) - Retirees with 10 to 14 years of service - Retirees with 15 or more years of service	85% 100%
Percentage electing family coverage Future retirees	Current elected category

In the tables above, all rates and percentages are annualized unless otherwise noted.

ACTUARIAL COST METHOD

For all active employees, the accrued benefit obligation and the current service cost were calculated using the projected unit credit method.

According to this method, the accrued benefit obligation is equal to the actuarial present value of all future benefits (net of retiree cost sharing), taking into account the assumptions described above, attributed over the period described below. The current service cost for a particular period is equal to the actuarial present value of benefits attributed to employees' services rendered in that period.

For each member who is at or beyond the full eligibility date, and for each pensioner, the accrued benefit obligation is determined as the actuarial present value of all future post-retirement benefits which will be paid on their behalf. There is no current service cost for these members.

ATTRIBUTION PERIOD METHODOLOGY

Under IAS 19R, the benefit obligation is attributed to periods of service under the plan's benefit formula. The level of benefits payable under the plan are not related to the period of an employees' service, however, service is a condition for benefit eligibility. This implies that benefits will be accrued for health and dental benefits over a period of up to 15 years and life insurance benefits over 10 years. These are the respective periods over which member can be eligible for benefits and the obligations for members are attributed on this basis. This is the same attribution methodology applied in the previous valuation.

Our valuation figures for the determination of the ABO at December 31, 2013 were based on the attribution of benefits to periods of service method as described here.

Attribution period for Health and Dental Benefits

Hire age	Attribution Period
Less than 40	Age 40 to 55
40 – 45	15 years from hire date
46 – 55	10 years from hire date
Above 55	No benefit entitlement

Attribution period for Life Insurance

Hire age	Attribution Period
Less than 45	Age 45 to 55
45 – 55	10 years from hire date
46 – 60	From hire date to age 60
Above 60	Fully accrued at hire date

The attribution methodology under IAS 19R was applied on a straight line basis.

APPENDIX B – COST OF BENEFITS

CALCULATION OF MEDICAL AND DENTAL COSTS

The steps that were undertaken to derive the claim costs for the valuation were as follows:

CLAIMS ANALYSIS:

- We reviewed the claims paid (as provided by the Corporation) in respect of retirees over the period April 1, 2011 to September 30, 2013.
- From the historical claims data, we derived the per-head average claim rates. In this analysis, historical data was trended to the present day with the most recent claims data receiving the highest weighting.
- The administration expenses and premium taxes were implicitly included in the claims provided by the Corporation. We then applied the retail sales tax of 8% to the historical claims (as per Appendix A).
- The loaded claim rates were then “aged” to reflect retiree claim patterns. The aging of claims reflects higher average health claims costs for retirees (and slightly lower retiree dental claim costs).
- Future claim cost levels were projected by applying the trend rate assumptions (as per Appendix A).
- Finally we assumed that the family cost for retirees is two times the cost of single coverage.

The following chart shows the estimated average Fiscal 2013 claim cost per covered retiree (inclusive of assumed loadings):

ESTIMATED AVERAGE ANNUAL RETIREE CLAIM COST – FISCAL 2013

	Extended Health	Dental
Single	\$1,742	\$641
Family	\$3,484	\$1,282

The total assumed Fiscal 2013 premiums (before any cost sharing) are tabled below:

TOTAL ASSUMED ANNUAL PREMIUM (INCLUDING TAXES) – FISCAL 2013

	Extended Health	Dental
Single	\$726	\$502
Family	\$1,982	\$1,263

Premiums were blended from premiums paid by current retirees.

The cost borne by the Corporation is in respect of the full retiree claim costs less the portion of the premium paid by the retirees, as tabled below:

ESTIMATED AVERAGE ANNUAL COST TO THE CORPORATION (PER RETIREE) – FISCAL 2013

	Extended Health	Dental
Less than 15 years of service		
Single	\$1,379	\$361
Family	\$2,493	\$592
15 or more years of service		
Single	\$1,561	\$487
Family	\$2,989	\$908

APPENDIX C – MEMBERSHIP DATA

DESCRIPTION OF MEMBERSHIP DATA

We based our valuation on active and retired participant data effective September 30, 2013 as supplied to us by the Corporation. Age and service were extrapolated to the valuation date of December 31, 2013.

We performed tests to verify reasonableness and internal consistency and are satisfied that the data is sufficient and reliable for the purposes of this valuation.

SUMMARY OF MEMBERSHIP DATA

ACTIVE MEMBERS

BY EXPECTED SERVICE AT RETIREMENT

		Total
Less than 15 years of service	Headcount	35
	Average Age	55.0 years
	Average Service	5.2 years
	Average 2013 Salary	\$ 93,000
15 or more years of service	Headcount	335
	Average Age	44.2 years
	Average Service	14.1 years
	Average 2013 Salary	\$ 83,000
Total	Headcount	370
	Average Age	45.2 years
	Average Service	13.2 years
	Average 2013 Salary	\$ 84,000

BY AGE AND SERVICE

	Service (years)								
		0-4	5-9	10-14	15-19	20-24	25-29	30+	Total
	20-24	9	-	-	-	-	-	-	9
	25-29	19	11	-	-	-	-	-	30
	30-34	13	27	4	-	-	-	-	44
	35-39	13	15	7	3	-	-	-	38
Age	40-44	11	15	11	2	4	-	-	43
	45-49	5	14	10	4	16	12	1	62
	50-54	12	10	10	4	12	16	2	66
	55-59	5	6	7	1	10	21	6	56
	60-64	-	1	1	1	4	8	4	19
	65+	-	-	-	-	1	-	2	3
	Total	87	99	50	15	47	57	15	370

RETIREES

BY BENEFITS TYPE

	Extended Health and Dental	Life insurance
Single coverage		
• Under 15 years of service	1	N/A
• 15 or more years of service	3	N/A
Family coverage		
• Under 15 years of service	2	N/A
• 15 or more years of service	20	N/A
Total	26	139
Average Life Insurance benefit		\$ 27,000
Average Age	60.4 years	72.4 years

BY AGE AND BENEFIT COVERAGE

	Extended Health and Dental	Life
<55	-	-
55-59	13	13
60-64	13	15
65-69	-	36
70+	-	75
Total	26	139

APPENDIX D – SUMMARY OF PLAN PROVISIONS

The following is a summary of the main provisions of the post-retirement benefits. We understand that all the benefits are fully insured. This summary was based on information provided by the Corporation.

Life Insurance

a) hired on or after April 1, 2000:	i) retire with less than 10 years of service – paid up life benefits of \$5,000 ii) retire with more than 10 years of service – paid up life benefits of \$10,000
b) hired prior to April 1, 2000 (future retirees):	i) if life option when active is “1”, then life insurance at retirement is 50% of final earnings ii) if life option when active is “2” or “3” or “4”, then life insurance at retirement is 50% of final earnings, reduced by 2.5% per annum following for ten years, to a minimum of 25% of final annual earnings.
c) hired prior to April 1, 2000 (current retirees):	i) retire with less than 10 years of service - paid up life benefits of \$2,000 ii) retiree with more than 10 years of service (and retire after March 1, 1980, i.e. was not under the “Superseded Plan”), then life insurance at retirement is 50% of final earnings, reduced by 2.5% per annum following for ten years, to a minimum of 25% of final annual earnings. iii) if was insured under the “Superseded Plan”, and elected option “1” prior to retirement, then 50% or 70% of the final annual earnings at retirement. iv) if was insured under the “Superseded Plan”, and elected option “2” or “3” or “4” prior to retirement, then 50% of the final annual earnings at retirement, reduced by 2.5% per annum to a minimum of 25% of final annual earnings

Dental	
Deductible	Nil
Coinsurance	Basic 80% Major 50%
Orthodontics	No benefit
Maximum	\$1,500/calendar year
Fee Guide	Current ODA
Recall	6 months
Survivor Benefit	Cease at the earlier of death or when the member reaches age 65

Health	
Deductible	Nil
Coinsurance	Drugs: 80% All Other Benefits: 100% Out of pocket maximum \$1,000 per person, thereafter 100%
Hospital	No semi-private or private
Drugs	Definition – Legally requires prescription No lifestyle drugs except erectile dysfunction Erectile dysfunction \$1,200/year
Private Duty Nursing	\$10,000/year
Paramedical services	\$500 per year for all paramedical services combined, including: Physiotherapist Psychologist Registered Massage Therapist Speech Pathology Chiropractor Naturopath Podiatrist Chiropodist Osteopath
Hearing Aids (excludes batteries)	\$525/60 months

Health (cont'd)

Vision Care	\$300/person/24 months Laser Eye Surgery Eyes Exams Included
Out of Country	No benefit
Survivor Benefit	Cease at the earlier of death or when the member reaches age 65

Retirement Gift

Retiring employees are given a monetary gift depending on service as follows:

<u>Service at retirement</u>	<u>Eligible annual benefit</u>
Less than 10 years	\$300
15 years	\$500
20 years	\$700
25 years	\$1,000
30 years	\$1,250
35 years	\$1,500
40 years	\$2,000

APPENDIX E – CASH FLOW PROJECTION

The following table presents the cash flow projection for the retirees for the 2 fiscal years following the valuation date. The assumptions used are the same as those shown in Appendix A. Members are assumed to terminate, die, and retire after the valuation date in accordance with the assumptions. We assume that there are no new active members to the plan; since the cash flow projection is in respect of the retiree group, this assumption does not materially impact the cash flow projection.

	Cashflows
Fiscal 2013	\$241,000
Projected Fiscal 2014	301,000
Projected Fiscal 2015	305,000

APPENDIX F – ACCOUNTING POLICIES

MEASUREMENT DATE

The Corporation uses a December 31st measurement date for valuing post-retirement benefits.

AMORTIZATION OF NET ACTUARIAL LOSS (GAIN) UNDER IAS 19R

Actuarial gains and losses arising in a year are immediately recognized in Other Comprehensive Income (“OCI”).

AMORTIZATION OF PAST SERVICE COSTS UNDER IAS 19R

Past service costs (if any) arising from a plan amendment are immediately recognized in the Profit or Loss statement.

APPENDIX G – ACCOUNTING SCHEDULE – IAS 19R

	Estimate 2014	2013	2012
Starting values			
Present value of obligation	5,822,100	6,674,000	5,743,000
Discount rate on obligation at BoP	4.75%	3.75%	4.25%
Discount rate on obligation at EoP	4.75%	4.75%	3.75%
Salary increase	3.00%	3.00%	3.00%
Current service cost	324,600	376,000	479,000
Estimated benefit payments	301,000	241,000	231,000
Past service costs	0	0	0
Exhibit I - Interest cost			
Opening balance	5,822,100	6,674,000	5,743,000
Current service cost	324,600	376,000	479,000
Estimated benefit payments (mid-year)	(150,500)	(120,500)	(115,500)
Total	<u>5,996,200</u>	<u>6,929,500</u>	<u>6,106,500</u>
Interest cost	<u>284,800</u>	<u>259,900</u>	<u>260,000</u>
Exhibit II - Actuarial experience on obligation			
Opening balance	5,822,100	6,674,000	5,743,000
Current service cost	324,600	376,000	479,000
Past service costs	0	0	0
Interest cost	284,800	259,900	260,000
Estimated benefit payments	(301,000)	(241,000)	(231,000)
Actuarial experience loss (gain)	<u>0</u>	<u>(1,246,800)</u>	<u>423,000</u>
Actual value at EoP	<u>6,130,500</u>	<u>5,822,100</u>	<u>6,674,000</u>
Exhibit III - Remeasurements of the net defined benefit liability			
Actuarial loss (gain) arising from plan experience	0	(304,900)	0
Actuarial loss (gain) arising from changes in demographic assumptions	0	(658,800)	0
Actuarial loss (gain) arising from changes in financial assumptions	0	(283,100)	423,000
Total amount recognized in OCI	<u>0</u>	<u>(1,246,800)</u>	<u>423,000</u>
Exhibit IV - Expense recognized			
Current service cost	324,600	376,000	479,000
Past service cost (including curtailment)	0	0	0
Loss (gain) on settlement	0	0	0
Service cost	<u>324,600</u>	<u>376,000</u>	<u>479,000</u>
Net interest cost on the net defined benefit liability (asset)	<u>284,800</u>	<u>259,900</u>	<u>260,000</u>
Expense (income) recognized in profit or loss	<u>609,400</u>	<u>635,900</u>	<u>739,000</u>

Exhibit V - Components of the defined benefit cost

Service cost	324,600	376,000	479,000
Net interest cost on the net defined benefit liability (asset)	284,800	259,900	260,000
Total amount recognized in OCI	<u>0</u>	<u>(1,246,800)</u>	<u>423,000</u>
Defined benefit cost	<u>609,400</u>	<u>(610,900)</u>	<u>1,162,000</u>

Exhibit VI - Calculation of accrual

Opening balance	5,822,100	6,674,000	5,743,000
Expense for the year	609,400	635,900	739,000
Estimated benefit payments	(301,000)	(241,000)	(231,000)
Total amount recognized in OCI	<u>0</u>	<u>(1,246,800)</u>	<u>423,000</u>
Closing balance	<u>6,130,500</u>	<u>5,822,100</u>	<u>6,674,000</u>

Exhibit VII - Accrued benefit asset (liability)

Defined benefit obligation	6,130,500	5,822,100	6,674,000
Unamortized balances of:			
- past service costs	<u>0</u>	<u>0</u>	<u>0</u>
Closing balance	<u>6,130,500</u>	<u>5,822,100</u>	<u>6,674,000</u>

Exhibit VIII - Disclosures**Expected contributions for the next annual reporting period**

Contributions by the company	305,000	301,000	241,000
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Health and dental trend rates - Sensitivity analysis

A one percentage point change in assumed health and dental cost trend rates would have the following effects in Fiscal 2013 (in thousands):

	Valuation results	1% higher	1% lower
Effect on the aggregate of the service cost and interest cost at 3.75%	636	715	571
Effect on the defined benefit obligation at 4.75%	5,822	6,245	5,461

Discount rate - Sensitivity analysis

A one percentage point change in assumed discount rate would have the following effects at December 31, 2013 (in thousands):

	Valuation results	1% higher	1% lower
Effect on the defined benefit obligation at 4.75%:	5,822	5,117	6,706

2014 Actuarial Report

**POST-EMPLOYMENT BENEFITS FOR EMPLOYEES OF
ENERSOURCE CORPORATION**

ACCOUNTING REPORT AS AT DECEMBER 31, 2014

Prepared January 2015

INTRODUCTION

Enersource Corporation (the “Corporation”) retained the services of Morneau Shepell Ltd. to prepare accounting information pertaining to the Corporation’s non-pension post-employment benefits plan for the fiscal year ending December 31, 2014 (“Fiscal 2014”) in accordance with International Accounting Standards No.19 (“IAS 19”). We have also provided an estimate for your Fiscal 2015 expense.

We determined the accrued benefit obligation and net benefit costs (i.e. the expense) for the following post-retirement benefits (the “Plan”):

- health benefits,
- dental benefits,
- life insurance benefits, and
- retirement gift.

The most recent actuarial valuation of the Plan was performed as at December 31, 2013, details of which can be found in our report dated January 2014 (the “Actuarial Report”). The accounting information in this report arises from an extrapolation of that valuation.

CHANGES SINCE THE LAST VALUATION

We understand the premium rates have been revised since the previous renewal as at August 1, 2013. We do not expect the revised premium rates to affect the results of this extrapolation materially. Any new experience gains or losses due to these revised premium rates will be revealed at the time of the next valuation.

CHANGES IN RETIREE MEMBERSHIP GROUP

We were notified by the Corporation that 11 members retired during 2014 and should be valued as such (they were previously valued as active members for purposes of the December 31, 2013 valuation).

The change in status from active to retired of the 11 retirees was an increase in the obligation of \$94,800 and was reflected in the December 31, 2014 obligation as a plan experience loss.

CHANGES IN MORTALITY TABLE

We have updated the mortality assumption to reflect the final Canadian Pensioner Private Mortality Table with improvement Scale B published by the Canadian Institute of Actuaries on February 13, 2014. Please see Appendix A of this report for more details.

RESULTS UNDER IAS 19

The following tables present the Fiscal 2014 net benefit cost and the December 31, 2014 accrued benefit liability, under IAS 19.

Defined Benefit Cost

	Estimate Fiscal 2015	Fiscal 2014
Current service cost	379,000	324,600
Net interest cost	279,800	284,800
Expense or income recognized in profit and loss	\$658,800	\$609,400
Amount recognized in OCI	0	639,000
Defined benefit cost	\$658,800	\$1,248,400

Calculation of Accrual

	Estimate Dec 31, 2015	Dec 31, 2014
Opening balance	\$6,769,500	\$5,822,100
Expense for the year	658,800	609,400
Estimated benefit payments	(305,000)	(301,000)
Amount recognized in OCI	0	639,000
Closing balance	\$7,123,300	\$6,769,500

A detailed expensing schedule with additional disclosure items can be found in Appendix B.

CERTIFICATION

I confirm the following:

With respect to the Corporation's post-employment benefits, I hereby certify that, in my opinion, as at December 31, 2014:

- These benefits are defined benefits for purposes of International Accounting Standards No. 19 ("IAS 19").
- The valuation and extrapolation thereof were made in accordance with the standards of the Canadian Institute of Actuaries. The financial statement items resulting from our valuation and extrapolation thereof were determined in accordance with my understanding of IAS 19.
- The valuation and extrapolation thereof was performed using best-estimate assumptions developed by the Corporation as at December 31, 2014 and I do not express any opinion on such assumptions. These assumptions are summarized in Appendix A.
- I have confirmed with the Corporation that the plan provisions are up to date as at the date of this report. I am not aware of any events that could have a significant effect on our valuation or on the Corporation's financial statements.
- I am a member in good standing of the Canadian Institute of Actuaries. I understand that this report will be used for audit evidence and may be relied on under the terms of the CIA/CPA Joint Policy Statement as described in Section 1630 of the Canadian Institute of Actuaries Standards of Practice.
- I am, and Morneau Shepell Ltd. is, independent with respect to the Corporation.

Furthermore, we hereby declare that in our opinion:

- The data upon which this valuation is based are sufficient and reliable for the purposes of the valuation; and
- This report has been prepared, and my opinion given, in accordance with generally accepted actuarial practice.

Emerging experience, differing from assumptions will result in gains and losses which will be revealed in future valuations.

Further information regarding the data, claim costs, plan provisions, methods and accounting policies upon which these figures are based is provided in the appendices to the Actuarial Report.

I am not aware of any material changes to membership and/or plan provisions from the Actuarial Report.

I am available at your convenience to provide you with any additional information that you may require.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Nelsha'.

Nelsha Nanji, FCIA

MORNEAU SHEPELL LTD.

895 Don Mills Road

Tower One

Toronto, Ontario

M3C 1W3

January 15, 2015

APPENDIX A – ACTUARIAL ASSUMPTIONS AND METHODS

ACTUARIAL ASSUMPTIONS

	Fiscal 2015		
Economic Factors			
Discount rate for calculation of Fiscal 2014 Net Expense	4.75%		
Discount rate for calculation of December 31, 2014 disclosures and estimate of Fiscal 2015	4.00%		
Salary Scale	3.0% per annum		
Dental Cost Trend Rates	4.0% per annum		
Extended Health Care Trend Rates	9.0% in 2014; decreasing by 0.25% per annum to an ultimate rate of 5.0%		
Demographic Factors			
Retirement age	Age 60 and 10 years of service or immediate if older than 60 and 10 years of service		
Mortality	2014 Canadian Pensioner Private Sector Mortality Table projected with generational improvement Scale B ¹		
Termination of employment (sample rates)		Age	%
		20	7.5
		25	5.0
		30	3.5
		35	3.5
		40	3.0
		45	1.5
		50	1.0
	55+	0.0	
Full eligibility age – EHC & Dental	Hire Age		Eligibility Age
	Less than 45		Age 55 with 15 years of continuous service
	45-55		10 consecutive years of service
Full eligibility age – Life Insurance	Age 55 and 10 consecutive years of service but no later than age 60		
Disability	None		

¹ Updated to reflect the final Canadian Pensioner Private Mortality table with improvement scale B released by the Canadian Institute of Actuaries on February 13, 2014.

ACTUARIAL ASSUMPTIONS (CONT'D)

Loadings	
• Administration – Health & Dental	Implicit in claims information
• Administration – Life	8.0%
• Premium Tax	2.0%
• Sales Tax	8.0%
Age difference between retiree and spouse	Women are three years younger than men
Members electing coverage at retirement (Health and Dental)	
• Retirees with 10 to 14 years of service	80%
• Retirees with 15 or more years of service	90%
Percentage electing family coverage	
• Current retirees	Current elected category
• Future retirees	80% assumed to elect family coverage

In the table above, all rates and percentages are annualized unless otherwise noted.

ACTUARIAL COST METHOD

For all active employees, the accrued benefit obligation and the current service cost were calculated using the projected unit credit method.

According to this method, the accrued benefit obligation is equal to the actuarial present value of all future benefits (net of retiree cost sharing), taking into account the assumptions described above, attributed over the period described below. The current service cost for a particular period is equal to the actuarial present value of benefits attributed to employees' services rendered in that period.

For each member who is at or beyond the full eligibility date, and for each pensioner, the accrued benefit obligation is determined as the actuarial present value of all future post-retirement benefits which will be paid on their behalf. There is no current service cost for these members.

ATTRIBUTION PERIOD METHODOLOGY

Under IAS 19, the benefit obligation is attributed to periods of service under the plan's benefit formula. The level of benefits payable under the plan are not related to the period of an employees' service, however, service is a condition for benefit eligibility. This implies that benefits will be accrued for health and dental benefits over a period of up to 15 years and life insurance benefits over 10 years. These are the respective periods over which member can be eligible for benefits and the obligations for members are attributed on this basis. This is the same attribution methodology applied in the previous valuation.

Our valuation figures for the determination of the ABO at December 31, 2013 were based on the attribution of benefits to periods of service method as described here.

Attribution period for Health and Dental Benefits

Hire age	Attribution Period
Less than 40	Age 40 to 55
40 – 45	15 years from hire date
46 – 55	10 years from hire date
Above 55	No benefit entitlement

Attribution period for Life Insurance

Hire age	Attribution Period
Less than 45	Age 45 to 55
45 – 55	10 years from hire date
46 – 60	From hire date to age 60
Above 60	Fully accrued at hire date

The attribution methodology under IAS 19 was applied on a straight line basis.

APPENDIX B – ACCOUNTING SCHEDULE

Enersource Corporation - IAS 19

	Estimate 2015	2014	2013
Starting values			
Present value of obligation	6,769,500	5,822,100	6,674,000
Discount rate on obligation at BoP	4.00%	4.75%	3.75%
Discount rate on obligation at EoP	4.00%	4.00%	4.75%
Salary increase	3.00%	3.00%	3.00%
Current service cost	379,000	324,600	376,000
Estimated benefit payments	305,000	301,000	241,000
Past service costs	0	0	0
Exhibit I - Interest cost			
Opening balance	6,769,500	5,822,100	6,674,000
Current service cost	379,000	324,600	376,000
Estimated benefit payments (mid-year)	(152,500)	(150,500)	(120,500)
Total	<u>6,996,000</u>	<u>5,996,200</u>	<u>6,929,500</u>
Interest cost	<u>279,800</u>	<u>284,800</u>	<u>259,900</u>
Exhibit II - Actuarial experience on obligation			
Opening balance	6,769,500	5,822,100	6,674,000
Current service cost	379,000	324,600	376,000
Past service costs	0	0	0
Interest cost	279,800	284,800	259,900
Estimated benefit payments	(305,000)	(301,000)	(241,000)
Actuarial experience loss (gain)	<u>0</u>	<u>639,000</u>	<u>(1,246,800)</u>
Actual value at EoP	<u>7,123,300</u>	<u>6,769,500</u>	<u>5,822,100</u>
Exhibit III - Remeasurements of the net defined benefit liability			
Actuarial loss (gain) arising from plan experience	0	94,800	(304,900)
Actuarial loss (gain) arising from changes in demographic assumptions	0	(44,100)	(658,800)
Actuarial loss (gain) arising from changes in financial assumptions	<u>0</u>	<u>588,300</u>	<u>(283,100)</u>
Total amount recognized in OCI	<u>0</u>	<u>639,000</u>	<u>(1,246,800)</u>
Exhibit IV - Expense recognized			
Current service cost	379,000	324,600	376,000
Past service cost (including curtailment)	0	0	0
Loss (gain) on settlement	<u>0</u>	<u>0</u>	<u>0</u>
Service cost	<u>379,000</u>	<u>324,600</u>	<u>376,000</u>
Net interest cost on the net defined benefit liability (asset)	279,800	284,800	259,900
Expense (income) recognized in profit or loss	<u>658,800</u>	<u>609,400</u>	<u>635,900</u>

Enersource Corporation - IAS 19

	Estimate 2015	2014	2013
Exhibit V - Components of the defined benefit cost			
Service cost	379,000	324,600	376,000
Net interest cost on the net defined benefit liability (asset)	279,800	284,800	259,900
Total amount recognized in OCI	<u>0</u>	<u>639,000</u>	<u>(1,246,800)</u>
Defined benefit cost	<u>658,800</u>	<u>1,248,400</u>	<u>(610,900)</u>
Exhibit VI - Calculation of accrual			
Opening balance	6,769,500	5,822,100	6,674,000
Expense for the year	658,800	609,400	635,900
Estimated benefit payments	(305,000)	(301,000)	(241,000)
Total amount recognized in OCI	<u>0</u>	<u>639,000</u>	<u>(1,246,800)</u>
Closing balance	<u>7,123,300</u>	<u>6,769,500</u>	<u>5,822,100</u>
Exhibit VII - Accrued benefit asset (liability)			
Defined benefit obligation	7,123,300	6,769,500	5,822,100
Unamortized balances of:			
- past service costs	<u>0</u>	<u>0</u>	<u>0</u>
Closing balance	<u>7,123,300</u>	<u>6,769,500</u>	<u>5,822,100</u>
Exhibit VIII - Disclosures			
Expected contributions for the next annual reporting period			
Contributions by the company	327,000	305,000	301,000
Health and dental trend rates - Sensitivity analysis			
A one percentage point change in assumed health and dental cost trend rates would have the following effects in Fiscal 2014 (in thousands):			
	<u>Valuation results</u>	<u>1% higher</u>	<u>1% lower</u>
Effect on the aggregate of the service cost and interest cost at 4.75%	609	704	531
Effect on the defined benefit obligation at 4.00%	6,770	7,318	6,304
Discount rate - Sensitivity analysis			
A one percentage point change in assumed discount rate would have the following effects at December 31, 2014 (in thousands):			
	<u>Valuation results</u>	<u>1% higher</u>	<u>1% lower</u>
Effect on the defined benefit obligation at 4.00%:	6,770	6,010	7,713

2015 Actuarial Report

Post-Employment Benefits for Employees of Enersource Corporation

Accounting Report as at December 31, 2015

January 2016

Introduction

Enersource Corporation (the “Corporation”) retained the services of Morneau Shepell Ltd. to prepare accounting information pertaining to the Corporation’s non-pension post-employment benefits plan for the fiscal year ending December 31, 2015 (“Fiscal 2015”) in accordance with International Accounting Standards No.19 (“IAS 19”). We have also provided an estimate for your Fiscal 2016 net expense.

We determined the defined benefit obligation and net benefit costs (i.e. the expense) for the following post-retirement benefits (the “Plan”):

- health benefits,
- dental benefits,
- life insurance benefits, and
- retirement gift.

The most recent actuarial valuation of the Plan was performed as at December 31, 2013, details of which can be found in our report dated January 2014 (the “Actuarial Report”). The accounting information in this report arises from an extrapolation of that valuation.

Changes Since the Last Valuation

We understand the premium rates were reviewed effective August 1, 2015. We do not expect the revised premium rates to affect the results of this extrapolation materially. Any new experience gains or losses due to these revised premium rates will be revealed at the time of the next valuation.

Changes in Retiree Membership Group

We were notified by the Corporation that 10 members (including 2 members identified as pending retirements) retired during 2015 and should be valued as such (they were previously valued as active members for purposes of the December 31, 2013 valuation).

The change in status from active to retired of the 10 retirees was an increase in the obligation of \$75,800 and was reflected in the December 31, 2015 defined benefit obligation as a plan experience loss.

Results Under IAS 19

The following tables present the Fiscal 2015 net benefit cost and the December 31, 2015 defined benefit liability, under IAS 19 along with estimates for Fiscal 2016.

Defined Benefit Cost

	Estimate Fiscal 2016	Fiscal 2015
Current service cost	391,000	379,000
Net interest cost	297,100	281,200
Expense or income recognized in profit and loss	\$688,100	\$660,200
Amount recognized in OCI	-	5,100
Defined benefit cost	\$688,100	\$665,300

Calculation of Accrual

	Estimate Dec 31, 2016	Dec 31, 2015
Opening balance	\$7,199,100	\$6,769,500
Expense for the year	688,100	660,200
Estimated benefit payments	(327,000)	(235,700) ¹
Amount recognized in OCI	-	5,100
Closing balance	\$7,560,200	\$7,199,100

¹ Actual retiree benefit payments for 2015 were provided by Enersource in the amount of \$235,700.

A detailed expensing schedule with additional disclosure items can be found in Appendix B.

Certification

I confirm the following:

With respect to the Corporation's post-employment benefits, I hereby certify that, in my opinion, as at December 31, 2015:

- These benefits are defined benefits for purposes of International Accounting Standards No. 19 ("IAS 19").
- The valuation and extrapolation thereof were made in accordance with the standards of the Canadian Institute of Actuaries. The financial statement items resulting from our valuation and extrapolation thereof were determined in accordance with my understanding of IAS 19.
- The valuation and extrapolation thereof was performed using best-estimate assumptions developed by the Corporation as at December 31, 2015 in consultation with the actuaries. These assumptions are summarized in Appendix A.
- I have confirmed with the Corporation that the plan provisions are up to date as at the date of this report. I am not aware of any events that could have a significant effect on our valuation or on the Corporation's financial statements.
- I am a member in good standing of the Canadian Institute of Actuaries. I understand that this report will be used for audit evidence and may be relied on under the terms of the CIA/CPA Joint Policy Statement as described in Section 1630 of the Canadian Institute of Actuaries Standards of Practice.
- I am, and Morneau Shepell Ltd. is, independent with respect to the Corporation.

Furthermore, we hereby declare that in our opinion:

- The data upon which this valuation and extrapolation thereof is based are sufficient and reliable; and
- This report has been prepared, and my opinion given, in accordance with generally accepted actuarial practice.

Emerging experience, differing from assumptions will result in gains and losses which will be revealed in future valuations.

Further information regarding the data, claim costs, plan provisions, methods and accounting policies upon which these figures are based is provided in the appendices to the Actuarial Report.

I am not aware of any material changes to membership (other than those described above) and/or plan provisions from the Actuarial Report.

I am available at your convenience to provide you with any additional information that you may require.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Nelsha'.

Nelsha Nanji, FCIA

MORNEAU SHEPELL LTD.
895 Don Mills Road
Tower One
Toronto, Ontario
M3C 1W3

January 15, 2016

Appendix A – Actuarial Assumptions and Methods

	Fiscal 2015		
Economic Factors			
Discount rate for calculation of Fiscal 2015 Net Expense	4.00% per annum		
Discount rate for calculation of December 31, 2015 disclosures and estimate for Fiscal 2016 Net Expense	4.00% per annum		
Salary Scale	3.00% per annum		
Dental Cost Trend Rates	4.00% per annum		
Extended Health Care Trend Rates	8.75% per annum in 2015; decreasing by 0.25% per annum to an ultimate rate of 5.0% per annum		
Demographic Factors			
Retirement age	Age 60 and 10 years of service or immediate if older than 60 and 10 years of service		
Mortality	2014 Canadian Pensioner Private Sector Mortality Table projected with generational improvement Scale B ¹		
Termination of employment (sample rates)		Age	%
		20	7.5
		25	5.0
		30	3.5
		35	3.5
		40	3.0
		45	1.5
		50	1.0
		55+	0.0
Full eligibility age – EHC & Dental	Hire Age	Eligibility Age	
	Less than 45	Age 55 with 15 years of continuous service	
	45-55	10 consecutive years of service	
Full eligibility age – Life Insurance	Age 55 and 10 consecutive years of service but no later than age 60		
Disability	None		

¹ Updated for December 31, 2014 year-end disclosures.

ACTUARIAL ASSUMPTIONS (CONT'D)

Loadings • Administration – Health & Dental • Administration – Life • Premium Tax • Sales Tax	Implicit in claims information 8.0% 2.0% 8.0%
Age difference between retiree and spouse	Women are three years younger than men
Members electing coverage at retirement (Health and Dental) • Retirees with 10 to 14 years of service • Retirees with 15 or more years of service	80% 90%
Percentage electing family coverage • Current retirees • Future retirees	Current elected category 80% assumed to elect family coverage

In the table above, all rates and percentages are annualized unless otherwise noted.

Actuarial Cost Method

For all active employees, the defined benefit obligation and the current service cost were calculated using the projected unit credit method.

According to this method, the defined benefit obligation is equal to the actuarial present value of all future benefits (net of retiree cost sharing), taking into account the assumptions described above, attributed over the period described below. The current service cost for a particular period is equal to the actuarial present value of benefits attributed to employees' services rendered in that period.

For each member who is at or beyond the full eligibility date, and for each pensioner, the defined benefit obligation is determined as the actuarial present value of all future post-retirement benefits which will be paid on their behalf. There is no current service cost for these members.

Attribution Period Methodology

Under IAS 19, the defined benefit obligation is attributed to periods of service under the plan's benefit formula. The level of benefits payable under the plan are not related to the period of an employee's service, however, service is a condition for benefit eligibility. This implies that benefits will be accrued for health and dental benefits over a period of up to 15 years and life insurance benefits over 10 years. These are the respective periods over which member can be eligible for benefits and the obligations for members are attributed on this basis. This is the same attribution methodology applied in the last valuation and previous extrapolation reports.

Our valuation figures for the determination of the extrapolated defined benefit obligation at December 31, 2015 were based on the attribution of benefits to periods of service method as described here.

Attribution period for Health and Dental Benefits

Hire age	Attribution Period
Less than 40	Age 40 to 55
40 – 45	15 years from hire date
46 – 55	10 years from hire date
Above 55	No benefit entitlement

Attribution period for Life Insurance

Hire age	Attribution Period
Less than 45	Age 45 to 55
45 – 55	10 years from hire date
46 – 60	From hire date to age 60
Above 60	Fully accrued at hire date

The attribution methodology under IAS 19 was applied on a straight line basis.

Appendix B – Accounting Schedule

Enersource Corporation - IAS 19

	Estimate 2016	2015	2014
Starting values			
Present value of obligation	7,199,100	6,769,500	5,822,100
Discount rate on obligation at BoP	4.00%	4.00%	4.75%
Discount rate on obligation at EoP	4.00%	4.00%	4.00%
Salary increase	3.00%	3.00%	3.00%
Current service cost	391,000	379,000	324,600
Estimated benefit payments	327,000	235,700	301,000
Past service costs	0	0	0
Exhibit I - Interest cost			
Opening balance	7,199,100	6,769,500	5,822,100
Current service cost	391,000	379,000	324,600
Estimated benefit payments (mid-year)	(163,500)	(117,850)	(150,500)
Total	7,426,600	7,030,650	5,996,200
Interest cost	297,100	281,200	284,800
Exhibit II - Actuarial experience on obligation			
Opening balance	7,199,100	6,769,500	5,822,100
Current service cost	391,000	379,000	324,600
Past service costs	0	0	0
Interest cost	297,100	281,200	284,800
Estimated benefit payments	(327,000)	(235,700)	(301,000)
Actuarial experience loss (gain)	0	5,100	639,000
Actual value at EoP	7,560,200	7,199,100	6,769,500
Exhibit III - Remeasurements of the net defined benefit liability			
Actuarial loss (gain) arising from plan experience	0	75,800	94,800
Actuarial loss (gain) arising from changes in demographic assumptions	0	0	(44,100)
Actuarial loss (gain) arising from changes in financial assumptions	0	(70,700)	588,300
Total amount recognized in OCI	0	5,100	639,000
Exhibit IV - Expense recognized			
Current service cost	391,000	379,000	324,600
Past service cost (including curtailment)	0	0	0
Loss (gain) on settlement	0	0	0
Service cost	391,000	379,000	324,600
Net interest cost on the net defined benefit liability (asset)	297,100	281,200	284,800
Expense (income) recognized in profit or loss	688,100	660,200	609,400

Enersource Corporation - IAS 19

Exhibit V - Components of the defined benefit cost

Service cost	391,000	379,000	324,600
Net interest cost on the net defined benefit liability (asset)	297,100	281,200	284,800
Total amount recognized in OCI	0	5,100	639,000
Defined benefit cost	688,100	665,300	1,248,400

Exhibit VI - Calculation of accrual

Opening balance	7,199,100	6,769,500	5,822,100
Expense for the year	688,100	660,200	609,400
Estimated benefit payments	(327,000)	(235,700)	(301,000)
Total amount recognized in OCI	0	5,100	639,000
Closing balance	7,560,200	7,199,100	6,769,500

Exhibit VII - Accrued benefit asset (liability)

Defined benefit obligation	7,560,200	7,199,100	6,769,500
Unamortized balances of:			
- past service costs	0	0	0
Closing balance	7,560,200	7,199,100	6,769,500

Exhibit VIII - Disclosures

Expected contributions for the next annual reporting period

Contributions by the company	401,000	327,000	305,000
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Health and dental trend rates - Sensitivity analysis

A one percentage point change in assumed health and dental cost trend rates would have the following effects in Fiscal 2015 (in thousands):

	Valuation results	1% higher	1% lower
Effect on the aggregate of the service cost and interest cost at 4.00%	660	770	570
Effect on the defined benefit obligation at 4.00%	7,199	7,828	6,665

Discount rate - Sensitivity analysis

A one percentage point change in assumed discount rate would have the following effects at December 31, 2015 (in thousands):

	Valuation results	1% higher	1% lower
Effect on the defined benefit obligation at 4.00%:	7,199	6,419	8,166

2016 Actuarial Report

Post-Employment Benefits for Employees of Enersource Corporation

**Actuarial Valuation as at December 31, 2016 under
International Reporting Financial Standards IAS 19**

Prepared January 2017

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Introduction

Purpose

Enersource Corporation (the “Corporation”) retained the services of Morneau Shepell Ltd. to perform a valuation of post-employment benefits as at December 31, 2016. The previous valuation was performed as at December 31, 2013. This valuation was performed in accordance with International Reporting Financial Standards No. 19 Standards (“IAS 19”) and the report presents the results of our valuation.

We determined the accrued benefit obligation and net benefit costs (i.e. the expense) for the following post-employment benefits (the “Plan”):

- health benefits,
- dental benefits,
- life insurance benefits, and
- retirement gratuity.

This report was prepared for the Corporation for the following purposes:

- to determine the accrued benefit obligation for post-employment benefits as at December 31, 2016;
- to determine the net benefit cost to be recognized for financial statement purposes for the fiscal year ending December 31, 2016 (“Fiscal 2016”);
- to estimate the accrued benefit obligation for post-employment benefits as at December 31, 2017;
- to estimate the net benefit cost to be recognized for financial statement purposes for the fiscal year ending December 31, 2017 (“Fiscal 2017”); and
- to provide the information and the actuarial opinion required by the Corporation’s auditor.

Results under IAS 19

The following tables present the Fiscal 2016 net benefit cost and the December 31, 2016 funded position and accrued benefit liability, under IAS 19. We have also presented estimates for Fiscal 2017. Further details are provided in Appendix G.

Income Statement Items

	Fiscal 2016	Estimated Fiscal 2017
Current service cost	\$391,000	\$340,600
Net interest cost	<u>298,500</u>	<u>257,900</u>
Expense or income recognized in profit and loss	\$689,500	\$598,500
Amount recognized in OCI	(919,900)	-
Defined benefit cost	\$(230,400)	\$598,500

Calculation of Accrual

	December 31, 2016	Estimated December 31, 2017
Opening balance	\$ 7,199,100	\$6,714,500
Expense for the year	689,500	598,500
Estimated benefit payments ¹	(254,200)	(357,800)
Amount recognized in OCI	<u>(919,900)</u>	-
Closing balance	\$6,714,500	\$6,955,200

¹ Actual retiree benefit payments for 2016 were provided by Enersource in the amount of \$254,200.

There are no assets associated with the post-employment benefits.

Eligibility, Provisions and Assumptions

Eligibility for Benefits

The following table summarizes the eligibility for post-employment benefits and if eligible, the percentage of any premium paid by the retiree:

Group	Extended Healthcare	Dental	Life
Retirees who retired before April 1, 2006 ¹	100%	100%	Nil
Current and future retirees retiring after April 1, 2006 - with less than 15 years of service	50%	50%	Nil
Current and future retirees retiring after April 1, 2006 - with 15 or more years of service	25%	25%	Nil

The premium rate tables for retirees are different than those for active employees.

¹ There are currently no members in this category.

Plan Provisions

We understand that there have been no significant changes in plan provisions since the previous valuation.

The plan provisions are summarized in Appendix D of this report.

Assumptions

The actuarial assumptions and methods on which the calculations were based can be found in Appendix A.

Certain assumptions as at the valuation date differ from those adopted in the prior fiscal period. The table below summarizes the impact of the changes in assumptions and demographics:

ABO at December 31, 2016 (before assumption and demographic changes)	\$7,634,400
Change in Demographics	(611,800)
Change in Claim Costs	18,000
Change in Claim Trends	(227,700)
Change in Retirement Age Assumption	(644,200)
Change in Discount Rate (from 4.00% to 3.75%)	226,100
Change in Other Assumptions (utilization, spousal age difference)	319,700
ABO at December 31, 2016 (after assumption and demographic changes)	\$6,714,500

Valuation Details

Statement of Financial Position

The financial position of a post-employment benefit plan is determined by comparing the value of assets to the actuarial liability (also known as the accrued benefit obligation), assuming the plan continues indefinitely. The Corporation's Plan is unfunded, as are most post-employment benefits plans in Canada. Therefore, there are no assets associated with the Corporation's Plan.

The following table provides a breakdown of the accrued benefit obligation as at December 31, 2016. These figures are based on the plan provisions as summarized in Appendix D.

Appendix A provides the actuarial assumptions and the methodology used to determine the accrued benefit obligation. A discount rate of 3.75% per annum was used. A summary of the membership data can be found in Appendix C.

Total Accrued Benefit Obligation as at December 31, 2016

	Extended Health (\$)	Dental (\$)	Life (\$)	Retirement gift (\$)	Total (\$)
Actives	2,735,300	529,800	1,328,800	106,900	4,700,800
Retirees	421,900	104,600	1,487,200	-	2,013,700
Total	3,157,200	634,400	2,816,000	106,900	6,714,500

Notes on the Accrued Benefit Obligation:

Disabled employees

As at December 31, 2016, four employees were on disability. These employees were valued as actives for valuation purposes.

We understand the following:

- The Corporation is fully insured for long term disability income benefits
- Health and dental benefits are provided for only the initial three years of disability. The Corporation pays 100% of the premium in year one and two, but in year three the employee pays 100% of the premium.
- There is a life insurance premium waiver for members on disability.

Actuarial Opinion

With respect to the post-employment benefits for employees of Enersource Corporation, we performed a valuation as at December 31, 2016, based on data extrapolated to the valuation date and plan provisions as summarized in Appendix D.

With respect to the Corporation's post-employment benefits, I hereby certify that, in my opinion, as at December 31, 2016:

- These benefits are defined benefits for purposes of International Reporting Financial Standards No. 19 ("IAS 19").
- The valuation has been performed in accordance with the standards of the Canadian Institute of Actuaries. The financial statement items resulting from the valuation and extrapolation thereof have been determined in accordance with my understanding of IAS 19.
- The valuation was performed using best-estimate assumptions developed by the Corporation as at December 31, 2016. In my opinion, the assumptions are appropriate for purposes of the valuation. These assumptions are summarized in Appendix A.
- I have confirmed with Corporation that the plan provisions are up to date as at the date of this report. I am not aware of any events that could have a significant effect on the valuation or on Corporation's financial statements.
- I am a member in good standing of the Canadian Institute of Actuaries.
- I understand that this report will be used for audit evidence and may be relied on under the terms of the CIA/CPA Joint Policy Statement as described in Section 1630 of the Canadian Institute of Actuaries Standards of Practice.
- I am, and Morneau Shepell Ltd. is, independent with respect to Enersource Corporation.

Furthermore, I hereby declare that in my opinion:

- The data upon which this valuation and extrapolation thereof are based are sufficient and reliable; and
- This report has been prepared, and my opinion given, in accordance with generally accepted actuarial practice.

Emerging experience differing from assumptions will result in gains and losses which will be revealed in future valuations.

I am available, at your convenience, to provide you with any additional information that you may require.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Nelsha', with a stylized flourish extending from the end.

Nelsha Nanji, FCIA

MORNEAU SHEPELL LTD.
895 Don Mills Road,
Suite 700
Toronto, Ontario
M3C 1W3

January 2017

Appendix A – Actuarial Assumptions and Methods

Actuarial Assumptions

	December 31, 2016		
Economic Factors under IAS 19			
Discount rate for calculation of Fiscal 2016 Net Benefit Cost	4.00% per annum		
Discount rate for calculation of December 31, 2016 disclosures and Fiscal 2017 Net Benefit Cost estimate	3.75% per annum		
Other Economic Factors			
Dental Cost Trend Rates	3.00% per annum		
Extended Health Care Trend Rates	7.50% per annum in the first year following; decreasing by 0.25% per annum to an ultimate rate of 4.50% per annum		
Demographic Factors			
Retirement age	Age 61 and 10 years of service or immediate if older than 61 with 10 years of service		
Mortality	2014 Canadian Pensioner Private Sector Mortality Table projected with generational improvement Scale B		
Termination of employment (sample rates)		Age	%
		20	7.5
		25	5.0
		30	3.5
		35	3.5
		40	3.0
		45	1.5
		50	1.0
		55+	0.0
Disability	None		
Full eligibility age – EHC & Dental	<u>Hire Age</u>	<u>Eligibility Age</u>	
	Less than 45	Age 55 and 15 consecutive years of service	
	45-55	10 consecutive years of service	
Full eligibility age – Life Insurance	Age 55 and 10 consecutive years of service but no later than age 60		

Loadings - Administration – Health & Dental - Administration – Life - Premium Tax - Sales Tax	Implicit in claims information 8.00% 2.00% 8.00%
Age difference between retiree and spouse	Women are two years younger than men
Members electing coverage at retirement (Extended Health and Dental) - Retiring with 10 to 14 years' service - Retiring with 15 or more years' service	90% 100%
- Current retirees - Future retirees	Current elected category 80% assumed to elect family coverage

The following table indicates the assumptions that have changed since December 31, 2016:

	Assumptions in Period Prior to December 31, 2016
Dental Cost Trend Rates	4.00% per annum
Extended Health Care Trend Rates	8.75% per annum in Fiscal 2015 decreasing by 0.25% per annum to an ultimate rate of 5.00% per annum
Retirement age	Age 60 and 10 years of service or immediate if older than 60 with 10 years of service
Mortality	2014 Canadian Pensioner Private Sector Mortality Table projected with generational improvement Scale B
Age difference between retiree and spouse	Women are 3 years younger than men
Members electing coverage at retirement (Extended Health and Dental) - Retiring with 10 to 14 years' service - Retiring with 15 or more years' service	80% 90%

In the tables above, all rates and percentages are annualized unless otherwise noted.

Discount Rate Used for Fiscal 2016

Under IAS 19, the discount rate is defined as the current yields on high-quality corporate bonds with maturities consistent with the duration of the benefit obligations or the discount rate at which the defined benefit obligation could be settled.

Morneau Shepell has developed its own model ("MS model") in accordance with the Canadian Institute of Actuaries' Educational Note – Accounting Discount Rate Assumptions for Pension and Post-Employment Benefit Plans, dated September 20, 2011. The discount rate for Enersource as at December 31, 2016 was developed in accordance with the MS model. The MS model makes use of both a larger underlying data set and an improved methodology to generate the yield curve.

Effective December 31, 2016, a revision was made to the MS model in light of recent changes to the Canadian bond market (significant decrease in the number of long term high quality corporate bonds). The revised methodology does not require any restatements, as this is considered a change in accounting estimate. The discount rate for Enersource as at December 31, 2016 was developed in accordance with the revised MS model.

Actuarial Cost Method

For all active employees, the accrued benefit obligation and the current service cost were calculated using the “projected benefit method pro-rated on service”.

According to this method, the accrued benefit obligation is equal to the actuarial present value of all future benefits (net of any retiree cost sharing), taking into account the assumptions described above, multiplied by the ratio of an employee’s service at the valuation date to total service over the attribution period. The current service cost for a particular period is equal to the actuarial present value of benefits attributed to employees’ services rendered in that period.

For each member who is at or beyond the end of the attribution period, and for each retiree, the accrued benefit obligation is determined as the actuarial present value of all future post-employment benefits which will be paid on their behalf.

Attribution period methodology

Under IAS 19, the benefit obligation is attributed to periods of service under the plan's benefit formula. The level of benefits payable under the plan are not related to the period of an employees' service, however, service is a condition for benefit eligibility. This implies that benefits will be accrued for extended health and dental benefits over a period of up to 15 years and life insurance benefits over 10 years. These are the respective periods over which a member can be eligible for benefits and the obligations for members are attributed on this basis. This is the same attribution methodology applied in the previous valuation.

Our valuation figures for the determination of the ABO at December 31, 2016 were based on the attribution of benefits to periods of service method as described here.

Attribution Period Health and Dental Benefits

Hire Age	Attribution Period
Less than 40	Age 40 to 55
40 – 45	15 years from hire date
46 – 55	10 years from hire date
Above 55	No benefit entitlement

Attribution Period for Life Insurance

Hire Age	Attribution Period
Less than 45	Age 45 to 55
45 – 55	10 years from hire date
46 – 60	From hire date to age 60
Above 60	Fully accrued at hire date

The attribution methodology under IAS 19 was applied on a straight line basis.

Appendix B – Cost of Benefits

Calculation of Medical and Dental Costs

The steps that were undertaken to derive the claim costs for the valuation were as follows:

Claims Analysis:

- We reviewed the claims paid (as provided by the Corporation) in respect of retirees over the period April 1, 2014 to October 31, 2016.
- From the historical claims data, we derived the per-head average claim rates. In this analysis, historical data was trended to the present day with the most recent claims data receiving the highest weighting.
- We applied sales taxes (as per Appendix A) to the claims rates. The historical claims information provided was already inclusive of all expenses.
- The loaded claim rates were then “aged” to reflect retiree claim patterns. The aging of claims reflects higher average health claims costs for retirees (and slightly lower retiree dental claim costs).
- Future claim cost levels were projected by applying the trend rate assumptions (as per Appendix A).
- Finally we assumed that the family cost for retirees is two times the cost of single coverage.

The following chart shows the estimated average claim cost per covered retiree (inclusive of assumed loadings) as at December 31, 2016:

Estimated Average Annual Retiree Claim Cost – December 31, 2016

	Extended Health	Dental
Single	\$2,492	\$739
Family	\$4,984	\$1,478

The total assumed premiums (before any cost sharing) are tabled below:

Total Assumed Annual Premium (including taxes) – December 31, 2016

	Extended Health	Dental
Single	\$1,104	\$566
Family	\$3,218	\$1,450

Appendix C – Membership Data

Description of Membership Data

We have based our valuation on active and retired participant data effective December 2016, as supplied to us by the Corporation. Age and service were extrapolated to the valuation date of December 31, 2016.

We have performed tests to verify reasonableness and internal consistency and are satisfied that the data is sufficient and reliable for the purposes of this valuation.

Summary of Membership Data

Active Members

By Expected Service at Retirement

		Total
Less than 15 years of service	Number	39
	Average age	56.8 years
	Average service	6.2 years
	Average 2016 Salary	\$ 107,622
15 or more years of service	Number	339
	Average age	44.3 years
	Average service	14.0 years
	Average 2016 Salary	\$ 86,461
Total	Number	378
	Average age	45.6 years
	Average service	13.2 years
	Average 2016 Salary	\$ 88,644

By Age and Service

		Service (years)							
		0-4	5-9	10-14	15-19	20-24	25-29	30+	Total
	20-24	6	-	-	-	-	-	-	6
	25-29	17	6	-	-	-	-	-	23
	30-34	22	21	6	-	-	-	-	49
	35-39	7	18	19	5	-	-	-	49
Age	40-44	8	18	5	9	-	-	-	40
	45-49	10	12	10	6	-	4		42
	50-54	7	9	10	12	1	33	3	75
	55-59	8	9	5	6	2	18	7	55
	60-64	1	1	7	2	2	18	4	35
	65+	-	-	-	-	-	2	2	4
	Total	86	94	62	40	5	75	16	378

Retirees

By Benefits Type

	Extended Health and Dental	Life
Single coverage		
• Under 15 years of service	-	N/A
• 15 or more years of service	5	N/A
Family coverage		
• Under 15 years of service	1	N/A
• 15 or more years of service	31	N/A
Total	37	160
Average Life Insurance Benefits		\$33,241
Average age	61.9 years	72.8 years

	Extended Health and Dental	Life
<55	-	-
55-59	5	5
60-64	32	31
65-69	-	42
70+	-	82
Total	37	160

Appendix D – Summary of Plan Provisions

The following is a summary of the main provisions of the post-retirement benefits. We understand that all the benefits are fully insured. This summary was based on information provided by the Corporation.

Life Insurance

a) hired on or after April 1, 2000:	i) retire with less than 10 years of service – paid up life benefits of \$5,000 ii) retire with more than 10 years of service – paid up life benefits of \$10,000
b) hired prior to April 1, 2000 (future retirees):	i) if life option when active is “1”, then life insurance at retirement is 50% of final earnings ii) if life option when active is “2” or “3” or “4”, then life insurance at retirement is 50% of final earnings, reduced by 2.5% per annum following for ten years, to a minimum of 25% of final annual earnings.
c) hired prior to April 1, 2000 (current retirees):	i) retire with less than 10 years of service - paid up life benefits of \$2,000 ii) retiree with more than 10 years of service (and retire after March 1, 1980, i.e. was not under the “Superseded Plan”), then life insurance at retirement is 50% of final earnings, reduced by 2.5% per annum following for ten years, to a minimum of 25% of final annual earnings. iii) if was insured under the “Superseded Plan”, and elected option “1” prior to retirement, then 50% or 70% of the final annual earnings at retirement. iv) if was insured under the “Superseded Plan”, and elected option “2” or “3” or “4” prior to retirement, then 50% of the final annual earnings at retirement, reduced by 2.5% per annum to a minimum of 25% of final annual earnings

Dental		
Deductible		Nil
Coinsurance		Basic 80% Major 50%
Orthodontics		No benefit
Maximum		\$1,500/calendar year
Fee Guide		Current ODA
Recall		6 months
Survivor Benefit	Cease at the earlier of death or when the member reaches age 65	
Extended Health		
Deductible		Nil
Coinsurance		Drugs: 80% All Other Benefits: 100% Out of pocket maximum \$1,000 per person, thereafter 100%
Hospital		No semi-private or private
Drugs	Definition – Legally requires prescription No lifestyle drugs except erectile dysfunction Erectile dysfunction \$1,200/year	
Private Duty Nursing		\$10,000/year
Paramedical services	\$500 per year for all paramedical services combined, including: Physiotherapist Psychologist Registered Massage Therapist Speech Pathology Chiropractor Naturopath Podiatrist Chiropodist Osteopath	
Hearing Aids (excludes batteries)		\$525/60 months

Health (cont'd)

Vision Care	\$300/person/24 months Laser Eye Surgery Eyes Exams Included
Out of Country	No benefit
Survivor Benefit	Cease at the earlier of death or when the member reaches age 65

Retirement Gift

Retiring employees are given a monetary gift depending on service as follows:

<u>Service at retirement</u>	<u>Eligible annual benefit</u>
Less than 10 years	\$300
15 years	\$500
20 years	\$700
25 years	\$1,000
30 years	\$1,250
35 years	\$1,500
40 years	\$2,000

Appendix E – Cash Flow Projection

The following table presents the expected cash flows for the retirees for Fiscal 2016 and the 2 fiscal years following the valuation date. The assumptions and methods used are the same as those shown in Appendix A.

	Cashflows
Fiscal 2016 ¹	\$254,200
Projected Fiscal 2017	\$357,800
Projected Fiscal 2018	\$402,800

¹ Actual retiree benefit payments for 2016 were provided by Enersource in the amount of \$254,200.

Appendix F – Accounting Policies

Measurement Date

The Corporation uses a December 31st measurement date for valuing post-employment benefits.

Amortization of Net Actuarial Loss (Gain) under IAS 19

Actuarial gains and losses arising in a year are immediately recognized in Other Comprehensive Income (“OCI”).

Amortization of Past Service Costs under IAS 19

Past service costs (if any) arising from a plan amendment are immediately recognized in the Profit and Loss statement.

Appendix G – Accounting Schedule – IAS 19

	Estimate 2017	2016	2015
Starting values			
Present value of obligation	6,714,500	7,199,100	6,769,500
Discount rate on obligation at BoP	3.75%	4.00%	4.00%
Discount rate on obligation at EoP	3.75%	3.75%	4.00%
Salary increase	3.00%	3.00%	3.00%
Current service cost	340,600	391,000	379,000
Estimated benefit payments	357,800	254,200	235,700
Past service costs	0	0	0
Exhibit I - Interest cost			
Opening balance	6,714,500	7,199,100	6,769,500
Current service cost	340,600	391,000	379,000
Estimated benefit payments (mid-year)	(178,900)	(127,100)	(117,850)
Total	6,876,200	7,463,000	7,030,650
Interest cost	257,900	298,500	281,200
Exhibit II - Actuarial experience on obligation			
Opening balance	6,714,500	7,199,100	6,769,500
Current service cost	340,600	391,000	379,000
Past service costs	0	0	0
Interest cost	257,900	298,500	281,200
Estimated benefit payments	(357,800)	(254,200)	(235,700)
Actuarial experience loss (gain)	0	(919,900)	5,100
Actual value at EoP	6,955,200	6,714,500	7,199,100
Exhibit III - Remeasurements of the net defined benefit liability			
Actuarial loss (gain) arising from plan experience	0	(593,800)	75,800
Actuarial loss (gain) arising from changes in demographic assumptions	0	(324,500)	0
Actuarial loss (gain) arising from changes in financial assumptions	0	(1,600)	(70,700)
Total amount recognized in OCI	0	(919,900)	5,100
Exhibit IV - Expense recognized			
Current service cost	340,600	391,000	379,000
Past service cost (including curtailment)	0	0	0
Loss (gain) on settlement	0	0	0
Service cost	340,600	391,000	379,000
Net interest cost on the net defined benefit liability (asset)	257,900	298,500	281,200
Expense (income) recognized in profit or loss	598,500	689,500	660,200

	Estimate 2017	2016	2015
Exhibit V - Components of the defined benefit cost			
Service cost	340,600	391,000	379,000
Net interest cost on the net defined benefit liability (asset)	257,900	298,500	281,200
Total amount recognized in OCI	<u>0</u>	<u>(919,900)</u>	<u>5,100</u>
Defined benefit cost	<u>598,500</u>	<u>(230,400)</u>	<u>665,300</u>
Exhibit VI - Calculation of accrual			
Opening balance	6,714,500	7,199,100	6,769,500
Expense for the year	598,500	689,500	660,200
Estimated benefit payments	(357,800)	(254,200)	(235,700)
Total amount recognized in OCI	<u>0</u>	<u>(919,900)</u>	<u>5,100</u>
Closing balance	<u>6,955,200</u>	<u>6,714,500</u>	<u>7,199,100</u>
Exhibit VII - Accrued benefit (asset) liability			
Defined benefit obligation	6,955,200	6,714,500	7,199,100
Unamortized balances of:			
- past service costs	<u>0</u>	<u>0</u>	<u>0</u>
Closing balance	<u>6,955,200</u>	<u>6,714,500</u>	<u>7,199,100</u>
Exhibit VIII - Disclosures			
Expected contributions for the next annual reporting period			
Contributions by the company	402,800	357,800	327,000
Health and dental trend rates - Sensitivity analysis			
A one percentage point change in assumed health and dental cost trend rates would have the following effects in Fiscal 2016 (in thousands):			
	<u>Valuation results</u>	<u>1% higher</u>	<u>1% lower</u>
Effect on the aggregate of the service cost and interest cost at 4.00%	690	807	593
Effect on the defined benefit obligation at 3.75%	6,715	7,132	6,360
Discount rate - Sensitivity analysis			
A one percentage point change in assumed discount rate would have the following effects at December 31, 2016 (in thousands):			
	<u>Valuation results</u>	<u>1% higher</u>	<u>1% lower</u>
Effect on the defined benefit obligation at 3.75%:	6,715	5,846	7,820

Attachment 9-19

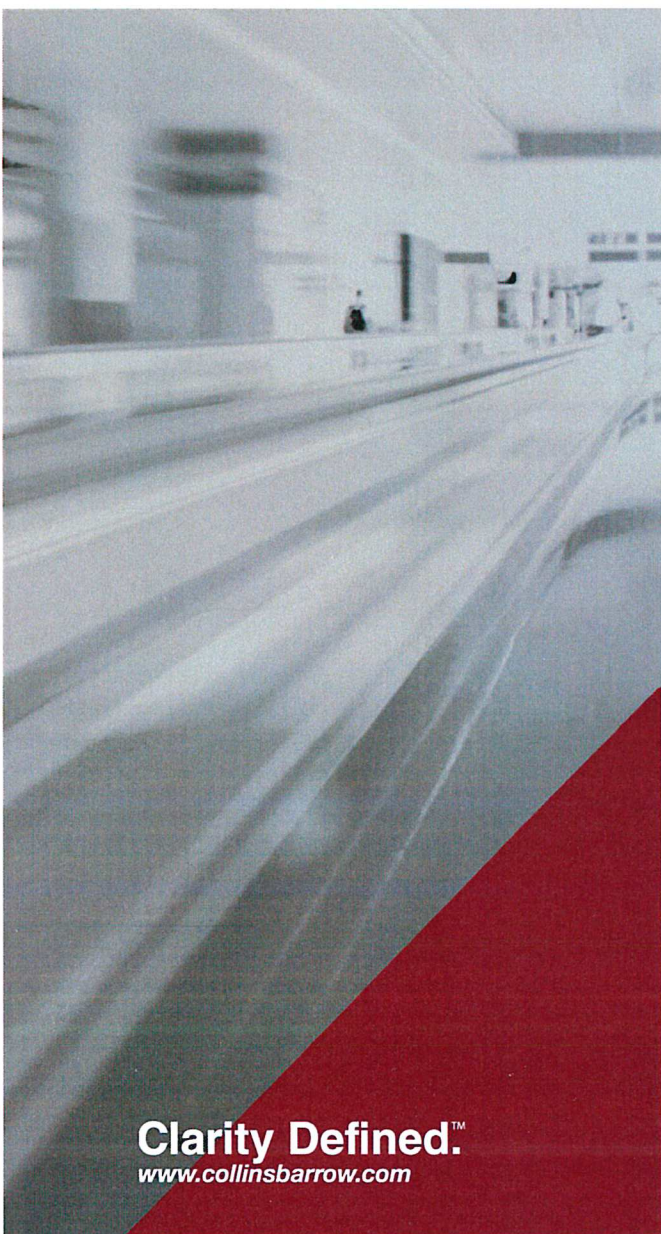
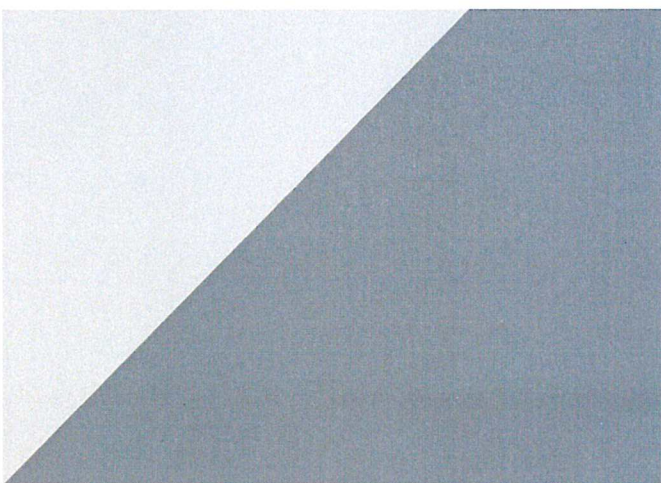
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GUELPH HYDRO ELECTRIC SYSTEMS INC.

Report on the Actuarial Valuation of
Post-Retirement Non-Pension
Benefits

As at December 31, 2016

March 29, 2017 – Final



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EXECUTIVE SUMMARY

PURPOSE

Collins Barrow Toronto Actuarial Services Inc. was engaged by Guelph Hydro Electric Systems Inc. ("the Corporation") to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2016. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards (the "IFRS") guidelines for post-retirement non-pension benefits as outlined in the International Accounting Standard 19 – Employee Benefits ("IAS 19") in effect January 1, 2016.

The most recent full valuation was prepared as at January 1, 2013 based on the then appropriate assumptions and in accordance with IAS 19.

The purpose of this valuation is threefold:

- i) To determine the Corporation's liabilities in respect of post-retirement non-pension benefits at December 31, 2016;
- ii) To determine the defined benefit costs to be recognized in the income statement and other comprehensive income for fiscal year 2016; and
- iii) To provide all other pertinent information necessary for compliance with IAS 19.

The intended users of this report include the Corporation and its auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.

SUMMARY OF KEY RESULTS

The key results of this actuarial valuation as at December 31, 2016 with comparative results from the previous valuation as at January 1, 2013 are shown below, in thousands of dollars:

	January 1, 2013	December 31, 2016
Present Value of Defined Benefit Obligation (PV DBO)		
a) People in Receipt of Benefits	3,701	4,029
b) Fully Eligible Actives ¹	845	2,017
c) Not Fully Eligible Actives	3,397	3,701
Total PV DBO	7,943	9,746

	CY 2013	CY 2016
Current Service Cost	229	285
Interest Cost	314	393
Defined Benefit Cost Recognized in Income Statement	543	678

¹ Fully Eligible refers to those employees who would be eligible for post-retirement non-pension benefits if they retired at the valuation date.

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by Guelph Hydro Electric Systems Inc. ("the Corporation") as at December 31, 2016, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards, we hereby certify that, in our opinion, for the purposes stated in the Executive Summary:

1. The data on which the valuation is based is sufficient and reliable;
2. The assumptions employed, as outlined in this report, have been selected by the Corporation as management's best estimate assumptions (no provision for adverse deviations) and we express no opinion on them;
3. All known legal and constructive obligations with respect to the post-retirement non-pension benefits sponsored by and identified by the Corporation are included in the calculations; and
4. This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We are not aware of any subsequent events after December 31, 2016 that would have a significant effect on our valuation.

The latest date on which the next actuarial valuation should be performed is December 31, 2019. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

COLLINS BARROW TORONTO ACTUARIAL SERVICES INC.



Stanley Caravaggio, FSA, FCIA
Senior Manager



Daniel Perrier, ASA, ACIA
Consultant

Toronto, Ontario

March 29, 2017

SECTION A— VALUATION RESULTS

Table A - 1 shows the key valuation results for the prior valuation and the current valuation.

Table A - 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown a change to the assumed retirement age from age 60 to 58, an increase/decrease in the health and dental claims cost trend rates by 1% per annum, and an increase/decrease in the discount rate by 1% per annum.

Table A - 3 presents the development of changes in the present value of defined benefit obligation as a result of the re-measurement at December 31, 2016.

VALUATION RESULTS

Table A.1—Valuation Results
(in thousands of dollars)

	January 1, 2013	December 31, 2016
Present Value of Defined Benefit Obligation (PV DBO)		
a) People in Receipt of Benefits	3,701	4,029
b) Fully Eligible Actives	845	2,017
c) Not Fully Eligible Actives	3,397	3,701
Total PV DBO	7,943	9,746

	CY 2013	CY 2016
Current Service Cost	229	285
Interest Cost	314	393
Defined Benefit Cost Recognized in Income Statement	543	678
Actuarial (Gains)/Losses	-	(513)
Defined Benefit Cost Recognized in Other Comprehensive Income	-	(513)
Total Defined Benefit Cost	543	165
Benefit Payments ¹	170	233

¹ The benefit payments for CY 2016 are based on the actual payments made for those eligible for benefits in 2016. These amounts were provided by the Corporation.

SENSITIVITY ANALYSIS

Table A.2—Sensitivity Analysis
(in thousands of dollars)

	PV DBO at December 31, 2016				CY 2017	
	People in Receipt of Benefits	Fully Eligible Actives	Not Fully Eligible Actives	Total PV DBO	Current Service Cost	Interest Cost
Valuation Results	4,029	2,017	3,701	9,746	223	376
Retirement Age 58	4,029	2,070	3,852	9,951	238	383
Cost Trends +1%	4,398	2,385	4,606	11,390	281	440
Cost Trends -1%	3,717	1,720	3,002	8,438	178	325
Discount Rate 2.9%	4,556	2,443	4,739	11,738	284	337
Discount Rate 4.9%	3,593	1,683	2,926	8,202	177	396

DEVELOPMENT OF CHANGES IN THE DEFINED BENEFIT OBLIGATION

**Table A.3—Development of Changes in the Present Value of Defined Benefit Obligation
(in thousands of dollars)**

PV DBO at December 31, 2015	9,814
2016 Current Service Cost	285
2016 Benefit Payments	(233)
2016 Interest Cost	393
Expected PV DBO at December 31, 2016	10,259
Actuarial (Gain)/Loss at December 31, 2016	(513)
PV DBO at December 31, 2016	9,746

The decrease indicated above of \$513,000 in the PV DBO from the expected PV DBO at December 31, 2016 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

- A change in the discount rate assumption (an increase of approximately \$210,000)
- A change in the mortality assumption (a decrease of approximately \$100,000)
- A change in the health and dental benefit cost level assumptions (a decrease of approximately \$1,721,000)
- A change in the health and dental benefit cost trend rate assumption (an increase of approximately \$1,242,000)
- Deviations from the expected demographic changes due to factors such as the difference between expected and actual group experience, changes in coverage type, changes in employee status, and new hires (a total decrease of approximately \$144,000)

Pursuant to IAS 19, the re-measurement of the PV DBO at December 31, 2016 based on the changes in the assumptions and experience is recognized immediately as an adjustment to other comprehensive income at December 31, 2016.

SECTION B— PLAN PARTICIPANTS

Table B – 1 sets out the summary information with respect to the plan participants valued in the report, along with comparisons to the participants in the previous valuation. The previous valuation was based on membership data as of January 1, 2013.

Table B – 2 reconciles the number of participants in the last valuation to the number of participants in the current valuation.

PARTICIPANT DATA

Table B.1—Participant Data

Membership data as at December 31, 2016 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

We have reviewed the data and compared it to the data used in the prior valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of hire prior to date of birth;
- Ages under 18 or over 100;
- Abnormal levels of benefits and/or premiums; and
- Duplicate records

In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

People in Receipt of Benefits (including LTD)

Number of Members	January 1, 2013			December 31, 2016		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
	42	12	54	39	15	54

Expected Annual Benefit Payments for CY 2017			
Age Band	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30	-	-	-
30 - 35	-	-	-
36 - 40	-	-	-
41 - 45	-	-	-
46 - 50	-	-	-
51 - 55	-	-	-
56 - 60	10,928	4,054	14,982
61 - 65	27,140	5,688	32,828
66 - 70	18,796	2,375	21,171
71 - 75	28,289	4,677	32,966
Greater than 75	88,309	21,561	109,869
Total	173,462	38,354	211,816

PARTICIPATION RECONCILIATION

Table B.2—Participation Reconciliation

Participant Reconciliation			
	<u>Actives</u>	<u>Disabled</u>	<u>Retired with Benefits</u>
As at Jan. 1, 2014	107	1	53
New Entrants	36	-	-
Active	-	2	4
LTD	(2)	-	-
Terminated	(9)	-	-
Deceased	-	-	(5)
Retired with Benefits	(4)	-	-
Retired with no Benefits ¹¹	-	-	(1)
As at Dec. 31, 2016	128	3	51

¹¹ One retiree who was included in the January 1, 2013 Participant Reconciliation who was not eligible for post-retirement benefits.

SECTION C— SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

ACTUARIAL METHOD

The aim of an actuarial valuation of post-retirement non-pension benefits is to provide a reasonable and systematic allocation of the cost of these future benefits to the years in which the related employees' services are rendered. To accomplish this, it is necessary to:

- make assumptions for discount rates, mortality, and other decrements;
- use these assumptions to calculate the present value of the expected future benefits; and,
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment.

The Present Value of the Defined Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19 when future salary levels or cost escalation affect the amount of the employee's future benefits. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to post-retirement non-pension benefits under the plan and ends on the date when further service by the employee will lead to no material amount of further post-retirement non-pension benefits under the plan, other than from further salary increases.

For each employee not yet fully eligible for benefits, the Present Value of the Defined Benefit Obligation is equal to the present value of expected future benefits multiplied by the ratio of the years of service to the valuation date to the total years of service in the attribution period. The Current Service Cost is equal to the present value of expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period.

For health and dental benefits, the Corporation has selected the funding levels charged for retiree benefits as management's best estimate of the benefits costs to be incurred. The total monthly premium rates, inclusive of premium taxes, used are as follows:

Retirees	Health		Dental	
	Single	Family	Single	Family
All Retirees Under Age 65	\$61.19	\$146.19	\$50.67	\$139.68
All Retirees Age 65 and over	\$168.93	\$343.49	-	-

The above premium rates were provided by the Corporation.

The PV DBO at December 31, 2016 is based on membership data as at December 31, 2016 and management's best estimate assumptions as at December 31, 2016.

MANAGEMENT'S BEST ESTIMATE ASSUMPTIONS

The following are management's best estimate economic and demographic assumptions as at December 31, 2016.

ECONOMIC ASSUMPTIONS

Consumer Price Index

The consumer price index is assumed to be 2.00% per annum.

Discount Rate

The rate used to discount future benefits is assumed to be 3.90% per annum as at December 31, 2016. This rate reflects the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the market yields on high quality bonds at December 31, 2016.

Salary Increase Rate

The rate used to increase salaries is assumed to be 3.30% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion adjusted for company-specific information.

Claims Cost Trend Rate

The rates used to project benefit costs into the future are as follows:

End of Year	Health	Dental
2017	5.00%	5.00%
2018 and thereafter	6.00%	6.00%

DEMOGRAPHIC ASSUMPTIONS

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee final report dated February 11, 2014 (CIA Report). More specifically, the Canada Pensioners Mortality ("CPM") Table Public Sector (CPM2014 PUBL) has been used with the generational projection of mortality improvement based upon CPM Improvement Scale B-2014.

Mortality rates are applied on a sex-distinct basis.

Rates of Withdrawal

Termination of employment prior to age 55 is assumed to be equal to 1.00% per annum.

Retirement Age

All active employees are assumed to retire at age 60 (or immediately if currently over age 60), which was based on the Corporation's retirement experience as well as the experience of other similar companies for which data was available. The assumed retirement age of 60 was increased, if necessary, to the minimum of the age at which 20 years of service was reached and age 65.

Disability

No provision was made for future disability. It is assumed that individuals currently receiving long-term disability benefits will remain disabled until retirement at age 65.

Family/Single Coverage

It is assumed that the coverage type as at December 31, 2016, as provided by the Corporation, will remain the same until the employee reaches the assumed retirement age. For family coverage, it is assumed that the retiree has a spouse of opposite gender and no other dependents. Male spouses are assumed to be three years older than female spouses.

Expenses and Taxes

We have assumed 10% of benefits is required for the cost of sponsoring the program for post-retirement life insurance benefits.

The taxes and expenses are included in the premium rates assumed for health and dental benefits.

SECTION D— SUMMARY OF POST-RETIREMENT BENEFITS

The following is a summary of the plan provisions that are pertinent to this valuation, based on information provided by and discussions with the Corporation.

GOVERNING DOCUMENTS

The program is governed by the following documents:

- Collective Agreement between Guelph Hydro Electric Systems Inc. and Local Union 636 of the International Brotherhood of Electrical Workers (A.F. of L. C.I.O. – C.L.C.) in full force and effect until March 31, 2017.
- Sun Life Financial Group Policy Nos. 83009-2, 83009-3, and 83009-8.

What follows is only a summary of the post retirement non-pension benefits program. For a complete description, please refer to the above-noted documents.

ELIGIBILITY

Employees hired on or prior to October 22, 2001

All employees are eligible for post-retirement life insurance for the remainder of their lifetime. Employees who retire on pension with a minimum of 20 years of active service are eligible for lifetime extended health benefits. Employees age 55 or older who retire with an OMERS pension and at least 20 years of active service are eligible for dental benefits until age 65.

Employees hired after October 22, 2001

Employees age 55 or older who retire on pension with a minimum of 20 years of active service are eligible for extended health and dental benefits to age 65.

PARTICIPANT CONTRIBUTIONS

The Corporation shall pay 100% of the cost of post-retirement life, health, and dental benefits for all eligible retirees.

PAST SERVICE

Past service is defined as continuous service prior to joining the plan if the participant was employed by similar companies prior to joining the Corporation.

LENGTH OF SERVICE

Length of service is defined as continuous service from the date of hire to the valuation date, measured in years and months.

SUMMARY OF BENEFITS

Life Insurance

Eligible employees, hired on or prior to October 22, 2001, are entitled to the following post-retirement life insurance, as per the MEARIE plan, administered by Great West Life, based upon the following table:

Plan Option	Amount of Coverage	Eligibility
1	Flat \$2,000.	If employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings reducing by 2.5% of final annual earnings each year thereafter for 10 years, to a final benefit equal to 25.0% of final annual earnings. Reduction occurs on anniversary date of retirement.	If employee was ever insured under Employee Plan options 2, 3 or 4, or if employee retires with 10 or more years of service in Plan but was never in superseded plan.
3	50% of final annual earnings.	If employee was insured under superseded plan and was hired on or after May 1, 1967 and elected coverage under Option 1 only.
4	70% of the final amount insured for under the life plan immediately prior to retirement.	If employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under Option 1 only.

Health and Dental Benefits

As described in the above noted governing documents.

SECTION E— EMPLOYER CERTIFICATION

**Post-Retirement Non-Pension Benefit Plan
of Guelph Hydro Electric Systems Inc.
Actuarial Valuation as at December 31, 2016**

I hereby confirm, as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of Guelph Hydro Electric Systems Inc. that, to the best of my knowledge and belief, for the purposes of the valuation:

- i) The membership data summarized in Section B is accurate and complete;
- ii) The assumptions upon which this report is based as summarized in Section C, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and
- iii) The summary of Plan Provisions in Section D is an accurate and complete summary of the terms of the Plan in effect on December 31, 2016.

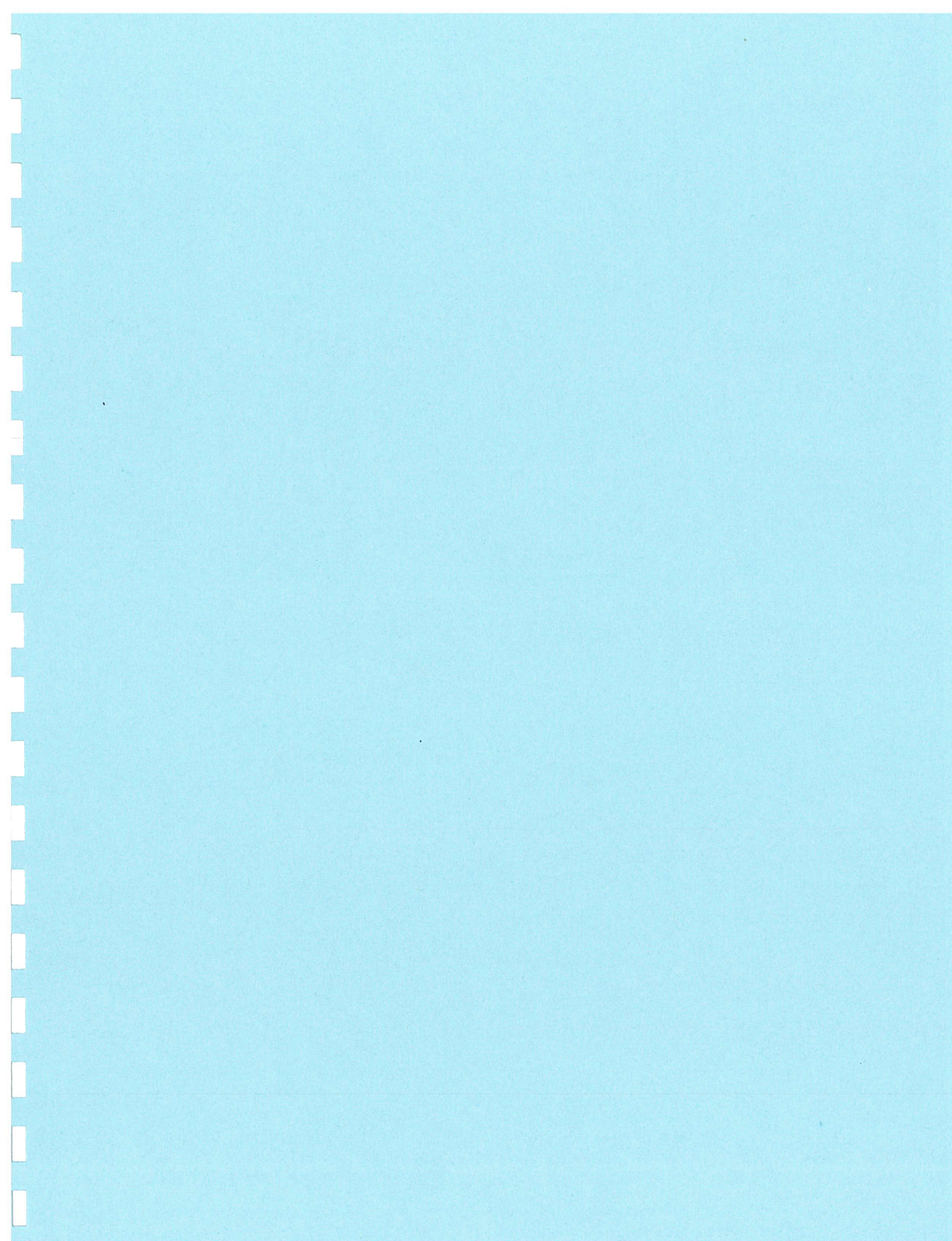
GUELPH HYDRO ELECTRIC SYSTEMS INC.

March 22/2017
Date

Pardane
Signature

PANKAJ SARDANA
Name

CEO
Title



Guelph Hydro Electric Systems Inc.

Estimated Benefit Expense (IAS 19)

Total FINAL

	Actuals CY 2016 *	Projected ** CY 2017	Projected ** CY 2018	Projected ** CY 2019
Discount Rate at January 1	4.05%	3.90%	3.90%	3.90%
Discount Rate at December 31	3.90%	3.90%	3.90%	3.90%
Health Benefit Cost Trend Rate at December 31				
Initial Trend Rate	5.00%	5.00%	5.00%	5.00%
Ultimate Rate	5.00%	5.00%	5.00%	5.00%
Year Ultimate Rate Reached	2017	2017	2017	2017
Dental Benefit Cost Trend Rate at December 31	5.00%	5.00%	5.00%	5.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	9,814,000	9,746,304	10,118,425	10,477,173
Defined Benefit Cost Recognized in Income Statement	677,907	598,474	597,026	614,508
Defined Benefit Cost Recognized in Other Comprehensive Income	(512,959)	-	-	-
Benefits Paid by the Employer	(232,645)	(226,352)	(238,278)	(255,883)
Net Defined Benefit Liability/(Asset) as at December 31	9,746,304	10,118,425	10,477,173	10,835,797

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	285,151	222,782	207,054	210,888
Interest Cost	392,756	375,692	389,972	403,620
Defined Benefit Cost Recognized in Income Statement	677,907	598,474	597,026	614,508

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(268,837)	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(99,577)	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(144,545)	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(512,959)	-	-	-
Total Defined Benefit Cost	164,948	598,474	597,026	614,508

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	9,814,000	9,746,304	10,118,425	10,477,173
Current Service Cost	285,151	222,782	207,054	210,888
Interest Cost	392,756	375,692	389,972	403,620
Benefits Paid	(232,645)	(226,352)	(238,278)	(255,883)
Net Actuarial Loss/(Gain)	(512,959)	-	-	-
Present Value of Defined Benefit Obligation as at December 31	9,746,304	10,118,425	10,477,173	10,835,797

* The CY 2016 defined benefit cost and expected December 31, 2016 PV DBO are calculated based on membership data at January 1, 2013 and management's best estimate assumptions at December 31, 2015.

** Projected CY 2017, CY 2018 and CY 2019 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

Guelph Hydro Electric Systems Inc.
Estimated Benefit Expense (IAS 19)
**Total
FINAL**

	Actuals CY 2016 *	Projected ** CY 2017	Projected ** CY 2018	Projected ** CY 2019
Discount Rate at January 1	4.05%	3.90%	3.90%	3.90%
Discount Rate at December 31	3.90%	3.90%	3.90%	3.90%
Health Benefit Cost Trend Rate at December 31				
Initial Trend Rate	5.00%	5.00%	5.00%	5.00%
Ultimate Rate	5.00%	5.00%	5.00%	5.00%
Year Ultimate Rate Reached	2017	2017	2017	2017
Dental Benefit Cost Trend Rate at December 31	5.00%	5.00%	5.00%	5.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

D. Calculation of Component Items

Interest Cost				
Present Value of Defined Benefit Obligation as at January 1	9,814,000	9,746,304	10,118,425	10,477,173
Benefits Paid	(116,322)	(113,176)	(119,139)	(127,942)
Accrued Benefits	9,697,678	9,633,127	9,999,286	10,349,231
Interest Cost	392,756	375,692	389,972	403,620
Expected Present Value of Defined Benefit Obligation as at December 31				
Present Value of Defined Benefit Obligation as at January 1	9,814,000	9,746,304	10,118,425	10,477,173
Current Service Cost	285,151	222,782	207,054	210,888
Benefits Paid	(232,645)	(226,352)	(238,278)	(255,883)
Interest Cost	392,756	375,692	389,972	403,620
Expected Present Value of Defined Benefit Obligation as at December 31	10,259,262	10,118,425	10,477,173	10,835,797

E. Net Actuarial Loss/(Gain)

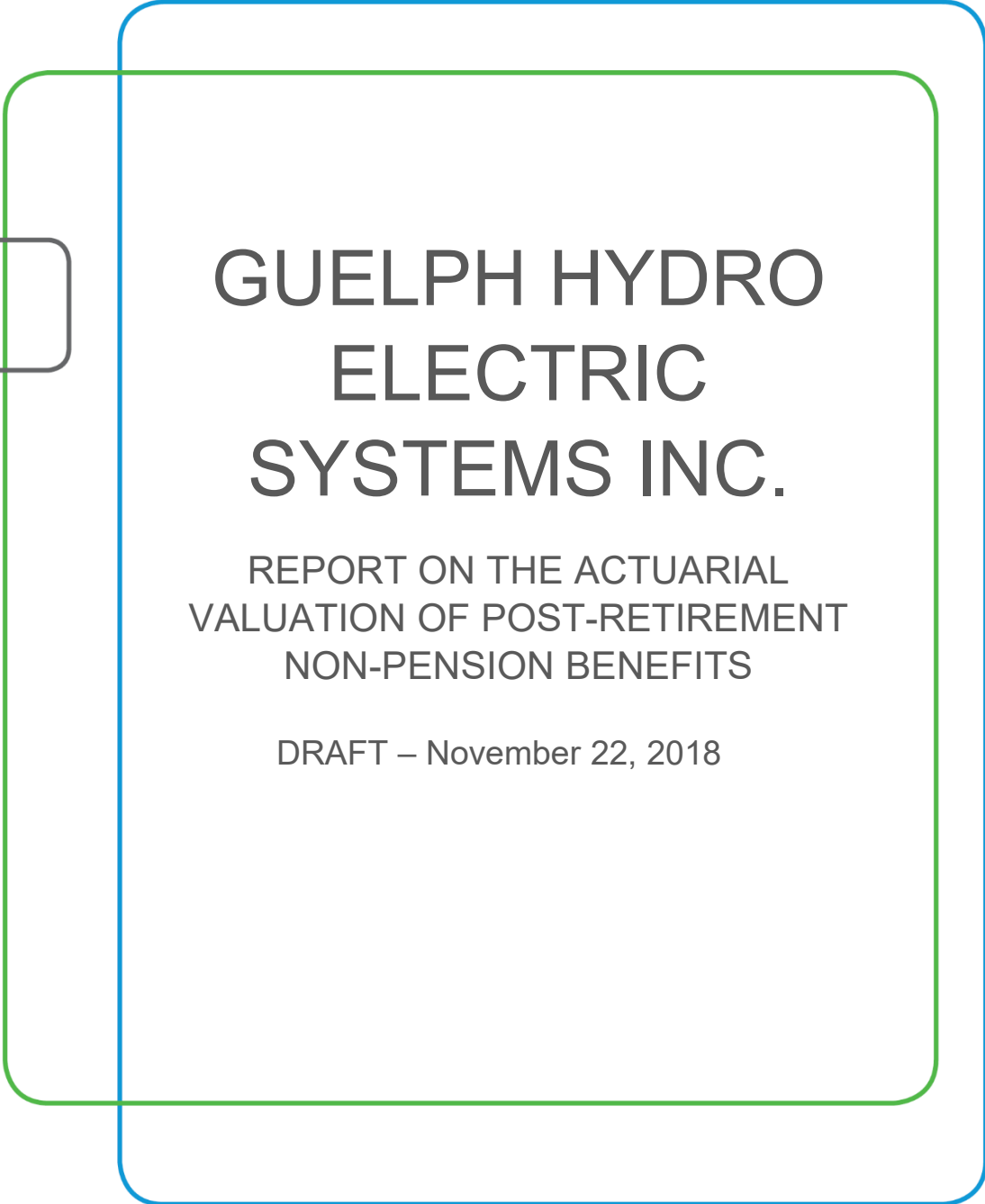
Net Actuarial Loss/(Gain) as at December 31				
Expected Present Value of Defined Benefit Obligation	10,259,262	10,118,425	10,477,173	10,835,797
Actual Present Value of Defined Benefit Obligation	9,746,304	10,118,425	10,477,173	10,835,797
Net Actuarial Loss/(Gain) as at December 31	(512,959)	-	-	-

* The CY 2016 defined benefit cost and expected December 31, 2016 PV DBO are calculated based on membership data at January 1, 2013 and management's best estimate assumptions at December 31, 2015.

** Projected CY 2017, CY 2018 and CY 2019 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

2018 Actuarial Report



GUELPH HYDRO ELECTRIC SYSTEMS INC.

REPORT ON THE ACTUARIAL
VALUATION OF POST-RETIREMENT
NON-PENSION BENEFITS

DRAFT – November 22, 2018

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EXECUTIVE SUMMARY

Purpose

RSM Canada Consulting LP was engaged by Guelph Hydro Electric Systems Inc. (“the Corporation”) to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2018. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards (“IFRS”) guidelines for post-retirement non-pension benefits as outlined in the International Accounting Standard 19 – Employee Benefits (“IAS 19”).

The most recent full valuation was prepared as at December 31, 2016 based on the assumptions chosen by management at that date and in accordance with IAS 19.

The purpose of this valuation is threefold:

- i) To determine the Corporation’s liabilities in respect of post-retirement non-pension benefits at December 31, 2018;
- ii) To determine the defined benefit costs to be recognized for fiscal year 2018; and
- iii) To provide all other pertinent information necessary for compliance with IAS 19.

Note that all monetary figures in this report are rounded to the nearest hundreds of dollars and summated figures in this report may not match total figures due to rounding.

The intended users of this report include the Corporation and its auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.

Included in the Appendix attached hereto are detailed accounting schedules containing the results of the valuation.

SECTION A — VALUATION RESULTS

Section A.1 shows the key valuation results compared to previous year's figures projected from the most recent full valuation as well as a breakdown between active and retired individuals and type of benefit.

Section A.2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown an increase/decrease in the health and dental claims cost trend rates by 1% per annum and an increase/decrease in the discount rate by 1% per annum.

Section A.3 shows the development of changes in the present value of defined benefit obligation as a result of the re-measurement at December 31, 2018.

Valuation Results

Section A.1—Valuation Results

Results from the actuarial valuation as at December 31, 2018 compared to previous year's figures projected from the most recent full valuation:

	December 31, 2017	December 31, 2018
Present Value of Defined Benefit Obligation (PV DBO)	10,856,000	10,152,100

	CY 2017	CY 2018
Current Service Cost	222,800	253,900
Interest Cost	375,200	375,300
Defined Benefit Cost Recognized in Income Statement	598,000	629,200
Actuarial (Gain)/Loss	744,900	(1,068,600)
Defined Benefit Cost Recognized In OCI	744,900	(1,068,600)
Defined Benefit Cost	1,342,900	(439,400)

The following table provides results from the actuarial valuation as at December 31, 2018 broken down by active (including LTD) and retired individuals and type of post-retirement non-pension benefit:

Dec. 31, 2018 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	346,000	1,088,300	1,434,300
Health	4,882,500	3,435,300	8,317,800
Dental	330,500	69,500	400,000
Total	5,559,000	4,593,100	10,152,100

Sensitivity Analysis

Section A.2—Sensitivity Analysis

	Dec. 31, 2018 PV DBO	Difference	% Difference
Base Assumptions	10,152,100		
Cost Trends +1%	11,791,600	1,639,500	16.1%
Cost Trends -1%	8,838,200	(1,313,900)	-12.9%
Discount Rate +1%	8,607,600	(1,544,500)	-15.2%
Discount Rate -1%	12,130,600	1,978,500	19.5%

Management's best estimate assumptions are those outlined in *Section C – Summary of Actuarial Method and Assumptions* in this report.

Development of Changes in the Present Value of Defined Benefit Obligation

Section A.3—Development of Changes in the Present Value of Defined Benefit Obligation

PV DBO at December 31, 2017	10,856,000
2018 Current Service Cost	253,900
2018 Benefit Payments	(264,500)
2018 Interest Cost	375,300
Expected PV DBO at December 31, 2018	11,220,700
Actuarial (Gain)/Loss at December 31, 2018	(1,068,600)
PV DBO at December 31, 2018	10,152,100

The decrease indicated above of \$1,068,600 in the PV DBO from the expected PV DBO at December 31, 2018 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Change in composition of active and retiree data (actual experience different from expected)	(41,100)
Change in assumptions:	
Mortality Improvement	160,900
Health and Dental Claims Costs	(261,800)
Discount Rate	(926,600)
Total Actuarial (Gain)/Loss at December 31, 2018	(1,068,600)

Pursuant to IAS 19, the re-measurement of the PV DBO at December 31, 2018 based on the changes in the assumptions and experience is recognized immediately in other comprehensive income at December 31, 2018.

SECTION B — PLAN PARTICIPANTS

Section B.1 sets out the summary information with respect to the plan participants valued in the current valuation compared to those valued in the previous valuation.

Section B.2 reconciles the number of participants in the previous valuation to the number of participants in the current valuation.

Participation Data

Section B.1—Participant Data

Membership data as at September 30, 2018 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

Although the data provided reflected status and benefit information as at September 30, the Corporation has provided updated information on expected retirees and terminated individuals from September 30 to December 31. The data was adjusted to reflect the updated information.

We have reviewed the data and compared it to the data used in the previous valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of hire prior to date of birth;
- Ages under 18 or over 100;
- Abnormal levels of benefits and/or premiums; and
- Duplicate records

In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

	December 31, 2016	December 31, 2018
Employee Count		
Male	85	79
Female	43	38
Total	128	117
Employee Average Service		
Male	12.6	13.5
Female	11.4	13.0
Total	12.2	13.3
Retiree (in Receipt of Benefits) Count		
Male	39	41
Female	15	15
Total	54	56

Employee Count as of Dec. 31, 2018				Employee Avg Service as of Dec. 31, 2018		
Age	Male	Female	Total	Male	Female	Total
< 30	12	7	19	4.2	3.1	3.8
30 - 35	20	5	25	6.7	5.7	6.5
36 - 40	6	1	7	9.2	2.4	8.2
41 - 45	4	4	8	6.2	13.0	9.6
46 - 50	5	5	10	15.7	14.5	15.1
51 - 55	18	4	22	19.3	24.2	20.2
56 - 60	10	6	16	28.4	24.1	26.8
61 - 65	2	6	8	21.1	12.7	14.8
66 - 70	2	-	2	24.4	-	24.4
71 - 75	-	-	-	-	-	-
> 75	-	-	-	-	-	-
Total	79	38	117	13.5	13.0	13.3

Participant Reconciliation

Section B.2—Participation Reconciliation

	Actives	Disabled	Retired
December 31, 2016	128	3	51
New Entrants	8	-	-
Actives	-	2	6
Terminated	(14)	(1)	-
Retired	(6)	(1)	-
Deceased	-	-	(2)
Disabled	(2)	-	1
December 31, 2018	114	3	56

SECTION C — SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

Actuarial Method

The aim of an actuarial valuation of post-retirement non-pension benefits is to provide a reasonable and systematic allocation of the cost of these future benefits to the years in which the related employees' services are rendered. To accomplish this, it is necessary to:

- make assumptions for discount rates, mortality, and other decrements;
- use these assumptions to calculate the present value of the expected future benefits; and,
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment.

The Defined Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) and ends on the date when further service by the employee will lead to no material amount of further post-retirement non-pension benefits under the plan, other than from further salary increases.

For each employee not yet fully eligible for benefits, the Present Value of the Defined Benefit Obligation (PV DBO) is equal to the present value of expected future benefits multiplied by the ratio of the years of service to the valuation date to the total years of service in the attribution period. The Current Service Cost is equal to the present value of expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period.

The PV DBO at December 31, 2018 is based on membership data as at September 30, 2018 (with adjustments to reflect estimated changes to occur from October 1 to December 31, 2018) and management's best estimate assumptions established for calculations as at December 31, 2018.

For health and dental benefits, the Corporation has selected the premium rates charge to retirees as management's best estimate of the benefits costs to be incurred. The total monthly premium rates, inclusive of premium taxes, used are as follows:

Effective Period	Retiree Group	Health Single	Health Family	Dental Single	Dental Family
May 1, 2016 – Apr. 30, 2017	All Retirees Under Age 65	\$ 61.19	\$ 146.19	\$ 50.67	\$ 139.68
	All Retirees Age 65+	\$ 168.93	\$ 343.49	n/a	n/a
May 1, 2018 – Apr. 30, 2019	All Retirees Under Age 65	\$ 66.29	\$ 158.36	\$ 54.29	\$ 149.68
	All Retirees Age 65+	\$ 183.00	\$ 372.08	n/a	n/a

The rates above are at the 100% level and prior to any cost-sharing provisions under the plan.

Management's Best Estimate Assumptions

The following are management's best estimate economic and demographic assumptions for calculations as at December 31, 2018.

Economic Assumptions

Discount Rate

The rate used to discount future benefits is assumed to be 4.00% per annum as of December 31, 2018. This rate reflects the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the market yields on high quality bonds at the time of preparing the valuation.

The assumption chosen for the latest valuation extrapolation was 3.50% per annum.

Salary Increase Rate

The rate used to increase salaries is assumed to be 3.30% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion and for company-specific information.

This assumption remains unchanged from the previous valuation.

Claims Cost Trend Rate

The health and dental trend rate assumption is assumed to be 6.00% per annum.

This assumption remains unchanged from the previous valuation.

Demographic Assumptions

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee final report dated February 11, 2014 (CIA Report). More specifically, the Canada Pensioners Mortality ("CPM") Table Public Sector (CPM2014 PUBL) has been used with the generational projection of mortality improvement based upon the CIA MI-2017 mortality improvement scale published in 2017.

The mortality table assumption remains unchanged from the previous valuation, but the mortality improvement assumption has been updated from the CPM Improvement Scale B1-2014 released in 2014.

Rates of Withdrawal

Termination of employment is assumed to be a flat rate of 1.00% per annum for all ages under 55.

This assumption remains unchanged from the previous valuation.

Retirement Age

All active employees are assumed to retire at age 60 (or immediately if currently over age 60), which was based on the Corporation's retirement experience as well as the experience of other similar companies for which data was available. The assumed retirement age of 60 was increased, if necessary, to the minimum of the age at which 20 years of service was reached and age 65.

This assumption remains unchanged from the previous valuation.

Disability

No provision was made for future disability. It is assumed that individuals currently receiving long-term disability benefits will remain disabled until retirement at age 65.

This assumption remains unchanged from the previous valuation.

Other Assumptions

Family/Single Coverage

The following assumptions were chosen for the current valuation and are unchanged from the previous valuation:

- Coverage Type at Retirement (i.e. family, single) – The employee's coverage type at the valuation date will remain the same until the employee reaches the assumed retirement age.
- Spousal Gender – For employees with family coverage, the retiree has a spouse of the opposite gender at the date of retirement.
- Spousal Age Offset – Male spouses are assumed to be three years older than female spouses.

Expenses and Taxes

The taxes and expenses are included in the premium rates assumed for health and dental benefits.

We have assumed 10% of benefits is required for the cost of sponsoring the program for post-retirement life insurance.

These assumptions remain unchanged from the previous valuation.

SECTION D — SUMMARY OF POST-RETIREMENT BENEFITS

The following is a summary of the plan provisions that are pertinent to this valuation, based on information provided by and discussions with the Corporation.

Eligibility

Employees hired on or prior to October 22, 2001

All employees are eligible for post-retirement life insurance for the remainder of their lifetime. Employees who retire on pension with a minimum of 20 years of active service are eligible for lifetime extended health benefits. Employees age 55 or older who retire with an OMERS pension and at least 20 years of active service are eligible for dental benefits until age 65.

Employees hired after October 22, 2001

Employees age 55 or older who retire on pension with a minimum of 20 years of active service are eligible for extended health and dental benefits to age 65.

Participant Contributions

The Corporation shall pay 100% of the cost of the post-retirement life, health and dental benefits for the eligible retirees.

Past Service

Past service is defined as continuous service prior to joining the plan if the participant was employed by another electrical distribution company prior to joining the Corporation.

Length of Service

Length of service is defined as continuous service from the date of hire to the valuation date, measured in years and months.

Summary of Benefits

Life Insurance

Upon retirement, all employees are entitled to post-retirement life insurance benefits, as per the MEARIE plan, based upon the following table:

Plan Option	Amount of Coverage	Eligibility
1	Flat \$2,000.	Employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings, reducing by 2.5% of final annual earnings each year for 10 years, to a final benefit equal to 25% of final annual earnings. Reduction occurs on the anniversary date of retirement.	Employee retires with 10 or more years of service in the Plan and was hired before June 16, 1989. OR Employee was insured under the superseded plan and elected coverage under option 2, 3, or 4, or employee was not insured under the superseded plan.
3	50% of final annual earnings.	Employee was insured under the superseded plan and was hired on or after May 1, 1967 and elected coverage under option 1 only.
4	70% of final amount insured under the life plan immediately prior to retirement.	Employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under option 1 only.

Health and Dental Benefits

A detailed description of the health and dental benefits covered under the post-retirement non-pension benefits plan can be found in benefit information booklets provided to employees.

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by Guelph Hydro Electric Systems Inc. (“the Corporation”) as at December 31, 2018, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards, we hereby certify that, in our opinion, for the purposes stated in the Executive Summary:

1. The data on which the valuation is based is sufficient and reliable;
2. The assumptions employed, as outlined in this report, have been selected by the Corporation as management’s best estimate assumptions (no provision for adverse deviations) and we express no opinion on them;
3. All known legal and constructive obligations with respect to the post-retirement non-pension benefits sponsored by and identified by the Corporation are included in the calculations; and
4. This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We are not aware of any subsequent events after the date of completing this valuation that would have a significant effect on the valuation results contained herein.

The latest date on which the next actuarial valuation should be performed is December 31, 2021. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

RSM CANADA CONSULTING LP

Stanley Caravaggio, FSA, FCIA
Director

Jamie Wong, ASA, ACIA
Senior Associate

Toronto, Ontario

November 22, 2018

SECTION E — EMPLOYER CERTIFICATION

Post-Retirement Non-Pension Benefit Plan of Guelph Hydro Electric Systems Inc. Actuarial Valuation as at December 31, 2018

I hereby confirm, as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of Guelph Hydro Electric Systems Inc. that, to the best of my knowledge and belief, for the purposes of the valuation:

- i) The membership data summarized in Section B is accurate and complete;
- ii) The assumptions upon which this report is based as summarized in Section C, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and
- iii) The summary of Plan Provisions in Section D is an accurate and complete summary of the terms of the Plan in effect on December 31, 2018.

GUELPH HYDRO ELECTRIC SYSTEMS INC.

Date

Signature

Name

Title



APPENDIX — DETAILED ACCOUNTING SCHEDULES

Guelph Hydro Electric Systems Inc.
Estimated Benefit Expense (IAS 19)
Total
DRAFT

Actuals
CY 2018 *

Discount Rate at January 1	3.50%
Discount Rate at December 31	4.00%
Health Benefit Cost Trend Rate at December 31	6.00%
Dental Benefit Cost Trend Rate at December 31	6.00%
Assumed Increase in Employer Contributions	actual

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	10,856,000
Defined Benefit Cost Recognized in Income Statement	629,221
Defined Benefit Cost Recognized in Other Comprehensive Income	(1,068,629)
Benefits Paid by the Employer	(264,475)
Net Defined Benefit Liability/(Asset) as at December 31	10,152,117

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	253,890
Interest Cost	375,332
Defined Benefit Cost Recognized in Income Statement	629,221

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(1,188,392)
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	160,928
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(41,165)
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-
Change in Effect of Asset Ceiling	-

Defined Benefit Cost Recognized in Other Comprehensive Income	(1,068,629)
Total Defined Benefit Cost	(439,408)

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	10,856,000
Current Service Cost	253,890
Interest Cost	375,332
Benefits Paid	(264,475)
Net Actuarial Loss/(Gain)	(1,068,629)
Present Value of Defined Benefit Obligation as at December 31	10,152,117

* The CY 2018 defined benefit cost and expected December 31, 2018 PV DBO are calculated based on membership data at December 31, 2018 and management's best estimate assumptions at December 31, 2018.

Guelph Hydro Electric Systems Inc.
Estimated Benefit Expense (IAS 19)
Total
DRAFT

Actuals
CY 2018 *

Discount Rate at January 1	3.50%
Discount Rate at December 31	4.00%
Health Benefit Cost Trend Rate at December 31	6.00%
Dental Benefit Cost Trend Rate at December 31	6.00%
Assumed Increase in Employer Contributions	actual

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	10,856,000
Benefits Paid	(132,238)
Accrued Benefits	10,723,762
Interest Cost	375,332

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	10,856,000
Current Service Cost	253,890
Benefits Paid	(264,475)
Interest Cost	375,332
Expected Present Value of Defined Benefit Obligation as at December 31	11,220,746

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	11,220,746
Actual Present Value of Defined Benefit Obligation	10,152,117
Net Actuarial Loss/(Gain) as at December 31	(1,068,629)

* The CY 2018 defined benefit cost and expected December 31, 2018 PV DBO are calculated based on membership data at December 31, 2018 and management's best estimate assumptions at December 31, 2018.

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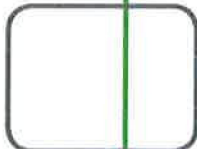
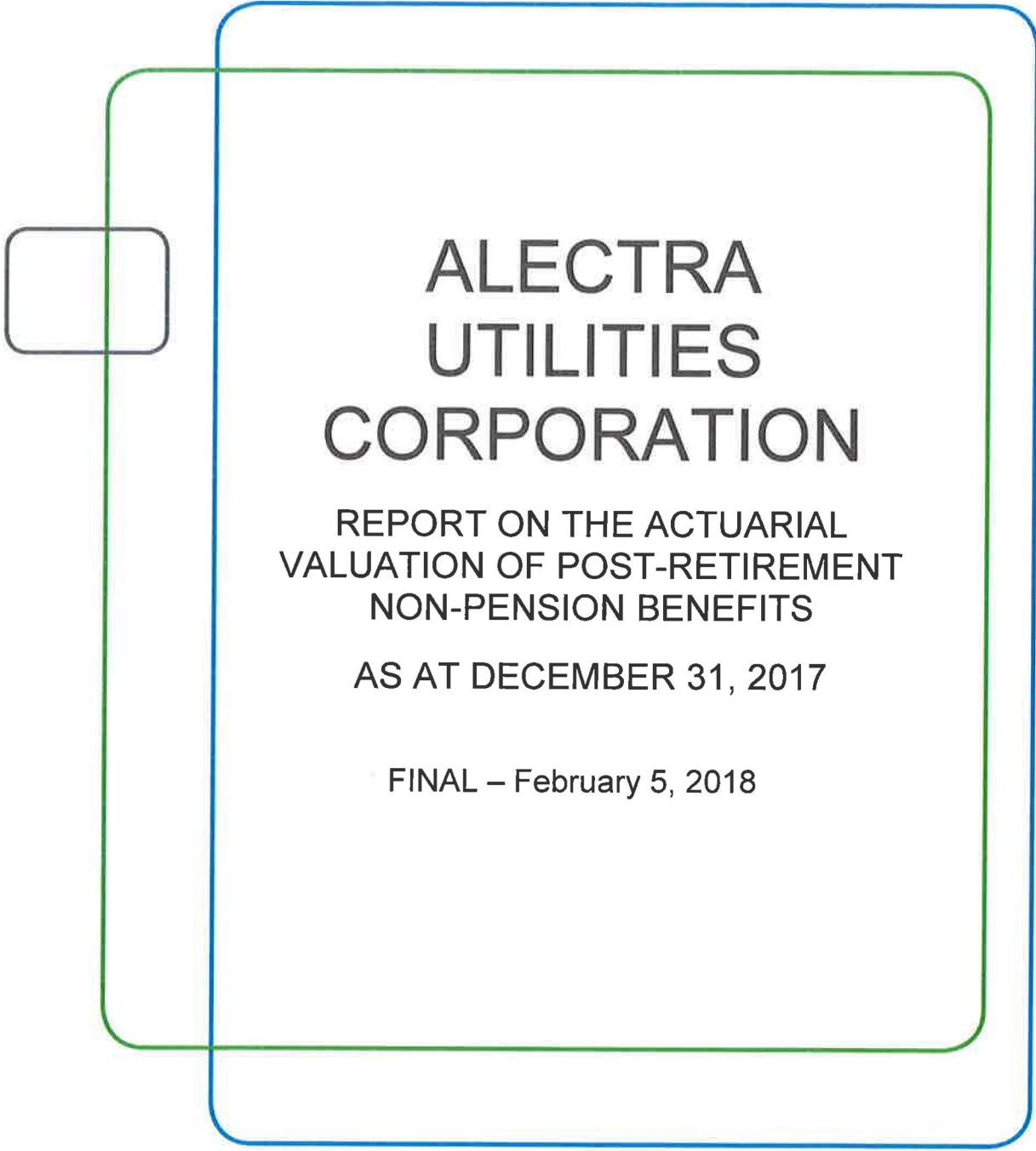


Attachment 9-20

Alectra Actuarial Reports RSM Consulting Canada LP (2017 to 2021 and 2023)

2017 Actuarial Report

RSM Consulting Canada LP



ALECTRA UTILITIES CORPORATION

REPORT ON THE ACTUARIAL
VALUATION OF POST-RETIREMENT
NON-PENSION BENEFITS

AS AT DECEMBER 31, 2017

FINAL – February 5, 2018

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EXECUTIVE SUMMARY

Purpose

RSM Canada Consulting LP was engaged by Alectra Utilities Corporation (“the Corporation”) to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2017. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards (“IFRS”) guidelines for post-retirement non-pension benefits as outlined in the International Accounting Standard 19 – Employee Benefits (“IAS 19”).

The Corporation has resulted from the merging of four entities – Enersource Corporation (“Enersource”), Horizon Utilities Corporation (“Horizon”), Hydro One Brampton (“HOBNI”), and PowerStream Inc. (“PowerStream”). Enersource, Horizon, and PowerStream merged effective January 31, 2017, with HOBNI merging at February 27, 2017. As the previous valuations for each entity were prepared separately, this report will outline the results of the current valuation separately for each of the prior entities. Any references to the previous valuation or previous year figures in this report describe the items in each of the entities’ respective reports. We note that the previous valuation for PowerStream was prepared by RSM Canada Consulting LP.

The most recent full valuations for each entity were prepared as at December 31, 2016 based on the then appropriate and entity-specific assumptions and in accordance with IAS 19.

The purpose of this valuation is threefold:

- i) To determine the Corporation’s liabilities in respect of post-retirement non-pension benefits at December 31, 2017;
- ii) To determine the defined benefit costs to be recognized for fiscal year 2017; and
- iii) To provide all other pertinent information necessary for compliance with IAS 19.

All monetary figures in this report are rounded to the nearest hundreds of dollars and summated figures in this report may not match total figures due to rounding. All references to FY 2017 refer to the 11-month period for February 1, 2017 to December 31, 2017.

The intended users of this report include the Corporation and its auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.

Included in the Appendices attached hereto are the detailed accounting schedules containing the results of the valuation and projections for future periods (if applicable), as well as a summary of the post-retirement non-pension benefit provisions valued in the current valuation.

SECTION A — VALUATION RESULTS

Section A - 1 shows the key valuation results for FY 2017 as well as a breakdown between active and retired individuals and type of benefit.

Section A - 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown an increase/decrease in the health and dental claims cost trend rates by 1% per annum and an increase/decrease in the discount rate by 1% per annum.

Section A - 3 shows the development of changes in the present value of defined benefit obligation as a result of the re-measurement at December 31, 2017.

Valuation Results

Section A.1—Valuation Results

Results from the actuarial valuation as at December 31, 2017:

Enersource

December 31, 2017	
Present Value of Defined Benefit Obligation (PV DBO)	8,152,900
FY 2017	
Current Service Cost	315,600
Past Service Cost	-
Interest Cost	226,000
Defined Benefit Cost Recognized in Income Statement	541,600
Actuarial (Gain)/Loss	1,207,200
Defined Benefit Cost Recognized In OCI	1,207,200
Defined Benefit Cost	1,748,700

Horizon

December 31, 2017	
Present Value of Defined Benefit Obligation (PV DBO)	32,983,400
FY 2017	
Current Service Cost	592,900
Past Service Cost	-
Interest Cost	1,055,400
Defined Benefit Cost Recognized in Income Statement	1,648,300
Actuarial (Gain)/Loss	2,276,900
Defined Benefit Cost Recognized In OCI	2,276,900
Defined Benefit Cost	3,925,200

HOBNI

December 31, 2017	
Present Value of Defined Benefit Obligation (PV DBO)	3,993,000
FY 2017	
Current Service Cost	95,000
Past Service Cost	-
Interest Cost	132,300
Defined Benefit Cost Recognized in Income Statement	227,300
Actuarial (Gain)/Loss	(29,300)
Defined Benefit Cost Recognized In OCI	(29,300)
Defined Benefit Cost	198,000

PowerStream

December 31, 2017	
Present Value of Defined Benefit Obligation (PV DBO)	19,941,200
FY 2017	
Current Service Cost	1,036,500
Past Service Cost	98,800
Interest Cost	716,100
Defined Benefit Cost Recognized in Income Statement	1,851,400
Actuarial (Gain)/Loss	(1,579,300)
Defined Benefit Cost Recognized In OCI	(1,579,300)
Defined Benefit Cost	272,100

The FY 2017 current service cost and interest cost are based on the results of the prior valuations at December 31, 2016 prepared for each of the prior entities. We have relied on these figures based on the scope of work agreed to by the Corporation for the December 31, 2017 valuation.

The following tables provide results from the actuarial valuation as at December 31, 2017 broken down by active (including LTD) and retired individuals and type of post-retirement non-pension benefit:

Enersource

Dec. 31, 2017 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	906,400	2,184,100	3,090,400
Health	3,626,300	430,000	4,056,300
Dental	894,100	112,100	1,006,200
Total	<u>5,426,800</u>	<u>2,726,200</u>	<u>8,152,900</u>

Horizon

Dec. 31, 2017 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	2,068,000	4,849,500	6,917,500
Drugs	6,241,400	6,068,300	12,309,700
Health, Dental	6,379,400	6,898,300	13,277,700
Vision	200,800	277,700	478,500
Total	<u>14,889,600</u>	<u>18,093,900</u>	<u>32,983,400</u>

HOBNI

Dec. 31, 2017 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	817,400	1,508,400	2,325,800
Drugs, Other Medical	906,500	115,200	1,021,700
Hospital, Vision, Dental	570,800	74,700	645,400
Total	<u>2,294,700</u>	<u>1,698,200</u>	<u>3,993,000</u>

PowerStream

Dec. 31, 2017 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	1,843,000	3,026,700	4,869,700
Health	5,023,400	2,445,500	7,468,900
Dental	4,778,000	2,824,600	7,602,600
Total	<u>11,644,400</u>	<u>8,296,800</u>	<u>19,941,200</u>

Sensitivity Analysis

Section A.2—Sensitivity Analysis

Enersource

Horizon	Dec. 31, 2017 PV DBO	Difference	% Difference
Base Assumptions	8,152,900		
Cost Trends +1%	8,707,300	554,400	7%
Cost Trends -1%	7,675,800	(477,100)	-6%
Discount Rate +1%	7,171,500	(981,400)	-12%
Discount Rate -1%	9,374,500	1,221,600	15%

Horizon

	Dec. 31, 2017 PV DBO	Difference	% Difference
Base Assumptions	32,983,400		
Cost Trends +1%	37,506,100	4,522,700	14%
Cost Trends -1%	29,338,500	(3,644,900)	-11%
Discount Rate +1%	28,166,400	(4,817,000)	-15%
Discount Rate -1%	39,175,100	6,191,700	19%

HOBNI

	Dec. 31, 2017 PV DBO	Difference	% Difference
Base Assumptions	3,993,000		
Cost Trends +1%	4,154,900	161,900	4%
Cost Trends -1%	3,851,800	(141,200)	-4%
Discount Rate +1%	3,453,100	(539,900)	-14%
Discount Rate -1%	4,688,500	695,500	17%

PowerStream

	Dec. 31, 2017 PV DBO	Difference	% Difference
Base Assumptions	19,941,200		
Cost Trends +1%	22,022,100	2,080,900	10%
Cost Trends -1%	18,208,400	(1,732,800)	-9%
Discount Rate +1%	17,346,700	(2,594,500)	-13%
Discount Rate -1%	23,208,000	3,266,800	16%

Management's best estimate assumptions at December 31, 2017 are those outlined in *Section C – Summary of Actuarial Method and Assumptions* in this report.

Development of Changes in the Present Value of Defined Benefit Obligation

Section A.3—Development of Changes in the Present Value of Defined Benefit Obligation

Enersource

PV DBO at December 31, 2016	6,742,000
2017 Current Service Cost	315,600
2017 Benefit Payments	(337,800)
2017 Interest Cost	226,000
Expected PV DBO at December 31, 2017	6,945,800
Actuarial (Gain)/Loss at December 31, 2017	1,207,200
PV DBO at December 31, 2017	8,152,900

The actuarial (gain)/loss indicated above from the expected PV DBO to the actual PV DBO at December 31, 2017 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Changing demographics (actual experience different from expected)	356,100
Change in assumptions:	
Retirement age	451,300
Discount rate	367,500
Health and dental coverage	207,900
Withdrawal	13,000
Salary scale	11,500
Mortality	(80,700)
Claims cost trend rates	(119,300)
Total Actuarial (Gain)/Loss at December 31, 2017	1,207,200

Horizon

PV DBO at December 31, 2016	29,987,000
2017 Current Service Cost	592,900
2017 Benefit Payments	(928,800)
2017 Interest Cost	1,055,400
Expected PV DBO at December 31, 2017	30,706,500
Actuarial (Gain)/Loss at December 31, 2017	2,276,900
PV DBO at December 31, 2017	32,983,400

The actuarial (gain)/loss indicated above from the expected PV DBO to the actual PV DBO at December 31, 2017 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Changing demographics (actual experience different from expected)	(3,114,200)
Change in assumptions:	
Discount rate	2,550,100
Claims cost trend rates	1,664,800
Retirement age	850,500
Health and dental coverage	387,200
Salary scale	92,300
Withdrawal	(153,700)
Total Actuarial (Gain)/Loss at December 31, 2017	2,276,900

HOBNI

PV DBO at December 31, 2016	3,900,000
2017 Current Service Cost	95,000
2017 Benefit Payments	(105,000)
2017 Interest Cost	132,300
Expected PV DBO at December 31, 2017	4,022,300
Actuarial (Gain)/Loss at December 31, 2017	(29,300)
PV DBO at December 31, 2017	3,993,000

The actuarial (gain)/loss indicated above from the expected PV DBO to the actual PV DBO at December 31, 2017 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Changing demographics (actual experience different from expected)	(241,400)
Change in assumptions:	
Discount rate	202,700
Health and dental coverage	106,900
Salary scale	13,300
Withdrawal	(25,900)
Claims cost trend rates	(84,700)
Total Actuarial (Gain)/Loss at December 31, 2017	(29,300)

PowerStream

PV DBO at December 31, 2016	20,395,100
2017 Current Service Cost	1,036,500
2017 Benefit Payments	(725,900)
2017 Interest Cost	716,100
Expected PV DBO at December 31, 2017	21,421,700
Past Service Cost	98,800
Expected PV DBO at December 31, 2017 (after Past Service Cost)	21,520,500
Actuarial (Gain)/Loss at December 31, 2017	(1,579,300)
PV DBO at December 31, 2017	19,941,200

The past service cost indicated above is a result of an update of the company's proportionate share of the post-retirement life insurance benefit from 75% to 80% for former PowerStream retirees.

The actuarial (gain)/loss indicated above from the expected PV DBO to the actual PV DBO at December 31, 2017 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Changing demographics (actual experience different from expected)	(1,676,000)
Change in assumptions:	
Discount rate	1,369,700
Claims cost trend rates	108,300
Salary scale	(11,600)
Retirement age	(1,369,600)
Total Actuarial (Gain)/Loss at December 31, 2017	(1,579,300)

Pursuant to IAS 19, the re-measurement of the PV DBO at December 31, 2017 based on the changes in the assumptions and experience is recognized immediately in other comprehensive income at December 31, 2017.

SECTION B — PLAN PARTICIPANTS

Section B – 1 sets out the summary information with respect to the plan participants valued in the current valuation. For PowerStream, this information was compared to those valued in the previous valuation.

Section B – 2 reconciles the number of participants in the previous valuation to the number of participants in the current valuation for PowerStream.

Participation Data

Section B.1—Participant Data

The latest membership data was received from the Corporation on November 17 via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

Although the data provided reflected status and benefit information prior to December 31, the Corporation has indicated that any changes in status and other member data occurring between November 17 and December 31 are not expected to be material to the valuation results.

We have reviewed the data and compared it to the data used in the previous valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of hire prior to date of birth;
- Ages under 18 or over 100;
- Abnormal levels of benefits and/or premiums; and
- Duplicate records

In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

Enersource

December 31, 2017

Employee Count

Male	256
Female	109
Total	365

Employee Average Service

Male	13.1
Female	14.6
Total	13.5

Retiree (in Receipt of Benefits) Count

Male	106
Female	48
Total	154

Employee Count as of Dec. 31, 2017

Employee Avg Service as of Dec. 31, 2017

Age	Male	Female	Total	Male	Female	Total
< 30	28	2	30	3.3	3.2	3.3
30 - 35	46	13	59	6.4	7.3	6.6
36 - 40	30	15	45	10.6	8.7	10.0
41 - 45	26	13	39	9.7	11.3	10.2
46 - 50	31	10	41	12.3	13.4	12.6
51 - 55	50	23	73	20.8	16.6	19.4
56 - 60	30	17	47	18.9	20.4	19.5
61 - 65	13	14	27	24.7	20.7	22.7
66 - 70	2	1	3	36.0	28.4	33.5
71 - 75	-	1	1	-	30.6	30.6
> 75	-	-	-	-	-	-
Total	256	109	365	13.1	14.6	13.5

Horizon

		December 31, 2017
Employee Count		
Male		269
Female		101
Total		370
Employee Average Service		
Male		14.8
Female		16.5
Total		15.2
Retiree (in Receipt of Benefits) Count		
Male		189
Female		66
Total		255

Employee Count as of Dec. 31, 2017				Employee Avg Service as of Dec. 31, 2017		
Age	Male	Female	Total	Male	Female	Total
< 30	25	3	28	3.2	5.0	3.4
30 - 35	44	10	54	6.4	6.3	6.4
36 - 40	23	17	40	8.6	9.4	8.9
41 - 45	30	8	38	11.0	8.4	10.5
46 - 50	38	9	47	16.7	18.1	17.0
51 - 55	61	30	91	22.5	23.8	22.9
56 - 60	34	20	54	24.7	22.1	23.8
61 - 65	14	4	18	16.7	10.8	15.4
66 - 70	-	-	-	-	-	-
71 - 75	-	-	-	-	-	-
> 75	-	-	-	-	-	-
Total	269	101	370	14.8	16.5	15.2

HOBNI

December 31, 2017

Employee Count

Male	139
Female	63
Total	202

Employee Average Service

Male	16.8
Female	14.0
Total	15.9

Retiree (in Receipt of Benefits) Count

Male	74
Female	26
Total	100

Employee Count as of Dec. 31, 2017

Employee Avg Service as of Dec. 31, 2017

Age	Male	Female	Total	Male	Female	Total
< 30	18	2	20	3.3	2.6	3.3
30 - 35	15	7	22	4.6	6.7	5.3
36 - 40	15	7	22	8.2	8.6	8.4
41 - 45	11	8	19	8.5	9.0	8.8
46 - 50	21	9	30	20.9	13.3	18.6
51 - 55	23	8	31	23.2	13.7	20.7
56 - 60	25	16	41	27.4	19.5	24.3
61 - 65	5	3	8	30.7	22.9	27.7
66 - 70	6	3	9	28.9	28.4	28.7
71 - 75	-	-	-	-	-	-
> 75	-	-	-	-	-	-
Total	139	63	202	16.8	14.0	15.9

PowerStream

	December 31, 2016	December 31, 2017
Employee Count		
Male	321	322
Female	167	181
Total	488	503
Employee Average Service		
Male	14.8	14.9
Female	16.1	15.8
Total	15.2	15.2
Retiree (in Receipt of Benefits) Count		
Male	164	164
Female	55	55
Total	219	219

	Employee Count as of Dec. 31, 2017			Employee Avg Service as of Dec. 31, 2017		
Age	Male	Female	Total	Male	Female	Total
< 30	50	9	59	4.1	5.1	4.3
30 - 35	46	19	65	6.4	7.0	6.6
36 - 40	24	20	44	6.9	7.9	7.3
41 - 45	24	16	40	11.0	7.3	9.5
46 - 50	39	35	74	16.6	17.4	17.0
51 - 55	59	38	97	23.8	22.8	23.4
56 - 60	60	32	92	23.4	20.5	22.3
61 - 65	15	11	26	17.3	24.4	20.3
66 - 70	4	1	5	33.1	16.1	29.7
71 - 75	1	-	1	24.8	-	24.8
> 75	-	-	-	-	-	-
Total	322	181	503	14.9	15.8	15.2

Note that disabled individuals were included in the retiree count at December 31, 2016 and are now included in the active count for the current valuation at December 31, 2017.

Participant Reconciliation

Section B.2—Participation Reconciliation

PowerStream

	Actives	Disabled	Retired
December 31, 2016	488	8	211
New Entrants	16	-	-
Previously Not Included	20	-	7
Actives	-	3	12
Terminated	(11)	(2)	-
Retired	(12)	-	-
Deceased	(1)	-	(10)
Disabled	(3)	-	-
Removed from Database	(3)	-	(1)
December 31, 2017	494	9	219

We are able to provide the reconciliation above as we prepared the prior valuation results and the required data was available to us.

SECTION C — SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

Actuarial Method

The aim of an actuarial valuation of post-retirement non-pension benefits is to provide a reasonable and systematic allocation of the cost of these future benefits to the years in which the related employees' services are rendered. To accomplish this, it is necessary to:

- make assumptions for discount rates, mortality, and other decrements;
- use these assumptions to calculate the present value of the expected future benefits; and,
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment.

The Defined Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) and ends on the date when further service by the employee will lead to no material amount of further post-retirement non-pension benefits under the plan, other than from further salary increases.

For each employee not yet fully eligible for benefits, the Present Value of the Defined Benefit Obligation (PV DBO) is equal to the present value of expected future benefits multiplied by the ratio of the years of service to the valuation date to the total years of service in the attribution period. The Current Service Cost is equal to the present value of expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period.

The PV DBO at December 31, 2017 is based on membership data as at October 31, 2017 and management's best estimate assumptions established for calculations as at December 31, 2017.

For health and dental benefits, the Corporation has selected the following base rates as management's best estimate of benefit claims costs. For PowerStream, the Corporation chose the premium rates charged to retirees in 2017 as used in the previous valuation, trended forward to 2018. For Enersource, Horizon, and HOBNI, the Corporation chose the claims levels as proposed in the claims analysis for their respective valuations as at December 31, 2016. These are calculated based on historical claims information and assumptions as of December 31, 2016, trended forward to 2018. The total monthly per-capita claims levels used, inclusive of expenses and premium taxes, are as follows:

Enersource	Health Single	Health Family	Dental Single	Dental Family
Less than 15 years of service	161.67	281.25	38.00	62.75
15 years of service or more	184.67	348.29	49.79	92.96

Horizon	Drugs Single	Drugs Family	H/D Single	H/D Family	Dental Single	Dental Family
Age 60 rate	132.56	265.12	82.27	164.54	6.98	13.96

HOBNI	Health Single	Health Family	Dental Single	Dental Family
Age 60 rate	212.99	425.98	142.12	284.24

PowerStream	Health Single	Health Family	Dental Single	Dental Family
Former Markham	162.27	348.41	67.03	194.42
Former Rich. Hill and Vaughan	160.51	196.86	67.03	340.15
PS and Former Barrie	142.72	334.29	57.91	171.98

The rates above are at the 100% level and prior to any cost-sharing provisions under the plan.

Management's Best Estimate Assumptions

The following are management's best estimate economic and demographic assumptions for calculations as at December 31, 2017.

Economic Assumptions

Discount Rate

The rate used to discount future benefits is assumed to be 3.40% per annum as at December 31, 2017. This rate reflects the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the market yields on high quality bonds at December 2017.

Salary Increase Rate

The rate used to increase salaries is assumed to be 3.30% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion and for company-specific information.

Claims Cost Trend Rate

The table below summarizes the health and dental trend rate assumption chosen for the current valuation:

End of Year	Survey Results	
	Health	Dental
2018	6.20%	4.50%
2019	5.96%	4.50%
2020	5.71%	4.50%
2021	5.47%	4.50%
2022	5.23%	4.50%
2023	4.99%	4.50%
2024	4.74%	4.50%
2025 and Thereafter	4.50%	4.50%

For Horizon, the health trends were applied to the base drug benefit costs and the dental trends were applied to the health and dental cost levels. There was no trend applied for vision benefits for Horizon.

For Hydro One Brampton, the health trends were applied to the base drugs and other medical cost levels and the dental trends were applied to the hospital, vision, and dental cost levels.

Aging Factors

The tables below summarize the benefit aging factor assumptions used for the current valuation, by entity:

Enersource

No specific aging factors were reflected in the Enersource benefit cost levels.

Horizon

Age	EHS	Vision	Drugs	Dental
55	0.20%	4.50%	0.60%	0.90%
60	1.10%	3.00%	1.60%	1.30%
65	2.00%	0.80%	2.50%	1.30%
70	2.80%	-1.70%	3.00%	0.70%
75	3.40%	-4.00%	2.90%	-0.70%
80	3.90%	-5.70%	2.20%	-2.90%
85	4.30%	-6.20%	1.00%	-5.70%

In addition, a decrease of 65% of drugs claims at age 65 to account for the Ontario Drug Benefit Plan was assumed.

HOBNI

Age	Drug	Hospital	Vision	Dental	Other Medical
55	3.80%	7.00%	-0.50%	-0.40%	-0.20%
65	2.10%	10.00%	-0.60%	-0.90%	-0.50%
75	0.50%	9.30%	-0.60%	-1.30%	1.70%
85	-0.30%	6.80%	-0.70%	-2.90%	2.30%
95	-0.70%	5.20%	-0.70%	-3.70%	2.50%

PowerStream

No specific aging factors were reflected in the PowerStream benefit cost levels.

Demographic Assumptions

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee final report dated February 11, 2014 (CIA Report). More specifically, the Canada Pensioners Mortality ("CPM") Table Public Sector (CPM2014 PUBL) has been used with the generational projection of mortality improvement based upon CPM Improvement Scale B-2014.

Rates of Withdrawal

Termination of employment is assumed to be in accordance with the following withdrawal table:

Age Bucket	Current Valuation
18 – 29	3.50%
30 – 34	2.50%
35 – 39	2.15%
40 – 49	1.75%
50 – 54	1.40%

Retirement Age

The retirement of active employees is assumed to be in accordance with the following retirement table:

Age	Rate
under 55	0%
55	15%
56	15%
57	15%
58	15%
59	15%
60	20%
61	20%
62	20%
63	20%
64	20%
65	100%

Disability

No provision was made for future disability. Currently disabled individuals are assumed to retire at age 65.

Member Election

For active employees, the proportion of individuals who elect for health and dental coverage at retirement are assumed to be as follows:

Entity	Participation Rate
Enersource (10 to 14 years of service)	90%
Enersource (15 years of service)	100%
Horizon	100%
HOBNI	70%
PowerStream	100%

Other Assumptions

Family/Single Coverage

The following assumptions were chosen for the current valuation:

- Coverage Type at Retirement (i.e. family, single) – The employee's coverage type at the valuation date will remain the same until the employee reaches the assumed retirement age.
- Spousal Gender – For employees with family coverage, the retiree has a spouse of the opposite gender at the date of retirement.
- Spousal Age Offset – Male spouses are assumed to be three years older than female spouses.

Expenses and Taxes

The taxes and expenses are included in the premium rates assumed for health and dental benefits.

We have assumed the following percentage of benefits is required for the cost of sponsoring the program for post-retirement life insurance:

Entity	Life Expense Rate
Enersource	8%
Horizon	5%
HOBNI	11%
PowerStream	10%

SECTION D — SUMMARY OF POST-RETIREMENT BENEFITS

A summary of the key plan provisions for each prior entity that are pertinent to this valuation, based on information provided by and discussions with the Corporation, is found in Appendix B of this report.

Details regarding the specific health and dental coverage levels can be found in the benefit documents and agreements governing these benefits for each entity.

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by Alectra Utilities Corporation ("the Corporation") as at December 31, 2017, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards, we hereby certify that, in our opinion, for the purposes stated in the Executive Summary:

1. The data on which the valuation of the PV DBO at December 31, 2017 is based is sufficient and reliable;
2. The assumptions employed at December 31, 2017, as outlined in this report, have been selected by the Corporation as management's best estimate assumptions (no provision for adverse deviations) and we express no opinion on them;
3. All known legal and constructive obligations with respect to the post-retirement non-pension benefits sponsored by and identified by the Corporation as at December 31, 2017 are included in the calculations; and
4. This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We are not aware of any subsequent events after the date of completing this valuation that would have a significant effect on the valuation results contained herein.

The latest date on which the next actuarial valuation should be performed is December 31, 2020. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

RSM CANADA CONSULTING LP



Stanley Caravaggio, FSA, FCIA
Senior Manager



Jamie Wong, ASA, ACIA
Consultant

Toronto, Ontario

February 5, 2018

SECTION E — EMPLOYER CERTIFICATION

Post-Retirement Non-Pension Benefit Plan of Alectra Utilities Corporation Actuarial Valuation as at December 31, 2017

I hereby confirm, as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of Alectra Utilities Corporation that, to the best of my knowledge and belief, for the purposes of the valuation:

- i) The membership data provided for the valuation at December 31, 2017 which is summarized in Section B is accurate and complete;
- ii) The assumptions upon which this report is based as summarized in Section C, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and
- iii) The summary of Plan Provisions in Section D and Appendix B are an accurate and complete summary of the terms of the Plan in effect on December 31, 2017.

ALECTRA UTILITIES CORPORATION

Jan 30 / 2018
Date

Marc Villet
Signature

MARC VILLET
Name

VICE PRESIDENT FINANCE
Title



APPENDIX A — DETAILED ACCOUNTING SCHEDULES



Alectra Utilities Inc. - Enersource Services Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	370,000	257,849
Defined Benefit Cost Recognized in Income Statement	25,052	23,111
Defined Benefit Cost Recognized in Other Comprehensive Income	(120,314)	-
Benefits Paid by the Employer	(16,890)	(2,356)
Net Defined Benefit Liability/(Asset) as at December 31	257,849	278,604

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	12,624	14,384
- Past Service Cost **	-	-
Net Interest Cost	12,428	8,727
Defined Benefit Cost Recognized in Income Statement	25,052	23,111

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	7,068	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(99)	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(127,282)	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(120,314)	-
Total Defined Benefit Cost	(95,261)	23,111

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics, may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - Enersource Services Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	370,000	257,849
Current Service Cost	12,624	14,384
Past Service Cost **	-	-
Interest Cost	12,428	8,727
Benefits Paid	(16,890)	(2,356)
Net Actuarial Loss/(Gain)	(120,314)	-

Present Value of Defined Benefit Obligation as at December 31

257,849	278,604
----------------	----------------

D. Calculation of Component Items

Service Cost

- Current Service Cost	12,624	14,384
- Past Service Cost **	-	-

Interest Cost

- Net Defined Benefit Liability/(Asset) as at January 1	370,000	257,849
- Benefits Paid	(8,445)	(1,178)
- Accrued Benefits	361,555	256,671
- Interest Cost	12,428	8,727

Expected Present Value of Defined Benefit Obligation as at December 31

- Present Value of Defined Benefit Obligation as at January 1	370,000	257,849
- Current Service Cost	12,624	14,384
- Interest Cost	12,428	8,727
- Benefits Paid	(16,890)	(2,356)
- Expected Present Value of Defined Benefit Obligation as at December 31	378,162	278,604

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31

- Expected Present Value of Defined Benefit Obligation	378,162	278,604
- Past Service Cost **	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	378,162	278,604
- Actual Present Value of Defined Benefit Obligation	257,849	278,604
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	(120,314)	-

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics, may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - Enersource Hydro Mississauga Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	6,372,000	7,895,098
Defined Benefit Cost Recognized in Income Statement	516,498	589,712
Defined Benefit Cost Recognized in Other Comprehensive Income	1,327,510	-
Benefits Paid by the Employer	(320,910)	(299,147)
Net Defined Benefit Liability/(Asset) as at December 31	7,895,098	8,185,663

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	302,976	326,364
- Past Service Cost **	-	-
Net Interest Cost	213,522	263,348
Defined Benefit Cost Recognized in Income Statement	516,498	589,712

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	252,590	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	591,570	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	483,350	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	1,327,510	-
Total Defined Benefit Cost	1,844,008	589,712

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics, may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - Enersource Hydro Mississauga Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	6,372,000	7,895,098
Current Service Cost	302,976	326,364
Past Service Cost **	-	-
Interest Cost	213,522	263,348
Benefits Paid	(320,910)	(299,147)
Net Actuarial Loss/(Gain)	1,327,510	-
Present Value of Defined Benefit Obligation as at December 31	7,895,098	8,185,663

D. Calculation of Component Items

Service Cost		
- Current Service Cost	302,976	326,364
- Past Service Cost **	-	-
Interest Cost		
- Net Defined Benefit Liability/(Asset) as at January 1	6,372,000	7,895,098
- Benefits Paid	(160,455)	(149,574)
- Accrued Benefits	6,211,545	7,745,524
- Interest Cost	213,522	263,348
Expected Present Value of Defined Benefit Obligation as at December 31		
- Present Value of Defined Benefit Obligation as at January 1	6,372,000	7,895,098
- Current Service Cost	302,976	326,364
- Interest Cost	213,522	263,348
- Benefits Paid	(320,910)	(299,147)
- Expected Present Value of Defined Benefit Obligation as at December 31	6,567,588	8,185,663

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31		
- Expected Present Value of Defined Benefit Obligation	6,567,588	8,185,663
- Past Service Cost **	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	6,567,588	8,185,663
- Actual Present Value of Defined Benefit Obligation	7,895,098	8,185,663
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	1,327,510	-

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics, may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - Horizon Utilities Corporation
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	29,952,000	32,960,177
Defined Benefit Cost Recognized in Income Statement	1,642,870	1,795,581
Defined Benefit Cost Recognized in Other Comprehensive Income	2,294,107	-
Benefits Paid by the Employer	(928,800)	(1,055,885)
Net Defined Benefit Liability/(Asset) as at December 31	32,960,177	33,699,874

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	588,689	692,885
- Past Service Cost **	-	-
Net Interest Cost	1,054,182	1,102,696
Defined Benefit Cost Recognized in Income Statement	1,642,870	1,795,581

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	4,307,049	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	1,083,983	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(3,096,925)	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	2,294,107	-
Total Defined Benefit Cost	3,936,977	1,795,581

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics, may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - Horizon Utilities Corporation
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	29,952,000	32,960,177
Current Service Cost	588,689	692,885
Past Service Cost **	-	-
Interest Cost	1,054,182	1,102,696
Benefits Paid	(928,800)	(1,055,885)
Net Actuarial Loss/(Gain)	2,294,107	-
Present Value of Defined Benefit Obligation as at December 31	32,960,177	33,699,874

D. Calculation of Component Items

Service Cost		
- Current Service Cost	588,689	692,885
- Past Service Cost **	-	-
Interest Cost		
- Net Defined Benefit Liability/(Asset) as at January 1	29,952,000	32,960,177
- Benefits Paid	(464,400)	(527,942)
- Accrued Benefits	29,487,600	32,432,235
- Interest Cost	1,054,182	1,102,696
Expected Present Value of Defined Benefit Obligation as at December 31		
- Present Value of Defined Benefit Obligation as at January 1	29,952,000	32,960,177
- Current Service Cost	588,689	692,885
- Interest Cost	1,054,182	1,102,696
- Benefits Paid	(928,800)	(1,055,885)
- Expected Present Value of Defined Benefit Obligation as at December 31	30,666,070	33,699,874

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31		
- Expected Present Value of Defined Benefit Obligation	30,666,070	33,699,874
- Past Service Cost **	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	30,666,070	33,699,874
- Actual Present Value of Defined Benefit Obligation	32,960,177	33,699,874
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	2,294,107	-

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics, may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - Horizon Energy Solutions Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	13,000	23,266
Defined Benefit Cost Recognized in Income Statement	2,370	790
Defined Benefit Cost Recognized in Other Comprehensive Income	7,897	-
Benefits Paid by the Employer	-	(40)
Net Defined Benefit Liability/(Asset) as at December 31	23,266	24,016

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	1,905	-
- Past Service Cost **	-	-
Net Interest Cost	465	790
Defined Benefit Cost Recognized in Income Statement	2,370	790

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	96	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	16	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	7,784	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	7,897	-
Total Defined Benefit Cost	10,266	790

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

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*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - Horizon Energy Solutions Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	13,000	23,266
Current Service Cost	1,905	-
Past Service Cost **	-	-
Interest Cost	465	790
Benefits Paid	-	(40)
Net Actuarial Loss/(Gain)	7,897	-
Present Value of Defined Benefit Obligation as at December 31	23,266	24,016

D. Calculation of Component Items

Service Cost		
- Current Service Cost	1,905	-
- Past Service Cost **	-	-
Interest Cost		
- Net Defined Benefit Liability/(Asset) as at January 1	13,000	23,266
- Benefits Paid	-	(20)
- Accrued Benefits	13,000	23,246
- Interest Cost	465	790
Expected Present Value of Defined Benefit Obligation as at December 31		
- Present Value of Defined Benefit Obligation as at January 1	13,000	23,266
- Current Service Cost	1,905	-
- Interest Cost	465	790
- Benefits Paid	-	(40)
- Expected Present Value of Defined Benefit Obligation as at December 31	15,370	24,016

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31		
- Expected Present Value of Defined Benefit Obligation	15,370	24,016
- Past Service Cost **	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	15,370	24,016
- Actual Present Value of Defined Benefit Obligation	23,266	24,016
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	7,897	-

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics, may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - Horizon Holdings Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	22,000	-
Defined Benefit Cost Recognized in Income Statement	3,072	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(25,072)	-
Benefits Paid by the Employer	-	-
Net Defined Benefit Liability/(Asset) as at December 31	-	-

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	2,286	-
- Past Service Cost **	-	-
Net Interest Cost	787	-
Defined Benefit Cost Recognized in Income Statement	3,072	-

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(25,072)	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(25,072)	-
Total Defined Benefit Cost	(22,000)	-

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics, may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - Horizon Holdings Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	22,000	-
Current Service Cost	2,286	-
Past Service Cost **	-	-
Interest Cost	787	-
Benefits Paid	-	-
Net Actuarial Loss/(Gain)	(25,072)	-

Present Value of Defined Benefit Obligation as at December 31

-	-
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D. Calculation of Component Items

Service Cost

- Current Service Cost	2,286	-
- Past Service Cost **	-	-

Interest Cost

- Net Defined Benefit Liability/(Asset) as at January 1	22,000	-
- Benefits Paid	-	-
- Accrued Benefits	22,000	-
- Interest Cost	787	-

Expected Present Value of Defined Benefit Obligation as at December 31

- Present Value of Defined Benefit Obligation as at January 1	22,000	-
- Current Service Cost	2,286	-
- Interest Cost	787	-
- Benefits Paid	-	-
- Expected Present Value of Defined Benefit Obligation as at December 31	25,072	-

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31		
- Expected Present Value of Defined Benefit Obligation	25,072	-
- Past Service Cost **	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	25,072	-
- Actual Present Value of Defined Benefit Obligation	-	-
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	(25,072)	-

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics, may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - Hydro One Brampton Networks Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 28 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	3,900,000	3,992,976
Defined Benefit Cost Recognized in Income Statement	227,258	256,746
Defined Benefit Cost Recognized in Other Comprehensive Income	(29,281)	-
Benefits Paid by the Employer	(105,000)	(118,840)
Net Defined Benefit Liability/(Asset) as at December 31	3,992,976	4,130,882

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	95,000	123,005
- Past Service Cost **	-	-
Net Interest Cost	132,258	133,741
Defined Benefit Cost Recognized in Income Statement	227,258	256,746

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	131,203	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	80,924	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(241,409)	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(29,281)	-
Total Defined Benefit Cost	197,976	256,746

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

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*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - Hydro One Brampton Networks Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 28 - Dec 31 2017*	Projected ** CY 2018
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ***

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	3,900,000	3,992,976
Current Service Cost	95,000	123,005
Past Service Cost **	-	-
Interest Cost	132,258	133,741
Benefits Paid	(105,000)	(118,840)
Net Actuarial Loss/(Gain)	(29,281)	-
Present Value of Defined Benefit Obligation as at December 31	3,992,976	4,130,882

D. Calculation of Component Items

Service Cost		
- Current Service Cost	95,000	123,005
- Past Service Cost **	-	-
Interest Cost		
- Net Defined Benefit Liability/(Asset) as at January 1	3,900,000	3,992,976
- Benefits Paid	(52,500)	(59,420)
- Accrued Benefits	3,847,500	3,933,556
- Interest Cost	132,258	133,741
Expected Present Value of Defined Benefit Obligation as at December 31		
- Present Value of Defined Benefit Obligation as at January 1	3,900,000	3,992,976
- Current Service Cost	95,000	123,005
- Interest Cost	132,258	133,741
- Benefits Paid	(105,000)	(118,840)
- Expected Present Value of Defined Benefit Obligation as at December 31	4,022,258	4,130,882

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31		
- Expected Present Value of Defined Benefit Obligation	4,022,258	4,130,882
- Past Service Cost **	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	4,022,258	4,130,882
- Actual Present Value of Defined Benefit Obligation	3,992,976	4,130,882
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	(29,281)	-

* The FY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics, may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - PowerStream Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017 *	Projected *** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ****

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	20,382,385	19,922,679
Defined Benefit Cost Recognized in Income Statement	1,844,227	1,821,406
Defined Benefit Cost Recognized in Other Comprehensive Income	(1,577,998)	-
Benefits Paid by the Employer	(725,936)	(628,568)
Net Defined Benefit Liability/(Asset) as at December 31	19,922,679	21,115,517

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	1,030,142	1,154,720
- Past Service Cost **	98,391	-
Net Interest Cost	715,694	666,685
Defined Benefit Cost Recognized in Income Statement	1,844,227	1,821,406

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	1,464,257	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(1,366,853)	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(1,675,401)	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(1,577,998)	-
Total Defined Benefit Cost	266,230	1,821,406

* The CY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** The Past Service Cost reflects a change in the proportionate share paid by the Corporation for post-retirement life insurance benefits for individuals retiring on or after April 1, 2016 based on further clarification with the Corporation.

*** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

**** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - PowerStream Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017 *	Projected *** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected ****

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	20,382,385	19,922,679
Current Service Cost	1,030,142	1,154,720
Past Service Cost **	98,391	-
Interest Cost	715,694	666,685
Benefits Paid	(725,936)	(628,568)
Net Actuarial Loss/(Gain)	(1,577,998)	-

Present Value of Defined Benefit Obligation as at December 31

19,922,679	21,115,517
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D. Calculation of Component Items

Service Cost

- Current Service Cost	1,030,142	1,154,720
- Past Service Cost **	98,391	-

Interest Cost

- Net Defined Benefit Liability/(Asset) as at January 1	20,382,385	19,922,679
- Benefits Paid	(362,968)	(314,284)
- Accrued Benefits	20,019,417	19,608,395
- Interest Cost	715,694	666,685

Expected Present Value of Defined Benefit Obligation as at December 31

- Present Value of Defined Benefit Obligation as at January 1	20,382,385	19,922,679
- Current Service Cost	1,030,142	1,154,720
- Interest Cost	715,694	666,685
- Benefits Paid	(725,936)	(628,568)
- Expected Present Value of Defined Benefit Obligation as at December 31	21,402,286	21,115,517

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31

- Expected Present Value of Defined Benefit Obligation	21,402,286	21,115,517
- Past Service Cost **	98,391	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	21,500,677	21,115,517
- Actual Present Value of Defined Benefit Obligation	19,922,679	21,115,517
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	(1,577,998)	-

* The CY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** The Past Service Cost reflects a change in the proportionate share paid by the Corporation for post-retirement life insurance benefits for individuals retiring on or after April 1, 2016 based on further clarification with the Corporation.

*** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

**** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - PowerStream Energy Services Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017 *	Projected *** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.50%
Assumed Increase in Employer Contributions	actuals	expected ****

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	6,477	10,717
Defined Benefit Cost Recognized in Income Statement	4,890	5,360
Defined Benefit Cost Recognized in Other Comprehensive Income	(650)	-
Benefits Paid by the Employer	-	-
Net Defined Benefit Liability/(Asset) as at December 31	10,717	16,077

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	4,460	4,996
- Past Service Cost**	198	-
Net Interest Cost	232	364
Defined Benefit Cost Recognized in Income Statement	4,890	5,360

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	1,240	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(1,546)	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(344)	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(650)	-
Total Defined Benefit Cost	4,240	5,360

* The CY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** The Past Service Cost reflects a change in the proportionate share paid by the Corporation for post-retirement life insurance benefits for individuals retiring on or after April 1, 2016 based on further clarification with the Corporation.

*** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

**** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - PowerStream Energy Services Inc
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017 *	Projected *** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.50%
Assumed Increase in Employer Contributions	actuals	expected ****

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	6,477	10,717
Current Service Cost	4,460	4,996
Past Service Cost**	198	-
Interest Cost	232	364
Benefits Paid	-	-
Net Actuarial Loss/(Gain)	(650)	-
Present Value of Defined Benefit Obligation as at December 31	10,717	16,077

D. Calculation of Component Items

Service Cost

- Current Service Cost	4,460	4,996
- Past Service Cost **	198	-

Interest Cost

- Net Defined Benefit Liability/(Asset) as at January 1	6,477	10,717
- Benefits Paid	-	-
- Accrued Benefits	6,477	10,717
- Interest Cost	232	364

Expected Present Value of Defined Benefit Obligation as at December 31

- Present Value of Defined Benefit Obligation as at January 1	6,477	10,717
- Current Service Cost	4,460	4,996
- Interest Cost	232	364
- Benefits Paid	-	-
- Expected Present Value of Defined Benefit Obligation as at December 31	11,169	16,077

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31		
- Expected Present Value of Defined Benefit Obligation	11,169	16,077
- Past Service Cost **	198	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	11,367	16,077
- Actual Present Value of Defined Benefit Obligation	10,717	16,077
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	(650)	-

* The CY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** The Past Service Cost reflects a change in the proportionate share paid by the Corporation for post-retirement life insurance benefits for individuals retiring on or after April 1, 2016 based on further clarification with the Corporation.

*** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

**** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - PowerStream Solar
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017 *	Projected *** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.50%
Assumed Increase in Employer Contributions	actuals	expected ****

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	6,194	7,821
Defined Benefit Cost Recognized in Income Statement	2,245	2,246
Defined Benefit Cost Recognized in Other Comprehensive Income	(618)	-
Benefits Paid by the Employer	-	-
Net Defined Benefit Liability/(Asset) as at December 31	7,821	10,068

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	1,855	1,981
- Past Service Cost **	169	-
Net Interest Cost	221	266
Defined Benefit Cost Recognized in Income Statement	2,245	2,246

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	812	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(1,185)	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(245)	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(618)	-
Total Defined Benefit Cost	1,627	2,246

* The CY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** The Past Service Cost reflects a change in the proportionate share paid by the Corporation for post-retirement life insurance benefits for individuals retiring on or after April 1, 2016 based on further clarification with the Corporation.

*** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

**** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities Inc. - PowerStream Solar
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

2/5/2018

	Actual Feb 1 - Dec 31 2017 *	Projected *** CY 2018
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	3.40%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate	4.50%	4.50%
Salary Scale Rate	3.30%	3.50%
Assumed Increase in Employer Contributions	actuals	expected ****

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	6,194	7,821
Current Service Cost	1,855	1,981
Past Service Cost **	169	-
Interest Cost	221	266
Benefits Paid	-	-
Net Actuarial Loss/(Gain)	(618)	-
Present Value of Defined Benefit Obligation as at December 31	7,821	10,068

D. Calculation of Component Items

Service Cost		
- Current Service Cost	1,855	1,981
- Past Service Cost **	169	-
Interest Cost		
- Net Defined Benefit Liability/(Asset) as at January 1	6,194	7,821
- Benefits Paid	-	-
- Accrued Benefits	6,194	7,821
- Interest Cost	221	266
Expected Present Value of Defined Benefit Obligation as at December 31		
- Present Value of Defined Benefit Obligation as at January 1	6,194	7,821
- Current Service Cost	1,855	1,981
- Interest Cost	221	266
- Benefits Paid	-	-
- Expected Present Value of Defined Benefit Obligation as at December 31	8,271	10,068

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31		
- Expected Present Value of Defined Benefit Obligation	8,271	10,068
- Past Service Cost **	169	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	8,440	10,068
- Actual Present Value of Defined Benefit Obligation	7,821	10,068
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	(618)	-

* The CY 2017 defined benefit cost is based on the December 31, 2016 PV DBO and management's best estimate assumptions at December 31, 2016.

** The Past Service Cost reflects a change in the proportionate share paid by the Corporation for post-retirement life insurance benefits for individuals retiring on or after April 1, 2016 based on further clarification with the Corporation.

*** Projected CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

**** Based on expected benefits to be paid to those eligible for benefits.



APPENDIX B — SUMMARY OF BENEFITS

Enersource

Post-Retirement Coverage Type
Benefit Class

Life	Life	Health, Dental	Retirement Gift
Hired prior to April 1, 2000	Hired on or after April 1, 2000	All employees	All employees

% Paid by the Corporation

100%	0%	100%	0%
------	----	------	----

Retiree Coverage
Eligibility Requirements

Yes	No	Yes	No
-----	----	-----	----

Coverage

No minimum service requirement		None	
--------------------------------	--	------	--

Coverage Start

Coverage as specified in the MEARIE life schedule		Claims costs	
---	--	--------------	--

Coverage End

At retirement		At retirement	
Lifetime		Age 65	

Retiree Dependent Survivor Coverage

Eligibility Requirements

No	No	Yes	No
----	----	-----	----

Coverage

		None	
--	--	------	--

Coverage Start

		Claims costs	
--	--	--------------	--

Coverage End

		At employee's death	
		When employee would have turned age 65	

Exceptions

None		None	
------	--	------	--

Maximum Benefit

None		None	
------	--	------	--

HOBNi

Post-Retirement Coverage Type

Benefit Class

Health, Dental	Life	Life	Life
All employees	Class 3 (Born before April 1, 1959 OR retired before April 1, 2015 OR formerly management)	Class 5 (UNIFOR not in class 3)	Class 6 (IBEW not in class 3)

% Paid by the Corporation

50%	100%	50%	0%
-----	------	-----	----

Retiree Coverage

Eligibility Requirements

Yes	Yes	Yes	Yes
Retire after age 55	None	None	None

Coverage

Claims costs	Coverage as specified in the MEARIE life schedule	\$2,000 if < 10 years of service; 50% of final annual earnings reduced by 2.5% per year for 10 years if >= 10 years of service	\$2,000 if < 10 years of service; 50% of final annual earnings reduced by 2.5% per year for 10 years if >= 10 years of service
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Coverage Start

Coverage End

At retirement	At retirement	At retirement	At retirement
Age 65	Lifetime	Lifetime	Lifetime

Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start

Coverage End

Yes	No	No	No
Employee retires after age 55			
Claims costs			
At employee's death			
2 years after employee's death			

Horizon

Post-Retirement Coverage Type

Benefit Class

% Paid by the Corporation

Retiree Coverage

Eligibility Requirements

Coverage

Coverage Start

Coverage End

Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start

Coverage End

Health, Dental	Health, Dental	Health, Dental	Health, Dental
Horizon (hired before October 1, 2001)	Horizon (hired on or after October 1, 2001)	St. Catharines Non-Union	St. Catharines Union
100%	100%	100%	100%
Yes	Yes	Yes	Yes
Age 55+, receiving an OMERS pension and retiring w/ at least 20 years of service	Age 55+, receiving an OMERS pension and retiring w/ at least 20 years of service	Receiving an OMERS pension	Receiving an OMERS pension
Claims costs	Claims costs	Claims costs	Claims costs
At retirement Lifetime	At retirement Age 65	At retirement Age 65	At retirement Age 65
Yes	Yes	Yes	Yes
Based on above employee eligibility requirements	Based on above employee eligibility requirements	Based on above employee eligibility requirements	Based on above employee eligibility requirements
Claims costs	Claims costs	Claims costs	Claims costs
At employee's death	At employee's death	At employee's death	At employee's death
6 months following retiree's death	6 months following retiree's death	the earlier of 30 months following retiree's death and date at which member would have turned age 65	the earlier of 30 months following retiree's death and date at which member would have turned age 65; vision is covered for the earlier of 10 years following retiree's death and date at which member would have turned age 65

Horizon

Post-Retirement Coverage Type

Benefit Class

Life	Life
Horizon	St. Catharines

% Paid by the Corporation

100%	100%
------	------

Retiree Coverage

Yes	Yes
-----	-----

Eligibility Requirements

None	None
------	------

Coverage

If less than 10 years of service, \$2,000; If 10 more years of service, 50% of final salary reducing by 2.5% each year for 10 years if hired on or after March 1, 1980; and 50% of salary if hired before March 1, 1980 and on or after May 1, 1967	Coverage as specified in the MEARIE life schedule
---	---

Coverage Start

At retirement	At retirement
---------------	---------------

Coverage End

Lifetime	Lifetime
----------	----------

Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start

No	No
----	----

Coverage End

--	--

PowerStream

Post-Retirement Coverage Type

Former Hydro

Benefit Class

Life	Health, Dental	Life	Health, Dental
Aurora	Aurora	Barrie	Barrie
Aurora	Aurora	Barrie	Barrie_50 (retired prior to May 6, 2002)

% Paid by the Corporation

100%	n/a	100%	50%
------	-----	------	-----

Retiree Coverage

Eligibility Requirements

Yes	No	Yes	Yes
No minimum service requirement		No minimum service requirement	15 year minimum service requirement

Coverage

Life coverage according to the MEARIE coverage schedule

Life coverage according to the MEARIE coverage schedule

Monthly premiums paid as noted in the claims cost summary

Coverage Start

Coverage End

At retirement
Lifetime

At retirement
Lifetime

At retirement
Age 65

Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start

Coverage End

No	No	No	No
----	----	----	----

PowerStream

Post-Retirement Coverage Type

Former Hydro

Benefit Class

Health, Dental	Life	Life	Life
Barrie	Markham	Markham	Markham
Barrie_75 (retired on or after May 6, 2002)	Markham_A (retired with less than 10 years of service)	Markham_B (retired with 10+ years of service)	Markham_C (previously in the superceded plan)

% Paid by the Corporation

75%	100%	100%	100%
-----	------	------	------

Retiree Coverage

Eligibility Requirements

15 year minimum service requirement	No minimum service requirement	No minimum service requirement	No minimum service requirement
Yes	Yes	Yes	Yes

Coverage

Monthly premiums paid as noted in the claims cost summary	\$2,000 of coverage	50% of final annual earnings, reducing by 2.5% of final annual earnings each retirement anniversary, to a minimum of 25% of final annual earnings	50% of final annual earnings
---	---------------------	---	------------------------------

Coverage Start

Coverage End

At retirement Age 65	At retirement Lifetime	At retirement Lifetime	At retirement Lifetime
----------------------	------------------------	------------------------	------------------------

Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start

Coverage End

No	No	No	No
----	----	----	----

PowerStream

Post-Retirement Coverage Type

Former Hydro

Benefit Class

Health, Dental	Life	Life	Life
Markham	Richmond Hill	Richmond Hill	Richmond Hill
Markham	Richmond Hill_1 (hired prior to 1984)	Richmond Hill_2 (hired in or after 1984 with more than 10 years of service)	Richmond Hill_3 (hired in or after 1984 with more than 10 years of service)

% Paid by the Corporation

100%	100%	100%	100%
------	------	------	------

Retiree Coverage

Eligibility Requirements

Yes	Yes	Yes	Yes
5 year minimum service requirement	No minimum service requirement	No minimum service requirement	No minimum service requirement

Coverage

Monthly premiums paid as noted in the claims cost summary	100% of final annual earnings, with a maximum of \$100,000 until age 65, \$50,000 maximum for age 70 onwards	100% of final earnings, reducing by 5% per year for 10 years; 50% of final earnings after 10 years	\$2,000 of coverage
---	--	--	---------------------

Coverage Start

Coverage End

At retirement Age 65	At retirement Lifetime	At retirement Lifetime	At retirement Lifetime
----------------------	------------------------	------------------------	------------------------

Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start

Coverage End

No	No	No	No
----	----	----	----

PowerStream

Post-Retirement Coverage Type

Former Hydro

Benefit Class

% Paid by the Corporation

Retiree Coverage
Eligibility Requirements

Coverage

Coverage Start
Coverage End

Retiree Dependent Survivor Coverage
Eligibility Requirements

Coverage

Coverage Start
Coverage End

Health, Dental	Life	Health, Dental	Life
Richmond Hill	Vaughan	Vaughan	All Union and Management retiring on or after July 2010
Richmond Hill	Vaughan (12 years experience as of 2004)	Vaughan (12 years experience as of 2004)	PowerStream
100%	100%	100%	75%
Yes	Yes	Yes	Yes
20 year minimum service requirement	5 year minimum service requirement	5 year minimum service requirement	15 year minimum service requirement
Monthly premiums paid as noted in the claims cost summary	\$10,000 of coverage	Monthly premiums paid as noted in the claims cost summary	50% of final earnings, reducing by 2.5% each year to 25% of final earnings
At retirement Age 65	At retirement Lifetime	At retirement Lifetime	At retirement Lifetime
No	No	No	No

PowerStream

Post-Retirement Coverage Type

Former Hydro

Benefit Class

Life	Health, Dental	Health, Dental
All Union and Management retiring on or after April 1, 2016	All Union and Management retiring between July 2010 and April 1, 2016	All Union and Management retiring on or after April 1, 2016
PowerStream	PowerStream	PowerStream

% Paid by the Corporation

80%	75%	80%
-----	-----	-----

Retiree Coverage

Eligibility Requirements

Yes	Yes	Yes
15 year minimum service requirement	15 year minimum service requirement	15 year minimum service requirement

Coverage

50% of final earnings, reducing by 2.5% each year to 25% of final earnings	Monthly premiums paid as noted in the claims cost summary	Monthly premiums paid as noted in the claims cost summary
--	---	---

Coverage Start

Coverage End

At retirement Lifetime	At retirement Age 65	At retirement Age 65
---------------------------	-------------------------	-------------------------

Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start

Coverage End

No	No	No
----	----	----

MEARIE Life Insurance Coverage Schedule

Plan Option	Amount of Coverage	Eligibility
1	Flat \$2,000.	Employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings, reducing by 2.5% of final annual earnings each year for 10 years, to a final benefit equal to 25% of final annual earnings. Reduction occurs on the anniversary date of retirement.	Employee retires with 10 or more years of service in the Plan and was hired before June 15, 1989; or employee was insured under the superseded plan and elected coverage under option 2, 3, or 4, or employee was not insured under the superseded plan.
3	50% of final annual earnings.	Employee was insured under the superseded plan and was hired on or after May 1, 1967 and elected coverage under option 1 only.
4	70% of final amount insured under the life plan immediately prior to retirement.	Employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under option 1 only.

MEARIE Life Insurance Coverage Schedule

A detailed description of the post-retirement non-pension benefits program can be found in corresponding governing document.

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2018 Actuarial Report

RSM Consulting Canada LP

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Hydro Mississauga Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	6,372,000	7,895,098
Defined Benefit Cost Recognized in Income Statement	516,498	587,622
Defined Benefit Cost Recognized in Other Comprehensive Income	1,327,510	(601,355)
Benefits Paid by the Employer	(320,910)	(422,088)
Net Defined Benefit Liability/(Asset) as at December 31	7,895,098	7,459,277

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	302,976	326,364
Past Service Cost	-	-
Interest Cost	213,522	261,258
Defined Benefit Cost Recognized in Income Statement	516,498	587,622

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	252,590	(601,355)
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	591,570	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	483,350	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	1,327,510	(601,355)
Total Defined Benefit Cost	1,844,008	(13,733)

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Hydro Mississauga Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	6,372,000	7,895,098
Current Service Cost	302,976	326,364
Past Service Cost	-	-
Interest Cost	213,522	261,258
Benefits Paid	(320,910)	(422,088)
Net Actuarial Loss/(Gain)	1,327,510	(601,355)
Present Value of Defined Benefit Obligation as at December 31	7,895,098	7,459,277

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	6,372,000	7,895,098
Benefits Paid	(160,455)	(211,044)
Accrued Benefits	6,211,545	7,684,054
Interest Cost	213,522	261,258

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	6,372,000	7,895,098
Current Service Cost	302,976	326,364
Benefits Paid	(320,910)	(422,088)
Interest Cost	213,522	261,258
Expected Present Value of Defined Benefit Obligation as at December 31	6,567,588	8,060,632

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	6,567,588	8,060,632
Past Service Cost	-	-
Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	6,567,588	8,060,632
Actual Present Value of Defined Benefit Obligation	7,895,098	7,459,277
Net Actuarial Loss/(Gain) as at December 31	1,327,510	(601,355)

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Services Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	370,000	257,849
Defined Benefit Cost Recognized in Income Statement	25,052	23,094
Defined Benefit Cost Recognized in Other Comprehensive Income	(120,314)	(20,163)
Benefits Paid by the Employer	(16,890)	(3,324)
Net Defined Benefit Liability/(Asset) as at December 31	257,849	257,456

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	12,624	14,384
Past Service Cost	-	-
Interest Cost	12,428	8,710
Defined Benefit Cost Recognized in Income Statement	25,052	23,094

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	7,068	(20,163)
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(99)	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(127,282)	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(120,314)	(20,163)
Total Defined Benefit Cost	(95,261)	2,932

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Services Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	370,000	257,849
Current Service Cost	12,624	14,384
Past Service Cost	-	-
Interest Cost	12,428	8,710
Benefits Paid	(16,890)	(3,324)
Net Actuarial Loss/(Gain)	(120,314)	(20,163)
Present Value of Defined Benefit Obligation as at December 31	257,849	257,456

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	370,000	257,849
Benefits Paid	(8,445)	(1,662)
Accrued Benefits	361,555	256,187
Interest Cost	12,428	8,710

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	370,000	257,849
Current Service Cost	12,624	14,384
Benefits Paid	(16,890)	(3,324)
Interest Cost	12,428	8,710
Expected Present Value of Defined Benefit Obligation as at December 31	378,162	277,619

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	378,162	277,619
Past Service Cost	-	-
Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	378,162	277,619
Actual Present Value of Defined Benefit Obligation	257,849	257,456
Net Actuarial Loss/(Gain) as at December 31	(120,314)	(20,163)

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Horizon Utilities Corporation
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	29,952,000	32,960,177
Defined Benefit Cost Recognized in Income Statement	1,642,870	1,793,029
Defined Benefit Cost Recognized in Other Comprehensive Income	2,294,107	(3,045,272)
Benefits Paid by the Employer	(928,800)	(1,205,987)
Net Defined Benefit Liability/(Asset) as at December 31	32,960,177	30,501,947

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	588,689	692,885
Past Service Cost	-	-
Interest Cost	1,054,182	1,100,144
Defined Benefit Cost Recognized in Income Statement	1,642,870	1,793,029

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	4,307,049	(3,045,272)
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	1,083,983	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(3,096,925)	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	2,294,107	(3,045,272)
Total Defined Benefit Cost	3,936,977	(1,252,243)

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Horizon Utilities Corporation
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	29,952,000	32,960,177
Current Service Cost	588,689	692,885
Past Service Cost	-	-
Interest Cost	1,054,182	1,100,144
Benefits Paid	(928,800)	(1,205,987)
Net Actuarial Loss/(Gain)	2,294,107	(3,045,272)
Present Value of Defined Benefit Obligation as at December 31	32,960,177	30,501,947

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	29,952,000	32,960,177
Benefits Paid	(464,400)	(602,994)
Accrued Benefits	29,487,600	32,357,183
Interest Cost	1,054,182	1,100,144

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	29,952,000	32,960,177
Current Service Cost	588,689	692,885
Benefits Paid	(928,800)	(1,205,987)
Interest Cost	1,054,182	1,100,144
Expected Present Value of Defined Benefit Obligation as at December 31	30,666,070	33,547,219

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	30,666,070	33,547,219
Past Service Cost	-	-
Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	30,666,070	33,547,219
Actual Present Value of Defined Benefit Obligation	32,960,177	30,501,947
Net Actuarial Loss/(Gain) as at December 31	2,294,107	(3,045,272)

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Horizon Energy Solutions Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	13,000	23,266
Defined Benefit Cost Recognized in Income Statement	2,370	790
Defined Benefit Cost Recognized in Other Comprehensive Income	7,897	(3,002)
Benefits Paid by the Employer	-	(46)
Net Defined Benefit Liability/(Asset) as at December 31	23,266	21,008

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	1,905	-
Past Service Cost	-	-
Interest Cost	465	790
Defined Benefit Cost Recognized in Income Statement	2,370	790

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	96	(3,002)
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	16	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	7,784	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	7,897	(3,002)
Total Defined Benefit Cost	10,266	(2,212)

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Horizon Energy Solutions Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	13,000	23,266
Current Service Cost	1,905	-
Past Service Cost	-	-
Interest Cost	465	790
Benefits Paid	-	(46)
Net Actuarial Loss/(Gain)	7,897	(3,002)
Present Value of Defined Benefit Obligation as at December 31	23,266	21,008

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	13,000	23,266
Benefits Paid	-	(23)
Accrued Benefits	13,000	23,243
Interest Cost	465	790

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	13,000	23,266
Current Service Cost	1,905	-
Benefits Paid	-	(46)
Interest Cost	465	790
Expected Present Value of Defined Benefit Obligation as at December 31	15,370	24,010

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	15,370	24,010
Past Service Cost	-	-
Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	15,370	24,010
Actual Present Value of Defined Benefit Obligation	23,266	21,008
Net Actuarial Loss/(Gain) as at December 31	7,897	(3,002)

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Hydro One Brampton Networks Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	3,900,000	3,992,976
Defined Benefit Cost Recognized in Income Statement	227,258	255,570
Defined Benefit Cost Recognized in Other Comprehensive Income	(29,281)	(344,252)
Benefits Paid by the Employer	(105,000)	(187,991)
Net Defined Benefit Liability/(Asset) as at December 31	3,992,976	3,716,304

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	95,000	123,005
Past Service Cost	-	-
Interest Cost	132,258	132,565
Defined Benefit Cost Recognized in Income Statement	227,258	255,570

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	131,203	(344,252)
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	80,924	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(241,409)	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(29,281)	(344,252)
Total Defined Benefit Cost	197,976	(88,682)

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Hydro One Brampton Networks Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.75%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected ***

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	3,900,000	3,992,976
Current Service Cost	95,000	123,005
Past Service Cost	-	-
Interest Cost	132,258	132,565
Benefits Paid	(105,000)	(187,991)
Net Actuarial Loss/(Gain)	(29,281)	(344,252)
Present Value of Defined Benefit Obligation as at December 31	3,992,976	3,716,304

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	3,900,000	3,992,976
Benefits Paid	(52,500)	(93,996)
Accrued Benefits	3,847,500	3,898,981
Interest Cost	132,258	132,565

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	3,900,000	3,992,976
Current Service Cost	95,000	123,005
Benefits Paid	(105,000)	(187,991)
Interest Cost	132,258	132,565
Expected Present Value of Defined Benefit Obligation as at December 31	4,022,258	4,060,555

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	4,022,258	4,060,555
Past Service Cost	-	-
Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	4,022,258	4,060,555
Actual Present Value of Defined Benefit Obligation	3,992,976	3,716,304
Net Actuarial Loss/(Gain) as at December 31	(29,281)	(344,252)

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	20,382,385	19,922,679
Defined Benefit Cost Recognized in Income Statement	1,844,227	1,819,789
Defined Benefit Cost Recognized in Other Comprehensive Income	(1,577,998)	(1,698,355)
Benefits Paid by the Employer	(725,936)	(723,650)
Net Defined Benefit Liability/(Asset) as at December 31	19,922,679	19,320,464

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	1,030,142	1,154,720
Past Service Cost	98,391	-
Interest Cost	715,694	665,069
Defined Benefit Cost Recognized in Income Statement	1,844,227	1,819,789

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	1,464,257	(1,698,355)
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(1,366,853)	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(1,675,401)	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(1,577,998)	(1,698,355)
Total Defined Benefit Cost	266,230	121,435

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	20,382,385	19,922,679
Current Service Cost	1,030,142	1,154,720
Past Service Cost	98,391	-
Interest Cost	715,694	665,069
Benefits Paid	(725,936)	(723,650)
Net Actuarial Loss/(Gain)	(1,577,998)	(1,698,355)
Present Value of Defined Benefit Obligation as at December 31	19,922,679	19,320,464

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	20,382,385	19,922,679
Benefits Paid	(362,968)	(361,825)
Accrued Benefits	20,019,417	19,560,854
Interest Cost	715,694	665,069

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	20,382,385	19,922,679
Current Service Cost	1,030,142	1,154,720
Benefits Paid	(725,936)	(723,650)
Interest Cost	715,694	665,069
Expected Present Value of Defined Benefit Obligation as at December 31	21,402,286	21,018,819

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	21,402,286	21,018,819
Past Service Cost	98,391	-
Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	21,500,677	21,018,819
Actual Present Value of Defined Benefit Obligation	19,922,679	19,320,464
Net Actuarial Loss/(Gain) as at December 31	(1,577,998)	(1,698,355)

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Energy Services Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **
A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet		
Net Defined Benefit Liability/(Asset) as at January 1	6,477	10,717
Defined Benefit Cost Recognized in Income Statement	4,890	15,428
Defined Benefit Cost Recognized in Other Comprehensive Income	(650)	(3,177)
Benefits Paid by the Employer	-	-
Net Defined Benefit Liability/(Asset) as at December 31	10,717	22,968
B. Determination of Defined Benefit Cost		
B1. Determination of Defined Benefit Cost Recognized in Income Statement		
Current Service Cost	4,460	4,996
Past Service Cost ***	198	10,068
Interest Cost	232	364
Defined Benefit Cost Recognized in Income Statement	4,890	15,428
B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income		
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	1,240	(3,177)
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(1,546)	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(344)	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(650)	(3,177)
Total Defined Benefit Cost	4,240	12,251

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

*** Past service cost in 2018 as a result of the transfer of all employees from PowerStream Solar.

****Includes PowerStream Solar PV DBO as a result of the transfer of employees

Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Energy Services Inc
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	6,477	10,717
Current Service Cost	4,460	4,996
Past Service Cost ***	198	10,068
Interest Cost	232	364
Benefits Paid	-	-
Net Actuarial Loss/(Gain)	(650)	(3,177)
Present Value of Defined Benefit Obligation as at December 31	<u><u>10,717</u></u>	<u><u>22,968</u></u>

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	6,477	10,717
Benefits Paid	-	-
Accrued Benefits	<u>6,477</u>	<u>10,717</u>
Interest Cost	232	364

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	6,477	10,717
Current Service Cost	4,460	4,996
Benefits Paid	-	-
Interest Cost	<u>232</u>	<u>364</u>
Expected Present Value of Defined Benefit Obligation as at December 31	11,169	16,077

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	11,169	16,077
Past Service Cost ***	198	10,068
Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	<u>11,367</u>	<u>26,144</u>
Actual Present Value of Defined Benefit Obligation ****	<u>10,717</u>	<u>22,968</u>
Net Actuarial Loss/(Gain) as at December 31	(650)	(3,177)

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

*** Past service cost in 2018 as a result of the transfer of all employees from PowerStream Solar.

****Includes PowerStream Solar PV DBO as a result of the transfer of employees

Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Solar
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	6,194	7,821
Defined Benefit Cost Recognized in Income Statement	2,245	(7,821)
Defined Benefit Cost Recognized in Other Comprehensive Income	(618)	-
Benefits Paid by the Employer	-	-
Net Defined Benefit Liability/(Asset) as at December 31	<u><u>7,821</u></u>	<u><u>-</u></u>

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	1,855	1,981
Past Service Cost	169	-
Settlement Gain ****		(10,068)
Interest Cost	221	266
Defined Benefit Cost Recognized in Income Statement	<u><u>2,245</u></u>	<u><u>(7,821)</u></u>

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	812	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(1,185)	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(245)	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	<u><u>(618)</u></u>	<u><u>-</u></u>
Total Defined Benefit Cost	<u><u>1,627</u></u>	<u><u>(7,821)</u></u>

* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

*** Settlement gain as a result of the transfer of all employees from PowerStream Solar to PowerStream Energy Services Inc.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Solar
FINAL

	Actuals CY 2017	Actuals CY 2018 *
Discount Rate at January 1	3.90%	3.40%
Discount Rate at December 31	3.40%	4.00%
Health Benefit Cost Trend Rate at December 31		
Initial Trend Rate	6.20%	5.96%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%
Assumed Increase in Employer Contributions	actuals	expected **

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	6,194	7,821
Current Service Cost	1,855	1,981
Past Service Cost	169	-
Settlement Gain ****	-	(10,068)
Interest Cost	221	266
Benefits Paid	-	-
Net Actuarial Loss/(Gain)	(618)	-
Present Value of Defined Benefit Obligation as at December 31	7,821	0

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	6,194	7,821
Benefits Paid	-	-
Accrued Benefits	6,194	7,821
Interest Cost	221	266

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	6,194	7,821
Current Service Cost	1,855	1,981
Benefits Paid	-	-
Interest Cost	221	266
Expected Present Value of Defined Benefit Obligation as at December 31	8,271	10,068

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	8,271	10,068
Past Service Cost	169	-
Settlement Gain ***	-	(10,068)
Expected Present Value of Defined Benefit Obligation (after Past Service Cost and Settlement Gain)	8,440	-
Actual Present Value of Defined Benefit Obligation	7,821	-
Net Actuarial Loss/(Gain) as at December 31	(618)	-

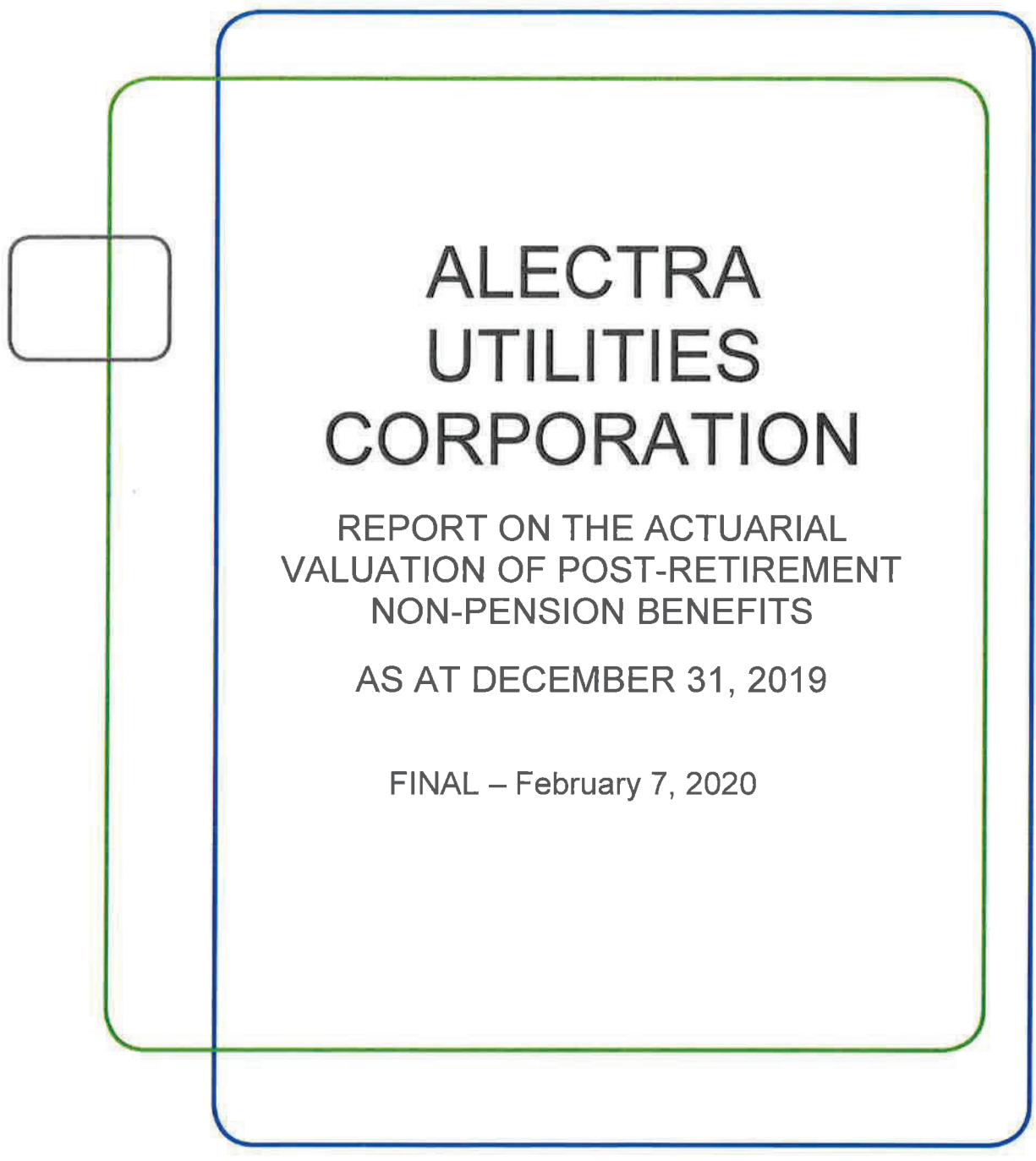
* The CY 2018 defined benefit cost is calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Based on proration of actual benefits paid to November 2018 to those eligible for benefits.

*** Settlement gain as a result of the transfer of all employees from PowerStream Solar to PowerStream Energy Services Inc.

2019 Actuarial Report

RSM Consulting Canada LP



ALECTRA UTILITIES CORPORATION

REPORT ON THE ACTUARIAL
VALUATION OF POST-RETIREMENT
NON-PENSION BENEFITS

AS AT DECEMBER 31, 2019

FINAL – February 7, 2020

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EXECUTIVE SUMMARY

Purpose

RSM Canada Consulting LP was engaged by Alectra Utilities Corporation ("the Corporation") to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2019. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards ("IFRS") guidelines for post-retirement non-pension benefits as outlined in the International Accounting Standard 19 – Employee Benefits ("IAS 19").

The Corporation has recently acquired Guelph Hydro ("Guelph") with Guelph merging into Alectra at January 2, 2019. The most recent full valuation for the Corporation was prepared as at December 31, 2017 with the most recent full valuation for the former Guelph was as at December 31, 2018. Both full valuations were based on the then appropriate and entity-specific assumptions and in accordance with IAS 19.

The purpose of this valuation is threefold:

- i) To determine the Corporation's liabilities in respect of post-retirement non-pension benefits at December 31, 2019;
- ii) To determine the defined benefit costs to be recognized for fiscal year 2019; and
- iii) To provide all other pertinent information necessary for compliance with IAS 19.

Note that all monetary figures in this report are rounded to the nearest hundreds of dollars and summated figures in this report may not match total figures due to rounding.

The intended users of this report include the Corporation and its auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.

Included in the Appendices attached hereto are the detailed accounting schedules containing the results of the valuation and projections for future periods (if applicable), as well as a summary of the post-retirement non-pension benefit provisions valued in the current valuation.

SECTION A — VALUATION RESULTS

Section A - 1 shows the key valuation results compared to previous year's figures projected from the most recent full valuation as well as a breakdown between active and retired individuals and type of benefit.

Section A - 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown an increase/decrease in the health and dental claims cost trend rates by 1% per annum and an increase/decrease in the discount rate by 1% per annum.

Section A - 3 shows the development of changes in the present value of defined benefit obligation as a result of the re-measurement at December 31, 2019.

Valuation Results

Section A.1—Valuation Results

Results from the actuarial valuation as at December 31, 2019 compared to the previous year's figures projected from the most recent full valuation:

Enersource

	December 31, 2018	December 31, 2019
Present Value of Defined Benefit Obligation (PV DBO)	7,716,700	8,506,200
	FY 2018	FY 2019
Current Service Cost	340,700	322,100
Past Service Cost	-	-
Interest Cost	270,000	300,500
Defined Benefit Cost Recognized in Income Statement	610,700	622,600
Actuarial (Gain)/Loss	(621,500)	577,600
Defined Benefit Cost Recognized In OCI	(621,500)	577,600
Defined Benefit Cost	(10,800)	1,200,200

Horizon

	December 31, 2018	December 31, 2019
Present Value of Defined Benefit Obligation (PV DBO)	30,523,000	45,174,700
	FY 2018	FY 2019
Current Service Cost	692,900	624,900
Past Service Cost	-	-
Interest Cost	1,100,900	1,198,000
Defined Benefit Cost Recognized in Income Statement	1,793,800	1,822,900
Actuarial (Gain)/Loss	(3,048,300)	13,974,600
Defined Benefit Cost Recognized In OCI	(3,048,300)	13,974,600
Defined Benefit Cost	(1,254,500)	15,797,600

HOBNI

	December 31, 2018	December 31, 2019
Present Value of Defined Benefit Obligation (PV DBO)	3,716,300	4,955,200
	FY 2018	FY 2019
Current Service Cost	123,000	112,800
Past Service Cost	-	-
Interest Cost	132,600	145,300
Defined Benefit Cost Recognized in Income Statement	255,600	258,200
Actuarial (Gain)/Loss	(344,300)	1,147,300
Defined Benefit Cost Recognized In OCI	(344,300)	1,147,300
Defined Benefit Cost	(88,700)	1,405,400

PowerStream

	December 31, 2018	December 31, 2019
Present Value of Defined Benefit Obligation (PV DBO)	19,343,400	27,754,700
	FY 2018	FY 2019
Current Service Cost	1,159,700	1,074,600
Past Service Cost	10,100	-
Interest Cost	665,400	755,500
Defined Benefit Cost Recognized in Income Statement	1,835,200	1,830,100
Actuarial (Gain)/Loss	(1,701,500)	7,491,300
Defined Benefit Cost Recognized In OCI	(1,701,500)	7,491,300
Defined Benefit Cost	133,700	9,321,400

Guelph

	December 31, 2018	December 31, 2019
Present Value of Defined Benefit Obligation (PV DBO)	10,152,100	8,473,000
	FY 2018	FY 2019
Current Service Cost	253,900	264,000
Past Service Cost	-	(170,500)
Interest Cost	375,300	400,400
Defined Benefit Cost Recognized in Income Statement	629,200	494,000
Actuarial (Gain)/Loss	(1,068,600)	(1,890,200)
Defined Benefit Cost Recognized In OCI	(1,068,600)	(1,890,200)
Defined Benefit Cost	(439,400)	(1,396,200)

The following tables provide results from the actuarial valuation as at December 31, 2019 broken down by active (including LTD) and retired individuals and type of post-retirement non-pension benefit:

Enersource

Dec. 31, 2019 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	1,804,700	2,506,700	4,311,400
Health	2,861,900	300,700	3,162,500
Dental	934,900	97,400	1,032,200
Total	<u>5,601,500</u>	<u>2,904,700</u>	<u>8,506,200</u>

Horizon

Dec. 31, 2019 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	2,173,300	5,185,900	7,359,200
Drugs	8,797,400	10,081,300	18,878,700
Health, Dental	7,852,100	10,045,700	17,897,900
Vision	483,500	555,400	1,038,900
Total	<u>19,306,400</u>	<u>25,868,300</u>	<u>45,174,700</u>

HOBNI

Dec. 31, 2019 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	784,800	1,864,900	2,649,700
Drugs, Other Medical	1,297,100	335,400	1,632,600
Hospital, Vision, Dental	535,500	137,400	672,900
Total	<u>2,617,500</u>	<u>2,337,700</u>	<u>4,955,200</u>

PowerStream

Dec. 31, 2019 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	2,298,700	3,996,200	6,295,000
Health	8,681,800	6,346,100	15,027,900
Dental	3,643,000	2,788,800	6,431,800
Total	<u>14,623,500</u>	<u>13,131,200</u>	<u>27,754,700</u>

Guelph

Dec. 31, 2019 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	377,400	1,136,900	1,514,300
Health	3,685,400	3,102,100	6,787,500
Dental	129,600	41,600	171,200
Total	4,192,400	4,280,600	8,473,000

Sensitivity Analysis

Section A.2—Sensitivity Analysis

Enersource

	Dec. 31, 2019 PV DBO	Difference	% Difference
Base Assumptions	8,506,200		
Cost Trends +1%	9,007,900	501,700	6%
Cost Trends -1%	8,077,800	(428,400)	-5%
Discount Rate +1%	7,474,100	(1,032,100)	-12%
Discount Rate -1%	9,790,700	1,284,500	15%

Horizon

	Dec. 31, 2019 PV DBO	Difference	% Difference
Base Assumptions	45,174,700		
Cost Trends +1%	51,720,900	6,546,200	14%
Cost Trends -1%	39,891,700	(5,283,000)	-12%
Discount Rate +1%	38,537,700	(6,637,000)	-15%
Discount Rate -1%	53,701,300	8,526,600	19%

HOBNI

	Dec. 31, 2019 PV DBO	Difference	% Difference
Base Assumptions	4,955,200		
Cost Trends +1%	5,187,100	231,900	5%
Cost Trends -1%	4,754,500	(200,700)	-4%
Discount Rate +1%	4,289,600	(665,600)	-13%
Discount Rate -1%	5,814,000	858,800	17%

PowerStream

	Dec. 31, 2019 PV DBO	Difference	% Difference
Base Assumptions	27,754,700		
Cost Trends +1%	30,864,000	3,109,300	11%
Cost Trends -1%	25,198,400	(2,556,300)	-9%
Discount Rate +1%	24,011,600	(3,743,100)	-13%
Discount Rate -1%	32,520,900	4,766,200	17%

Guelph

	Dec. 31, 2019 PV DBO	Difference	% Difference
Base Assumptions	8,473,000		
Cost Trends +1%	9,699,700	1,226,700	14%
Cost Trends -1%	7,485,200	(987,800)	-12%
Discount Rate +1%	7,245,000	(1,228,000)	-14%
Discount Rate -1%	10,041,300	1,568,300	19%

Management's best estimate assumptions at December 31, 2019 are those outlined in *Section C – Summary of Actuarial Method and Assumptions* in this report.

Development of Changes in the Present Value of Defined Benefit Obligation

Section A.3—Development of Changes in the Present Value of Defined Benefit Obligation

Enersource

PV DBO at December 31, 2018	7,716,700
2019 Current Service Cost	322,100
2019 Benefit Payments	(410,700)
2019 Interest Cost	300,500
Expected PV DBO at December 31, 2019	7,928,600
Actuarial (Gain)/Loss at December 31, 2019	577,600
PV DBO at December 31, 2019	8,506,200

The actuarial (gain)/loss indicated above from the expected PV DBO to the actual PV DBO at December 31, 2019 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Changing demographics (actual experience different from expected)	(273,200)
Change in assumptions:	
Discount Rate	867,000
Withdrawal	100,400
Claims Cost and Expenses	58,200
Claims Cost Trends	41,300
Mortality Improvement	(13,900)
Corrections	(202,100)
Total Actuarial (Gain)/Loss at December 31, 2019	577,600

The corrections led to a decrease of the liability by \$202,100 and represents:

- The change in the Corporation's proportionate share from 100% to 75% for post-retirement health and dental benefits for former Enersource employees (a decrease of \$1,196,400 in the liability)
- The inclusion of post-retirement life benefits for former Enersource employees hired after April 1, 2000 (an increase of \$994,300 in the liability)

Horizon

PV DBO at December 31, 2018	30,523,000
2019 Current Service Cost	624,900
2019 Benefit Payments	(1,145,900)
2019 Interest Cost	1,198,000
Expected PV DBO at December 31, 2019	31,200,000
Actuarial (Gain)/Loss at December 31, 2019	13,974,600
PV DBO at December 31, 2019	45,174,700

The actuarial (gain)/loss indicated above from the expected PV DBO to the actual PV DBO at December 31, 2019 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Changing demographics (actual experience different from expected)	773,200
Change in assumptions:	
Discount Rate	6,042,900
Claims Cost and Expenses	5,463,300
Claims Cost Trends	1,177,200
Mortality Improvement	339,200
Withdrawal	178,900
Total Actuarial (Gain)/Loss at December 31, 2019	13,974,600

HOBNI

PV DBO at December 31, 2018	3,716,300
2019 Current Service Cost	112,800
2019 Benefit Payments	(166,500)
2019 Interest Cost	145,300
Expected PV DBO at December 31, 2019	3,807,900
Actuarial (Gain)/Loss at December 31, 2019	1,147,300
PV DBO at December 31, 2019	4,955,200

The actuarial (gain)/loss indicated above from the expected PV DBO to the actual PV DBO at December 31, 2019 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Changing demographics (actual experience different from expected)	(9,700)
Change in assumptions:	
Discount Rate	606,100
Claims Cost and Expenses	493,000
Withdrawal	51,500
Claims Cost Trends	19,300
Mortality Improvement	(12,900)
Total Actuarial (Gain)/Loss at December 31, 2019	1,147,300

PowerStream

PV DBO at December 31, 2018	19,343,400
2019 Current Service Cost	1,074,600
2019 Benefit Payments	(910,200)
2019 Interest Cost	755,500
Expected PV DBO at December 31, 2019	20,263,400
Actuarial (Gain)/Loss at December 31, 2019	7,491,300
PV DBO at December 31, 2019	27,754,700

The actuarial (gain)/loss indicated above from the expected PV DBO to the actual PV DBO at December 31, 2019 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Changing demographics (actual experience different from expected)	(65,300)
Change in assumptions:	
Discount Rate	2,938,600
Corrections	2,459,200
Aging Factor	2,450,400
Claims Cost Trends	233,500
Mortality Improvement	105,500
Withdrawal	76,300
Claims Cost and Expenses	(706,800)
Total Actuarial (Gain)/Loss at December 31, 2019	7,491,300

The corrections led to an increase in the liability by \$2,459,200 and represents:

- The removal of the 5-year minimum service requirement for former Vaughan employees for post-retirement life, health and dental benefits (an increase of \$1,736,400 in the liability)
- The change in proportionate share for post-retirement life insurance from 75% to 100% for former PowerStream employees who retired between July 2010 and April 1, 2016, and the change in proportionate share from 80% to 100% for post-retirement life insurance for former PowerStream employees who retired after April 1, 2016 (an increase of \$722,700 in the liability)

Guelph

PV DBO at December 31, 2018	10,152,100
2019 Current Service Cost	264,000
2019 Benefit Payments	(283,000)
2019 Interest Cost	400,400
Expected PV DBO at December 31, 2019	10,533,600
Past Service Gain	(170,500)
Expected PV DBO at December 31, 2019 (after Past Service Gain)	10,363,100
Actuarial (Gain)/Loss at December 31, 2019	(1,890,200)
PV DBO at December 31, 2019	8,473,000

The past service gain indicated above is a result of the removal of post-retirement health and dental benefits for former Guelph employees who are age 55 or older who retire on pension with a minimum of 20 years of active service and hired after October 22, 2001. The benefits for these employees were 100% paid by Guelph and ended when the employee reaches age 65.

Pursuant to IAS 19, the past service gain is recognized fully in income in the period in which the change occurs.

The actuarial (gain)/loss indicated above from the expected PV DBO to the actual PV DBO at December 31, 2019 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Changing demographics (actual experience different from expected)	238,300
Change in assumptions:	
Aging Factor	1,810,400
Discount Rate	1,117,800
Withdrawal	500
Retirement Age	(410,400)
Claims Cost Trends	(1,365,700)
Claims Cost and Expenses	(3,281,100)
Total Actuarial (Gain)/Loss at December 31, 2019	(1,890,200)

Pursuant to IAS 19, the re-measurement of the PV DBO at December 31, 2019 based on the changes in the assumptions and experience is recognized immediately in other comprehensive income at December 31, 2019.



SECTION B — PLAN PARTICIPANTS

Section B – 1 sets out the summary information with respect to the plan participants valued in the current valuation compared to those in the previous valuation.

Section B – 2 reconciles the number of participants in the previous valuation to the number of participants in the current valuation.

Participation Data

Section B.1—Participant Data

The latest membership data as at August 31, 2019 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

While the membership data was provided as of August 31, 2019, we do not expect material changes to the Corporation's demographics between August 31, 2019 and December 31, 2019.

We have reviewed the data and compared it to the data used in the previous valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of hire prior to date of birth;
- Ages under 18 or over 100;
- Abnormal levels of benefits and/or premiums; and
- Duplicate records

In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

Enersource

	December 31, 2017	December 31, 2019
Employee Count		
Male	256	258
Female	109	118
Total	365	376
Employee Average Service		
Male	13.1	13.0
Female	14.6	14.0
Total	13.5	13.3
Retiree (in Receipt of Benefits) Count		
Male	106	116
Female	48	55
Total	154	171

	Employee Count as of Dec. 31, 2019			Employee Avg Service as of Dec. 31, 2019		
Age	Male	Female	Total	Male	Female	Total
< 30	28	4	32	3.2	1.3	2.9
30 - 35	43	15	58	6.7	5.1	6.3
36 - 40	39	15	54	10.2	9.1	9.9
41 - 45	23	17	40	10.6	11.3	10.9
46 - 50	31	11	42	13.2	12.5	13.0
51 - 55	43	20	63	21.1	16.1	19.6
56 - 60	32	22	54	18.2	20.4	19.1
61 - 65	17	12	29	21.4	23.8	22.4
66 - 70	1	1	2	41.5	12.8	27.2
71 - 75	1	-	1	38.3	-	38.3
> 75	-	1	1	-	32.6	32.6
Total	258	118	376	13.0	14.0	13.3

Horizon

	December 31, 2017	December 31, 2019
Employee Count		
Male	269	251
Female	101	98
Total	370	349
Employee Average Service		
Male	14.8	14.8
Female	16.5	15.1
Total	15.2	14.9
Retiree (in Receipt of Benefits) Count		
Male	189	199
Female	66	73
Total	255	272

	Employee Count as of Dec. 31, 2019			Employee Avg Service as of Dec. 31, 2019		
Age	Male	Female	Total	Male	Female	Total
< 30	22	7	29	2.5	.4	2.0
30 - 35	48	11	59	7.3	5.8	7.0
36 - 40	28	15	43	10.3	11.0	10.5
41 - 45	26	10	36	11.6	12.2	11.8
46 - 50	25	8	33	18.2	14.8	17.4
51 - 55	52	21	73	22.8	18.7	21.6
56 - 60	35	18	53	23.3	28.1	24.9
61 - 65	12	7	19	18.8	15.1	17.5
66 - 70	3	1	4	13.2	-	9.9
71 - 75	-	-	-	-	-	-
> 75	-	-	-	-	-	-
Total	251	98	349	14.8	15.1	14.9

HOBNI

	December 31, 2017	December 31, 2019
Employee Count		
Male	139	128
Female	63	57
Total	202	185
Employee Average Service		
Male	16.8	15.6
Female	14.0	15.5
Total	15.9	15.6
Retiree (in Receipt of Benefits) Count		
Male	74	88
Female	26	29
Total	100	117

	Employee Count as of Dec. 31, 2019			Employee Avg Service as of Dec. 31, 2019		
Age	Male	Female	Total	Male	Female	Total
< 30	20	1	21	3.6	1.5	3.5
30 - 35	17	4	21	5.4	5.6	5.5
36 - 40	15	7	22	9.5	11.3	10.0
41 - 45	10	6	16	11.0	9.4	10.4
46 - 50	15	7	22	17.6	12.8	16.1
51 - 55	17	11	28	24.5	15.5	20.9
56 - 60	21	13	34	24.8	19.8	22.9
61 - 65	6	3	9	28.7	21.1	26.2
66 - 70	6	4	10	29.6	26.2	28.2
71 - 75	1	1	2	32.2	39.5	35.8
> 75	-	-	-	-	-	-
Total	128	57	185	15.6	15.5	15.6

PowerStream

	December 31, 2017	December 31, 2019
Employee Count		
Male	322	318
Female	181	177
Total	503	495
Employee Average Service		
Male	14.9	14.0
Female	15.8	15.3
Total	15.2	14.5
Retiree (in Receipt of Benefits) Count		
Male	164	185
Female	55	67
Total	219	252

	Employee Count as of Dec. 31, 2019			Employee Avg Service as of Dec. 31, 2019		
Age	Male	Female	Total	Male	Female	Total
< 30	42	9	51	3.7	1.9	3.4
30 - 35	66	23	89	7.1	8.1	7.3
36 - 40	35	18	53	7.9	8.1	8.0
41 - 45	21	19	40	10.2	9.6	9.9
46 - 50	28	29	57	13.9	13.5	13.7
51 - 55	57	34	91	21.8	26.3	23.5
56 - 60	40	27	67	25.7	20.0	23.4
61 - 65	20	16	36	24.3	20.1	22.5
66 - 70	6	2	8	15.7	17.2	16.1
71 - 75	3	-	3	32.0	-	32.0
> 75	-	-	-	-	-	-
Total	318	177	495	14.0	15.3	14.5

Guelph

	December 31, 2018	December 31, 2019
Employee Count		
Male	79	77
Female	38	36
Total	117	113
Employee Average Service		
Male	13.5	14.1
Female	13.0	13.8
Total	13.3	14.0
Retiree (in Receipt of Benefits) Count		
Male	41	38
Female	15	13
Total	56	51

	Employee Count as of Dec. 31, 2019			Employee Avg Service as of Dec. 31, 2019		
Age	Male	Female	Total	Male	Female	Total
< 30	8	6	14	3.7	4.1	3.9
30 - 35	22	6	28	7.9	6.3	7.6
36 - 40	8	1	9	9.3	3.4	8.6
41 - 45	4	4	8	7.2	14.0	10.6
46 - 50	2	3	5	15.0	13.4	14.0
51 - 55	18	5	23	20.7	26.3	21.9
56 - 60	11	5	16	25.2	25.3	25.2
61 - 65	2	5	7	24.3	10.9	14.7
66 - 70	2	1	3	25.4	20.9	23.9
71 - 75	-	-	-	-	-	-
> 75	-	-	-	-	-	-
Total	77	36	113	14.1	13.8	14.0

Participant Reconciliation

Section B.2—Participation Reconciliation

Enersource

	Actives	Disabled	Retired
December 31, 2017	360	5	154
New Entrants	33	-	-
Previously Not Included ^{1\}	18	-	6
Actives	-	(3)	18
Terminated	(19)	-	(1)
Retired	(18)	-	-
Deceased	(2)	(1)	(6)
Disabled	3	-	-
December 31, 2019	360	5	154

Horizon

	Actives	Dependents	Retired
December 31, 2017	370	3	252
New Entrants	24	-	-
Previously Not Included ^{1\}	5	-	2
Actives	-	-	31
Terminated	(23)	-	-
Retired	(31)	-	-
Deceased	(1)	-	(13)
Disabled	-	-	-
New Dependents	-	2	-
December 31, 2019	344	5	272

HOBNI

	Actives	Disabled	Retired
December 31, 2017	197	5	100
New Entrants	12	-	-
Previously Not Included ^{1\}	1	-	-
Actives	-	(4)	20
Terminated	(9)	-	-
Retired	(20)	-	-
Deceased	(1)	-	(3)
Disabled	4	-	-
December 31, 2019	184	1	117

PowerStream

	Actives	Disabled	Retired
December 31, 2017	494	9	219
New Entrants	40	-	-
Previously Not Included ^{1\}	19	-	2
Actives	-	(7)	43
Terminated	(23)	-	(4)
Retired	(43)	(1)	-
Deceased	-	-	(9)
Disabled	7	-	1
December 31, 2019	494	1	252

Guelph

	Actives	Disabled	Retired
December 31, 2018	114	3	56
New Entrants	-	-	-
Previously Not Included ^{1\}	1	-	-
Actives	-	-	2
Terminated	(2)	-	-
Retired	(2)	(1)	-
Deceased	-	-	(8)
Disabled	-	-	1
December 31, 2019	111	2	51

^{1\} This represents a correction to incorporate individuals that were included in the current valuation database by the Corporation, but were hired prior to the previous actuarial valuation.

SECTION C — SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

Actuarial Method

The aim of an actuarial valuation of post-retirement non-pension benefits is to provide a reasonable and systematic allocation of the cost of these future benefits to the years in which the related employees' services are rendered. To accomplish this, it is necessary to:

- make assumptions for discount rates, mortality, and other decrements;
- use these assumptions to calculate the present value of the expected future benefits; and,
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment.

The Defined Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) and ends on the date when further service by the employee will lead to no material amount of further post-retirement non-pension benefits under the plan, other than from further salary increases.

For each employee not yet fully eligible for benefits, the Present Value of the Defined Benefit Obligation (PV DBO) is equal to the present value of expected future benefits multiplied by the ratio of the years of service to the valuation date to the total years of service in the attribution period. The Current Service Cost is equal to the present value of expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period.

The PV DBO at December 31, 2019 is based on membership data as at August 31, 2019 and management's best estimate assumptions established for calculations as at December 31, 2019.

For health and dental benefits, the Corporation has selected the following base rates as management's best estimate of benefit claims costs. These rates represent the per-capita claim cost for an individual at age 65 prior to application of the Ontario Drug Benefit Plan subsidy and were calculated based on historical claims information from 2015 to 2018. The total monthly per-capita claims levels, inclusive of associated expenses and taxes, are as follows:

Enersource	Health Single	Health Family	Dental Single	Dental Family
Age 65 rate	186.20	372.39	59.96	119.91

Horizon	Drugs Single	Drugs Family	H/D Single	H/D Family	Vision Single	Vision Family
Age 65 rate	203.87	407.73	99.16	198.32	8.15	16.31

HOBNI	Health Single	Health Family	Dental Single	Dental Family
Age 65 rate	368.32	736.63	149.89	299.78

PowerStream	Health Single	Health Family	Dental Single	Dental Family
Age 65 rate	301.72	603.44	95.70	191.40

Guelph	Health Single	Health Family	Dental Single	Dental Family
Age 65 rate	244.64	489.28	44.97	89.93

The rates above are at the 100% level and prior to any cost-sharing provisions under the plan.

Management's Best Estimate Assumptions

The following are management's best estimate economic and demographic assumptions for calculations as at December 31, 2019.

Economic Assumptions

Discount Rate

The rate used to discount future benefits is assumed to be 3.10% per annum as at December 31, 2019. This rate reflects the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the market yields on high quality bonds at December 2019.

Salary Increase Rate

The rate used to increase salaries is assumed to be 3.30% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion and for company-specific information.

Claims Cost Trend Rate

The rates used to project benefits costs into the future were chosen based on a research paper published by the Canadian Institute of Actuaries – *Model of Long-Term Health Care Cost Trends in Canada* - dated March 2018.

The following table provides a sample of the health and dental trend rates used in the valuation and the assumptions used in the previous valuation:

Current Valuation (All)			
Year	Health	Dental + Vision	
2020	4.20%	4.50%	
2025	5.30%	5.60%	
2030	5.30%	5.30%	
2035	4.60%	4.60%	
2040 and thereafter	4.00%	4.00%	

		Previous Valuation (Enersource, Horizon, HOBNI, PowerStream)		Previous Valuation (Guelph)
Year	Health	Dental	Health + Dental	
2020	5.56%	4.50%	6.00%	
2021	5.35%	4.50%	6.00%	
2022	5.14%	4.50%	6.00%	
2023	4.93%	4.50%	6.00%	
2024	4.71%	4.50%	6.00%	
2025 and thereafter	4.50%	4.50%	6.00%	

For Horizon, the health trends were applied to the base drug benefit costs and the dental trends were applied to the health and dental cost levels. There was no trend applied for vision benefits for Horizon.

For Hydro One Brampton, the health trends were applied to the base drugs and other medical cost levels and the dental trends were applied to the hospital, vision, and dental cost levels.

Aging Factors

The tables below summarize the benefit aging factor assumptions used for the current valuation, by entity:

Enersource and HOBNI

No specific aging factors were reflected in the Enersource and HOBNI benefit cost levels.

Horizon, PowerStream and Guelph

Age	EHS	Vision	Drugs	Dental
55	0.20%	4.50%	0.60%	0.90%
60	1.10%	3.00%	1.60%	1.30%
65	2.00%	0.80%	2.50%	1.30%
70	2.80%	-1.70%	3.00%	0.70%
75	3.40%	-4.00%	2.90%	-0.70%
80	3.90%	-5.70%	2.20%	-2.90%
85	4.30%	-6.20%	1.00%	-5.70%

In addition, a decrease of 65% was applied to the drug claims cost levels for ages equal to and over 65 to account for the Ontario Drug Benefit Plan.

Demographic Assumptions

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee final report dated February 11, 2014 (CIA Report). The CIA MI-2017 mortality improvement scales used are as per the Canadian Institute of Actuaries Task Force Report on Mortality Improvement report published in April 2017.

The mortality table assumption remains unchanged from the previous valuation, but the mortality improvement assumption has been updated from the CPM Improvement Scale B-2014 released in 2014 for Enersource, Horizon, HOBNI and PowerStream. The mortality table and improvement assumption remains unchanged from the previous valuation for Guelph.

Rates of Withdrawal

Termination of employment is assumed to be in accordance with the following withdrawal table:

Age Bucket	Current Valuation	Previous Valuation (All except Guelph)	Previous Valuation (Guelph)
18 – 29	3.50%	3.50%	1.00%
30 – 34	2.00%	2.50%	1.00%
35 – 39	1.65%	2.15%	1.00%
40 – 49	1.30%	1.75%	1.00%
50 – 54	0.95%	1.40%	1.00%

Retirement Age

The retirement of active employees is assumed to be in accordance with the following retirement table:

Age	Rate
under 55	0%
55	15%
56	15%
57	15%
58	15%
59	15%
60	20%
61	20%
62	20%
63	20%
64	20%
65	100%

This assumption remains unchanged for all entities except Guelph, which assumed that all active employees will retire at age 60 and was increased, if necessary, to the minimum of the age at which 20 years of service was reached and age 65 in the previous valuation.

Disability

No provision was made for future disability. Currently disabled individuals are assumed to retire at age 65.

Member Election

For active employees, the proportion of individuals who elect for health and dental coverage at retirement are assumed to be as follows:

Entity	Participation Rate
Enersource (10 to 14 years of service)	90%
Enersource (15 years of service)	100%
Horizon	100%
HOBNI	70%
PowerStream	100%
Guelph	100%

Other Assumptions

Family/Single Coverage

The following assumptions were chosen for the current valuation:

- Coverage Type at Retirement (i.e. family, single) – The employee's coverage type at the valuation date will remain the same until the employee reaches the assumed retirement age.
- Spousal Gender – For employees with family coverage, the retiree has a spouse of the opposite gender at the date of retirement.
- Spousal Age Offset – Male spouses are assumed to be three years older than female spouses.

Expenses and Taxes

We have assumed the following percentage of benefits is required for the cost of sponsoring the program for post-retirement life insurance:

Entity	Life Expense Rate
Enersource	8%
Horizon	5%
HOBNI	11%
PowerStream	10%
Guelph	10%

We have also assumed the cost of sponsoring the program for post-retirement health and dental insurance is 35.91% of medical claims cost (including drugs, other health and vision) and 15.30% of dental claims cost respectively. These levels are based on the current administrative services agreement with the Corporation's provider for such services.

SECTION D — SUMMARY OF POST-RETIREMENT BENEFITS

A summary of the key plan provisions for each prior entity that are pertinent to this valuation, based on information provided by and discussions with the Corporation, is found in Appendix B of this report.

Details regarding the specific health and dental coverage levels can be found in the benefit documents and agreements governing these benefits for each entity.

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by Alectra Utilities Corporation ("the Corporation") as at December 31, 2019, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards, we hereby certify that, in our opinion, for the purposes stated in the Executive Summary:

1. The data on which the valuation of the PV DBO at December 31, 2019 is based is sufficient and reliable;
2. The assumptions employed at December 31, 2019, as outlined in this report, have been selected by the Corporation as management's best estimate assumptions (no provision for adverse deviations) and we express no opinion on them;
3. All known legal and constructive obligations with respect to the post-retirement non-pension benefits sponsored by and identified by the Corporation as at December 31, 2019 are included in the calculations; and
4. This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We are not aware of any subsequent events after the date of completing this valuation that would have a significant effect on the valuation results contained herein.

The latest date on which the next actuarial valuation should be performed is December 31, 2022. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

RSM CANADA CONSULTING LP



Stanley Caravaggio, FSA, FCIA
Director



Jamie Wong, ASA, ACIA
Senior Associate

Toronto, Ontario

February 7, 2020

SECTION E — EMPLOYER CERTIFICATION

Post-Retirement Non-Pension Benefit Plan of Alectra Utilities Corporation Actuarial Valuation as at December 31, 2019

I hereby confirm, as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of Alectra Utilities Corporation that, to the best of my knowledge and belief, for the purposes of the valuation:

- i) The membership data provided for the valuation at December 31, 2019 which is summarized in Section B is accurate and complete;
- ii) The assumptions upon which this report is based as summarized in Section C, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and
- iii) The summary of Plan Provisions in Section D and Appendix B are an accurate and complete summary of the terms of the Plan in effect on December 31, 2019.

ALECTRA UTILITIES CORPORATION

Feb 4 / 2020
Date

Mari Villett
Signature

Mari Villett
Name

VP Finance
Title



APPENDIX A — DETAILED ACCOUNTING SCHEDULES



Alectra Utilities
Estimated Benefit Expense (IAS 19)
Consolidated
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	71,451,541	94,863,677	96,684,368	98,409,465
Defined Benefit Cost Recognized in Income Statement	5,027,817	5,042,167	5,161,961	5,280,480
Defined Benefit Cost Recognized in Other Comprehensive Income	21,300,675	-	-	-
Benefits Paid by the Employer	(2,916,356)	(3,221,476)	(3,436,864)	(3,676,715)
Net Defined Benefit Liability/(Asset) as at December 31	94,863,677	96,684,368	98,409,465	100,013,230

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	2,398,558	2,151,326	2,218,017	2,286,776
Past Service Cost/(Gain) ****	(170,475)	-	-	-
Interest Cost	2,799,734	2,890,841	2,943,944	2,993,704
Defined Benefit Cost Recognized in Income Statement	5,027,817	5,042,167	5,161,961	5,280,480

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	17,965,326	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	415,034	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	663,243	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits *****	2,257,072	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	21,300,675	-	-	-
Total Defined Benefit Cost	26,328,493	5,042,167	5,161,961	5,280,480

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	71,451,541	94,863,677	96,684,368	98,409,465
Current Service Cost	2,398,558	2,151,326	2,218,017	2,286,776
Interest Cost	2,799,734	2,890,841	2,943,944	2,993,704
Benefits Paid	(2,916,356)	(3,221,476)	(3,436,864)	(3,676,715)
Past Service Cost/(Gain) ****	(170,475)	-	-	-
Net Actuarial Loss/(Gain)	21,300,675	-	-	-
Present Value of Defined Benefit Obligation as at December 31	94,863,677	96,684,368	98,409,465	100,013,230

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2018 for former Guelph and at December 31, 2017 for former Enersource, Horizon, Brampton, and PowerStream, and management's best estimate assumptions at December 31, 2018.

** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** The past service gain arises from the removal of post-retirement health and dental benefits for former Guelph employees hired after October 22, 2001, as indicated by the Corporation.

***** The correction to benefits represents changes as described in their individual accounting exhibits as well as the report.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
Consolidated
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	71,451,541	94,863,677	96,684,368	98,409,465
Benefits Paid	(1,458,178)	(1,610,738)	(1,718,432)	(1,838,357)
Accrued Benefits	69,993,362	93,252,939	94,965,936	96,571,107
Interest Cost	2,799,734	2,890,841	2,943,944	2,993,704

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	71,451,541	94,863,677	96,684,368	98,409,465
Current Service Cost	2,398,558	2,151,326	2,218,017	2,286,776
Benefits Paid	(2,916,356)	(3,221,476)	(3,436,864)	(3,676,715)
Interest Cost	2,799,734	2,890,841	2,943,944	2,993,704
Expected Present Value of Defined Benefit Obligation as at December 31	73,733,476	96,684,368	98,409,465	100,013,230

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	73,733,476	96,684,368	98,409,465	100,013,230
Past Service Cost/(Gain) ****	(170,475)	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	73,563,002	96,684,368	98,409,465	100,013,230
Actual Present Value of Defined Benefit Obligation	94,863,677	96,684,368	98,409,465	100,013,230
Net Actuarial Loss/(Gain) as at December 31	21,300,675	-	-	-

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2018 for former Guelph and at December 31, 2017 for former Enersource, Horizon, Brampton, and PowerStream, and management's best estimate assumptions at December 31, 2018.

** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** The past service gain arises from the removal of post-retirement health and dental benefits for former Guelph employees hired after October 22, 2001, as indicated by the Corporation.

***** The correction to benefits represents changes as described in their individual accounting exhibits as well as the report.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Hydro
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	7,459,277	8,231,165	8,483,189	8,731,322
Defined Benefit Cost Recognized in Income Statement	598,892	608,441	627,028	645,741
Defined Benefit Cost Recognized in Other Comprehensive Income	570,019	-	-	-
Benefits Paid by the Employer	(397,023)	(356,417)	(378,895)	(407,768)
Net Defined Benefit Liability/(Asset) as at December 31	8,231,165	8,483,189	8,731,322	8,969,295

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	308,461	358,800	369,923	381,390
Past Service Cost/(Gain)	-	-	-	-
Interest Cost	290,431	249,642	257,106	264,351
Defined Benefit Cost Recognized in Income Statement	598,892	608,441	627,028	645,741

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	938,295	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	84,116	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(271,510)	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits ****	(180,882)	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	570,019	-	-	-
Total Defined Benefit Cost	1,168,911	608,441	627,028	645,741

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	7,459,277	8,231,165	8,483,189	8,731,322
Current Service Cost	308,461	358,800	369,923	381,390
Interest Cost	290,431	249,642	257,106	264,351
Benefits Paid	(397,023)	(356,417)	(378,895)	(407,768)
Past Service Cost/(Gain)	-	-	-	-
Net Actuarial Loss/(Gain)	570,019	-	-	-
Present Value of Defined Benefit Obligation as at December 31	8,231,165	8,483,189	8,731,322	8,969,295

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** The correction to benefits represents the change in the Corporation's proportionate share from 100% to 75% for post-retirement health and dental benefits for former Enersource employees and the inclusion of post-retirement life benefits for former Enersource employees hired after April 1, 2000.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Hydro
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	7,459,277	8,231,165	8,483,189	8,731,322
Benefits Paid	(198,512)	(178,209)	(189,448)	(203,884)
Accrued Benefits	7,260,765	8,052,956	8,293,741	8,527,438
Interest Cost	290,431	249,642	257,106	264,351

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	7,459,277	8,231,165	8,483,189	8,731,322
Current Service Cost	308,461	358,800	369,923	381,390
Benefits Paid	(397,023)	(356,417)	(378,895)	(407,768)
Interest Cost	290,431	249,642	257,106	264,351
Expected Present Value of Defined Benefit Obligation as at December 31	7,661,146	8,483,189	8,731,322	8,969,295

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	7,661,146	8,483,189	8,731,322	8,969,295
Past Service Cost/(Gain)	-	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	7,661,146	8,483,189	8,731,322	8,969,295
Actual Present Value of Defined Benefit Obligation	8,231,165	8,483,189	8,731,322	8,969,295
Net Actuarial Loss/(Gain) as at December 31	570,019	-	-	-

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** The correction to benefits represents the change in the Corporation's proportionate share from 100% to 75% for post-retirement health and dental benefits for former Enersource employees and the inclusion of post-retirement life benefits for former Enersource employees hired after April 1, 2000.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Services
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	257,456	275,020	276,831	280,682
Defined Benefit Cost Recognized in Income Statement	23,681	19,241	19,662	20,175
Defined Benefit Cost Recognized in Other Comprehensive Income	7,586	-	-	-
Benefits Paid by the Employer	(13,703)	(17,430)	(15,811)	(13,074)
Net Defined Benefit Liability/(Asset) as at December 31	275,020	276,831	280,682	287,783

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	13,657	10,985	11,326	11,677
Past Service Cost/(Gain)	-	-	-	-
Interest Cost	10,024	8,255	8,337	8,498
Defined Benefit Cost Recognized in Income Statement	23,681	19,241	19,662	20,175

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	28,145	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	2,377	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(1,731)	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits ****	(21,205)	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	7,586	-	-	-
Total Defined Benefit Cost	31,267	19,241	19,662	20,175

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	257,456	275,020	276,831	280,682
Current Service Cost	13,657	10,985	11,326	11,677
Interest Cost	10,024	8,255	8,337	8,498
Benefits Paid	(13,703)	(17,430)	(15,811)	(13,074)
Past Service Cost/(Gain)	-	-	-	-
Net Actuarial Loss/(Gain)	7,586	-	-	-
Present Value of Defined Benefit Obligation as at December 31	275,020	276,831	280,682	287,783

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** The correction to benefits represents the change in the Corporation's proportionate share from 100% to 75% for post-retirement health and dental benefits for former Enersource employees and the inclusion of post-retirement life benefits for former Enersource employees hired after April 1, 2000.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Services
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	257,456	275,020	276,831	280,682
Benefits Paid	(6,852)	(8,715)	(7,906)	(6,537)
Accrued Benefits	250,605	266,305	268,925	274,145
Interest Cost	10,024	8,255	8,337	8,498

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	257,456	275,020	276,831	280,682
Current Service Cost	13,657	10,985	11,326	11,677
Benefits Paid	(13,703)	(17,430)	(15,811)	(13,074)
Interest Cost	10,024	8,255	8,337	8,498
Expected Present Value of Defined Benefit Obligation as at December 31	267,434	276,831	280,682	287,783

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	267,434	276,831	280,682	287,783
Past Service Cost/(Gain)	-	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	267,434	276,831	280,682	287,783
Actual Present Value of Defined Benefit Obligation	275,020	276,831	280,682	287,783
Net Actuarial Loss/(Gain) as at December 31	7,586	-	-	-

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** The correction to benefits represents the change in the Corporation's proportionate share from 100% to 75% for post-retirement health and dental benefits for former Enersource employees and the inclusion of post-retirement life benefits for former Enersource employees hired after April 1, 2000.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
Horizon Utilities
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	30,501,947	45,174,665	46,014,033	46,839,543
Defined Benefit Cost Recognized in Income Statement	1,843,952	2,237,908	2,289,548	2,341,338
Defined Benefit Cost Recognized in Other Comprehensive Income	13,974,648	-	-	-
Benefits Paid by the Employer	(1,145,881)	(1,398,540)	(1,464,037)	(1,545,343)
Net Defined Benefit Liability/(Asset) as at December 31	45,174,665	46,014,033	46,839,543	47,635,538

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	624,943	859,171	885,805	913,265
Past Service Cost/(Gain) ****	21,848	-	-	-
Interest Cost	1,197,160	1,378,737	1,403,742	1,428,073
Defined Benefit Cost Recognized in Income Statement	1,843,952	2,237,908	2,289,548	2,341,338

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	12,683,383	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	518,114	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	773,150	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	13,974,648	-	-	-
Total Defined Benefit Cost	15,818,599	2,237,908	2,289,548	2,341,338

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	30,501,947	45,174,665	46,014,033	46,839,543
Current Service Cost	624,943	859,171	885,805	913,265
Interest Cost	1,197,160	1,378,737	1,403,742	1,428,073
Benefits Paid	(1,145,881)	(1,398,540)	(1,464,037)	(1,545,343)
Past Service Cost/(Gain) ****	21,848	-	-	-
Net Actuarial Loss/(Gain)	13,974,648	-	-	-
Present Value of Defined Benefit Obligation as at December 31	45,174,665	46,014,033	46,839,543	47,635,538

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** The past service cost arises from the increase in the liability due to one individual transferring from Horizon Energy to Horizon Utilities.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
Horizon Utilities
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	30,501,947	45,174,665	46,014,033	46,839,543
Benefits Paid	(572,941)	(699,270)	(732,019)	(772,672)
Accrued Benefits	29,929,006	44,475,395	45,282,014	46,066,871
Interest Cost	1,197,160	1,378,737	1,403,742	1,428,073

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	30,501,947	45,174,665	46,014,033	46,839,543
Current Service Cost	624,943	859,171	885,805	913,265
Benefits Paid	(1,145,881)	(1,398,540)	(1,464,037)	(1,545,343)
Interest Cost	1,197,160	1,378,737	1,403,742	1,428,073
Expected Present Value of Defined Benefit Obligation as at December 31	31,178,169	46,014,033	46,839,543	47,635,538

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	31,178,169	46,014,033	46,839,543	47,635,538
Past Service Cost/(Gain) ****	21,848	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	31,200,017	46,014,033	46,839,543	47,635,538
Actual Present Value of Defined Benefit Obligation	45,174,665	46,014,033	46,839,543	47,635,538
Net Actuarial Loss/(Gain) as at December 31	13,974,648	-	-	-

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** The past service cost arises from the increase in the liability due to one individual transferring from Horizon Energy to Horizon Utilities.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
Horizon Energy
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	21,008	-	-	-
Defined Benefit Cost Recognized in Income Statement	(21,008)	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	-	-	-	-
Benefits Paid by the Employer	-	-	-	-
Net Defined Benefit Liability/(Asset) as at December 31	-	-	-	-

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	-	-	-	-
Past Service Cost/(Gain) ****	(21,848)	-	-	-
Interest Cost	840	-	-	-
Defined Benefit Cost Recognized in Income Statement	(21,008)	-	-	-

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	-	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	-	-	-	-
Total Defined Benefit Cost	(21,008)	-	-	-

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	21,008	-	-	-
Current Service Cost	-	-	-	-
Interest Cost	840	-	-	-
Benefits Paid	-	-	-	-
Past Service Cost/(Gain) ****	(21,848)	-	-	-
Net Actuarial Loss/(Gain)	-	-	-	-
Present Value of Defined Benefit Obligation as at December 31	-	-	-	-

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

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*** Based on expected benefits to be paid to those eligible for benefits.

**** The past service gain arises from the decrease in the liability due to one individual transferring from Horizon Energy to Horizon Utilities.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
Horizon Energy
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	21,008			
Benefits Paid				
Accrued Benefits	21,008			
Interest Cost	840			

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	21,008			
Current Service Cost				
Benefits Paid				
Interest Cost	840			
Expected Present Value of Defined Benefit Obligation as at December 31	21,848			

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	21,848			
Past Service Cost/(Gain) ****	(21,848)			
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)				
Actual Present Value of Defined Benefit Obligation				
Net Actuarial Loss/(Gain) as at December 31				

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

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*** Based on expected benefits to be paid to those eligible for benefits.

**** The past service gain arises from the decrease in the liability due to one individual transferring from Horizon Energy to Horizon Utilities.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Brampton
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	3,716,304	4,955,207	5,076,410	5,179,432
Defined Benefit Cost Recognized in Income Statement	258,160	304,765	312,888	320,627
Defined Benefit Cost Recognized in Other Comprehensive Income	1,147,282	-	-	-
Benefits Paid by the Employer	(166,540)	(183,561)	(209,866)	(234,187)
Net Defined Benefit Liability/(Asset) as at December 31	4,955,207	5,076,410	5,179,432	5,265,872

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	112,839	153,999	158,773	163,694
Past Service Cost/(Gain)	-	-	-	-
Interest Cost	145,321	150,766	154,116	156,932
Defined Benefit Cost Recognized in Income Statement	258,160	304,765	312,888	320,627

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	1,118,389	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	38,546	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(9,653)	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	1,147,282	-	-	-
Total Defined Benefit Cost	1,405,443	304,765	312,888	320,627

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	3,716,304	4,955,207	5,076,410	5,179,432
Current Service Cost	112,839	153,999	158,773	163,694
Interest Cost	145,321	150,766	154,116	156,932
Benefits Paid	(166,540)	(183,561)	(209,866)	(234,187)
Past Service Cost/(Gain)	-	-	-	-
Net Actuarial Loss/(Gain)	1,147,282	-	-	-
Present Value of Defined Benefit Obligation as at December 31	4,955,207	5,076,410	5,179,432	5,265,872

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Brampton
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	3,716,304	4,955,207	5,076,410	5,179,432
Benefits Paid	(83,270)	(91,781)	(104,933)	(117,094)
Accrued Benefits	3,633,034	4,863,426	4,971,477	5,062,338
Interest Cost	145,321	150,766	154,116	156,932

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	3,716,304	4,955,207	5,076,410	5,179,432
Current Service Cost	112,839	153,999	158,773	163,694
Benefits Paid	(166,540)	(183,561)	(209,866)	(234,187)
Interest Cost	145,321	150,766	154,116	156,932
Expected Present Value of Defined Benefit Obligation as at December 31	3,807,924	5,076,410	5,179,432	5,265,872

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	3,807,924	5,076,410	5,179,432	5,265,872
Past Service Cost/(Gain)	-	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	3,807,924	5,076,410	5,179,432	5,265,872
Actual Present Value of Defined Benefit Obligation	4,955,207	5,076,410	5,179,432	5,265,872
Net Actuarial Loss/(Gain) as at December 31	1,147,282	-	-	-

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Inc.
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	19,320,464	27,701,991	28,196,138	28,633,265
Defined Benefit Cost Recognized in Income Statement	1,822,874	1,490,368	1,524,335	1,557,206
Defined Benefit Cost Recognized in Other Comprehensive Income	7,468,857	-	-	-
Benefits Paid by the Employer	(910,205)	(996,221)	(1,087,208)	(1,174,939)
Net Defined Benefit Liability/(Asset) as at December 31	27,701,991	28,196,138	28,633,265	29,015,532

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	1,068,260	647,048	667,107	687,787
Past Service Cost/(Gain)	-	-	-	-
Interest Cost	754,614	843,320	857,229	869,420
Defined Benefit Cost Recognized in Income Statement	1,822,874	1,490,368	1,524,335	1,557,206

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	4,898,951	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	180,607	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(65,485)	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits ****	2,454,784	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	7,468,857	-	-	-
Total Defined Benefit Cost	9,291,732	1,490,368	1,524,335	1,557,206

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	19,320,464	27,701,991	28,196,138	28,633,265
Current Service Cost	1,068,260	647,048	667,107	687,787
Interest Cost	754,614	843,320	857,229	869,420
Benefits Paid	(910,205)	(996,221)	(1,087,208)	(1,174,939)
Past Service Cost/(Gain)	-	-	-	-
Net Actuarial Loss/(Gain)	7,468,857	-	-	-
Present Value of Defined Benefit Obligation as at December 31	27,701,991	28,196,138	28,633,265	29,015,532

- * The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.
- ** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.
- *** Based on expected benefits to be paid to those eligible for benefits.
- **** The correction to benefits represents the change in the Corporation's proportionate share from 75% (for PowerStream union and management employees retiring on or after July 2010) and 80% (for PowerStream union and management employees retiring on or after April 1, 2016) to 100%, and the change in eligibility requirements for Vaughan employees for post-retirement life, health, and dental benefits.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Inc.
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	19,320,464	27,701,991	28,196,138	28,633,265
Benefits Paid	(455,102)	(498,111)	(543,604)	(587,470)
Accrued Benefits	18,865,362	27,203,880	27,652,534	28,045,795
Interest Cost	754,614	843,320	857,229	869,420

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	19,320,464	27,701,991	28,196,138	28,633,265
Current Service Cost	1,068,260	647,048	667,107	687,787
Benefits Paid	(910,205)	(996,221)	(1,087,208)	(1,174,939)
Interest Cost	754,614	843,320	857,229	869,420
Expected Present Value of Defined Benefit Obligation as at December 31	20,233,133	28,196,138	28,633,265	29,015,532

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	20,233,133	28,196,138	28,633,265	29,015,532
Past Service Cost/(Gain)	-	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	20,233,133	28,196,138	28,633,265	29,015,532
Actual Present Value of Defined Benefit Obligation	27,701,991	28,196,138	28,633,265	29,015,532
Net Actuarial Loss/(Gain) as at December 31	7,468,857	-	-	-

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

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**** The correction to benefits represents the change in the Corporation's proportionate share from 75% (for PowerStream union and management employees retiring on or after July 2010) and 80% (for PowerStream union and management employees retiring on or after April 1, 2016) to 100%, and the change in eligibility requirements for Vaughan employees for post-retirement life, health, and dental benefits.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Energy
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	22,968	52,673	68,572	85,406
Defined Benefit Cost Recognized in Income Statement	7,271	15,899	16,834	17,811
Defined Benefit Cost Recognized in Other Comprehensive Income	22,434	-	-	-
Benefits Paid by the Employer	-	-	-	-
Net Defined Benefit Liability/(Asset) as at December 31	52,673	68,572	85,406	103,217

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	6,352	14,266	14,708	15,164
Past Service Cost/(Gain)	-	-	-	-
Interest Cost	919	1,633	2,126	2,648
Defined Benefit Cost Recognized in Income Statement	7,271	15,899	16,834	17,811

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	16,759	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	1,134	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	167	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits ****	4,375	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	22,434	-	-	-
Total Defined Benefit Cost	29,705	15,899	16,834	17,811

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	22,968	52,673	68,572	85,406
Current Service Cost	6,352	14,266	14,708	15,164
Interest Cost	919	1,633	2,126	2,648
Benefits Paid	-	-	-	-
Past Service Cost/(Gain)	-	-	-	-
Net Actuarial Loss/(Gain)	22,434	-	-	-
Present Value of Defined Benefit Obligation as at December 31	52,673	68,572	85,406	103,217

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

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Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Energy
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.96%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	22,968	52,673	68,572	85,406
Benefits Paid	-	-	-	-
Accrued Benefits	22,968	52,673	68,572	85,406
Interest Cost	919	1,633	2,126	2,648

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	22,968	52,673	68,572	85,406
Current Service Cost	6,352	14,266	14,708	15,164
Benefits Paid	-	-	-	-
Interest Cost	919	1,633	2,126	2,648
Expected Present Value of Defined Benefit Obligation as at December 31	30,239	68,572	85,406	103,217

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	30,239	68,572	85,406	103,217
Past Service Cost/(Gain)	-	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	30,239	68,572	85,406	103,217
Actual Present Value of Defined Benefit Obligation	52,673	68,572	85,406	103,217
Net Actuarial Loss/(Gain) as at December 31	22,434	-	-	-

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2017 and management's best estimate assumptions at December 31, 2018.

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*** Based on expected benefits to be paid to those eligible for benefits.

**** The correction to benefits represents the change in the Corporation's proportionate share from 75% (for PowerStream union and management employees retiring on or after July 2010) and 80% (for PowerStream union and management employees retiring on or after April 1, 2016) to 100%.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Guelph
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	6.00%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	6.00%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	6.00%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	n/a	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	10,152,117	8,472,957	8,569,195	8,659,815
Defined Benefit Cost Recognized in Income Statement	493,995	365,545	371,666	377,581
Defined Benefit Cost Recognized in Other Comprehensive Income	(1,890,151)	-	-	-
Benefits Paid by the Employer	(283,004)	(269,307)	(281,046)	(301,403)
Net Defined Benefit Liability/(Asset) as at December 31	8,472,957	8,569,195	8,659,815	8,735,993

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	264,045	107,058	110,377	113,799
Past Service Cost/(Gain) ****	(170,475)	-	-	-
Interest Cost	400,425	258,487	261,289	263,783
Defined Benefit Cost Recognized in Income Statement	493,995	365,545	371,666	377,581

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(1,718,595)	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	(409,861)	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	238,304	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(1,890,151)	-	-	-
Total Defined Benefit Cost	(1,396,157)	365,545	371,666	377,581

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	10,152,117	8,472,957	8,569,195	8,659,815
Current Service Cost	264,045	107,058	110,377	113,799
Interest Cost	400,425	258,487	261,289	263,783
Benefits Paid	(283,004)	(269,307)	(281,046)	(301,403)
Past Service Cost/(Gain) ****	(170,475)	-	-	-
Net Actuarial Loss/(Gain)	(1,890,151)	-	-	-
Present Value of Defined Benefit Obligation as at December 31	8,472,957	8,569,195	8,659,815	8,735,993

- * The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2018 and management's best estimate assumptions at December 31, 2018.
- ** Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.
- *** Based on expected benefits to be paid to those eligible for benefits.
- **** The past service gain arises from the removal of post-retirement health and dental benefits for former Guelph employees hired after October 22, 2001, as indicated by the Corporation.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
Guelph
FINAL

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	4.00%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	6.00%	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	6.00%	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	6.00%	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	n/a	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	10,152,117	8,472,957	8,569,195	8,659,815
Benefits Paid	(141,502)	(134,653)	(140,523)	(150,702)
Accrued Benefits	10,010,615	8,338,303	8,428,672	8,509,113
Interest Cost	400,425	258,487	261,289	263,783

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	10,152,117	8,472,957	8,569,195	8,659,815
Current Service Cost	264,045	107,058	110,377	113,799
Benefits Paid	(283,004)	(269,307)	(281,046)	(301,403)
Interest Cost	400,425	258,487	261,289	263,783
Expected Present Value of Defined Benefit Obligation as at December 31	10,533,583	8,569,195	8,659,815	8,735,993

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	10,533,583	8,569,195	8,659,815	8,735,993
Past Service Cost/(Gain) ****	(170,475)	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	10,363,108	8,569,195	8,659,815	8,735,993
Actual Present Value of Defined Benefit Obligation	8,472,957	8,569,195	8,659,815	8,735,993
Net Actuarial Loss/(Gain) as at December 31	(1,890,151)	-	-	-

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data at December 31, 2018 and management's best estimate assumptions at December 31, 2018.

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*** Based on expected benefits to be paid to those eligible for benefits.

**** The past service gain arises from the removal of post-retirement health and dental benefits for former Guelph employees hired after October 22, 2001, as indicated by the Corporation.



APPENDIX B — SUMMARY OF BENEFITS

Fields in red font indicate changes from the previous valuation.

Enersource

Post-Retirement Coverage Type
Benefit Class

Life	Life	Health, Dental	Retirement Gift
Hired prior to April 1, 2000	Hired on or after April 1, 2000	All employees	All employees

% Paid by the Corporation

100%	100%	75%	0%
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Retiree Coverage
Eligibility Requirements

Yes	Yes	Yes	No
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Coverage

No minimum service requirement
 \$2,000 if < 10 years of service; 50% of final annual earnings reduced by 2.5% per year for 10 years if >= 10 years of service

No minimum service requirement
 \$5,000 paid at retirement if less than 10 years of service; \$10,000 paid at retirement if 10 years of service or more

Claims costs

Coverage Start
Coverage End

At retirement Lifetime	At retirement At retirement	At retirement Age 65	
---------------------------	--------------------------------	-------------------------	--

Retiree Dependent Survivor Coverage
Eligibility Requirements

No	No	Yes	No
----	----	-----	----

Coverage Start
Coverage End

		Claims costs	
--	--	--------------	--

At employee's death
 24 months after the date of employee's death or when employee would have turned age 65

Exceptions
Maximum Benefit

None		None	
None		None	

Guelph

Post-Retirement Coverage Type

Benefit Class

% Paid by the Corporation

Retiree Coverage

Eligibility Requirements

Coverage

Coverage Start

Coverage End

Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start

Coverage End

Life		Health		Health		Dental	
Employees hired on or prior to October 22, 2001		Employees hired on or prior to October 22, 2001		Employees hired after October 22, 2001		Employees hired on or prior to October 22, 2001	
Employees hired after October 22, 2001		Employees hired after October 22, 2001		Employees hired after October 22, 2001		Employees hired after October 22, 2001	
100%		100%		100%		100%	
Yes		Yes		No		Yes	
At retirement		20 years of service		20 years of service		20 years of service	
50% of salary at time of retirement, reducing by 2.5% per anniversary date over the next 10 years, until they are at 25% of base salary		Premiums as noted in the Claims Costs Summary tab		Premiums as noted in the Claims Costs Summary tab		Premiums as noted in the Claims Costs Summary tab	
At retirement		At age 55 or older who retire with an OMER pension		At age 55 or older who retire with an OMER pension		At age 55 or older who retire with an OMER pension	
Lifetime		Lifetime		Age 65		Age 65	
No		No		No		No	

HOBNI

Post-Retirement Coverage Type

Benefit Class	Health, Dental	Life	Life	Life
All employees		Class 3 (Born before April 1, 1959 OR retired before April 1, 2015 OR formerly management)	Class 5 (UNIFOR not in class 3)	Class 6 (BEW not in class 3)
% Paid by the Corporation	50%	100%	50%	0%
Retiree Coverage Eligibility Requirements	Yes Retire after age 55	Yes None	Yes None	Yes None
Coverage	Claims costs	\$2,000 if < 10 years of service; 50% of final annual earnings reduced by 2.5% per year for 10 years if >= 10 years of service	\$2,000 if < 10 years of service; 50% of final annual earnings reduced by 2.5% per year for 10 years if >= 10 years of service	\$2,000 if < 10 years of service; 50% of final annual earnings reduced by 2.5% per year for 10 years if >= 10 years of service
Coverage Start	At retirement	At retirement	At retirement	At retirement
Coverage End	Age 65	Lifetime	Lifetime	Lifetime
Retiree Dependent Survivor Coverage Eligibility Requirements	Yes	No	No	No
Coverage	Employee retires after age 55			
Coverage Start	Claims costs			
Coverage End	At employee's death 2 years after employee's death			

Horizon

Post-Retirement Coverage Type

Benefit Class

Health, Dental	Health, Dental	Health, Dental	Health, Dental
Horizon (hired before October 1, 2001)	Horizon (hired on or after October 1, 2001)	St. Catharines Non-Union (retiring on or after February 28, 2005)	St. Catharines Union (retiring on or after February 28, 2005)

% Paid by the Corporation

100%	100%	100%	100%
------	------	------	------

Retiree Coverage

Eligibility Requirements

Yes	Yes	Yes	Yes
Age 55+, receiving an OMERS pension and retiring w/ at least 20 years of service	Age 55+, receiving an OMERS pension and retiring w/ at least 20 years of service	Age 55+, receiving an OMERS pension	Age 55+, receiving an OMERS pension

Coverage

Claims costs	Claims costs	Claims costs	Claims costs
At retirement Lifetime	At retirement Age 65	At retirement Age 65	At retirement Age 65

Coverage Start Coverage End

Retiree Dependent Survivor Coverage

Eligibility Requirements

Yes	Yes	Yes	Yes
Based on above employee eligibility requirements	Based on above employee eligibility requirements	Based on above employee eligibility requirements	Based on above employee eligibility requirements
Claims costs	Claims costs	Claims costs	Claims costs
At employee's death	At employee's death	At employee's death	At employee's death

Coverage Start Coverage End

6 months following retiree's death	6 months following retiree's death	the earlier of 30 months following retiree's death and date at which member would have turned age 65	the earlier of 30 months following retiree's death and date at which member would have turned age 65
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Horizon**Post-Retirement Coverage Type**

Benefit Class	Life	Life
	Horizon	St. Catharines

% Paid by the Corporation

	100%	100%
--	------	------

Retiree Coverage

	Yes	Yes
--	-----	-----

Eligibility Requirements

	None	None
--	------	------

Coverage

	If less than 10 years of service, \$2,000; If 10 more years of service, 50% of final salary reducing by 2.5% each year for 10 years	If less than 10 years of service, \$2,000; If 10 more years of service, 50% of final salary reducing by 2.5% each year for 10 years
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**Coverage Start
Coverage End**

	At retirement Lifetime	At retirement Lifetime
--	---------------------------	---------------------------

Retiree Dependent Survivor Coverage

	No	No
--	----	----

Eligibility Requirements

--	--	--

Coverage

--	--	--

Coverage Start

--	--	--

Coverage End

--	--	--

PowerStream

Post-Retirement Coverage Type

Former Hydro

Benefit Class

Life	Health, Dental	Life	Health, Dental
Aurora	Aurora	Barrie	Barrie
Aurora	Aurora	Barrie	Barrie_50 (retired prior to May 6, 2002)

% Paid by the Corporation

100%	n/a	100%	50%
------	-----	------	-----

Retiree Coverage

Eligibility Requirements

Yes	No	Yes	Yes
-----	----	-----	-----

Coverage

No minimum service requirement		No minimum service requirement	15 year minimum service requirement
If less than 10 years of service, \$2,000; if 10 more years of service, 50% of final salary reducing by 2.5% each year for 10 years		Life coverage according to the MEARE coverage schedule	Monthly premiums paid as noted in the claims cost summary

Coverage Start
Coverage End

At retirement		At retirement	At retirement
Lifetime		Lifetime	Age 65

Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start
Coverage End

No	No	No	No

PowerStream

Post-Retirement Coverage Type

Former Hydro

Benefit Class

Health, Dental	Life	Life	Life
Barrie	Markham	Markham	Markham
Barrie_75 (retired on or after May 6, 2002)	Markham_A (retired with less than 10 years of service)	Markham_B (retired with 10+ years of service)	Markham_C (previously in the superceded plan)
75%	100%	100%	100%

% Paid by the Corporation

Retiree Coverage

Eligibility Requirements

Yes	Yes	Yes	Yes
15 year minimum service requirement	No minimum service requirement	No minimum service requirement	No minimum service requirement

Coverage

Monthly premiums paid as noted in the claims cost summary	\$2,000 of coverage	50% of final annual earnings, reducing by 2.5% of final annual earnings each retirement anniversary, to a minimum of 25% of final annual earnings	50% of final annual earnings
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Coverage Start

Coverage End

At retirement Age 65	At retirement Lifetime	At retirement Lifetime	At retirement Lifetime
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Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start

Coverage End

No	No	No	No
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PowerStream

Post-Retirement Coverage Type

Former Hydro

Benefit Class

Health, Dental	Life	Life	Life
Markham	Richmond Hill	Richmond Hill	Richmond Hill
Markham	Richmond Hill_1 (hired prior to 1984)	Richmond Hill_2 (hired in or after 1984 with more than 10 years of service)	Richmond Hill_3 (hired in or after 1984 with less than 10 years of service)

% Paid by the Corporation

100%	100%	100%	100%
------	------	------	------

Retiree Coverage

Eligibility Requirements

Yes	Yes	Yes	Yes
5 year minimum service requirement	No minimum service requirement	No minimum service requirement	No minimum service requirement

Coverage

Monthly premiums paid as noted in the claims cost summary	100% of final annual earnings, up to a max of \$100,000. Coverage reduces by 50% at age 65	100% of final earnings up to a max of \$100,000, reducing by 5% per year for 10 years; 50% of final earnings after 10 years	\$2,000 of coverage
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Coverage Start

Coverage End

At retirement Age 65	At retirement Lifetime	At retirement Lifetime	At retirement Lifetime
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Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start

Coverage End

No	No	No	No
----	----	----	----

PowerStream

Post-Retirement Coverage Type

Former Hydro

Benefit Class

Health, Dental	Life	Health, Dental	Life
Richmond Hill	Vaughan	Vaughan	All Union and Management retiring on or after July 2010
Richmond Hill	Vaughan (12 years experience as of 2004 at Vaughan Hydro)	Vaughan (12 years experience as of 2004 at Vaughan Hydro)	PowerStream

% Paid by the Corporation

100%	100%	100%	100%
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Retiree Coverage

Eligibility Requirements

Yes	Yes	Yes	Yes
20 year minimum service requirement	No minimum service requirement with Alectra	No minimum service requirement with Alectra	15 year minimum service requirement

Coverage

Monthly premiums paid as noted in the claims cost summary	\$10,000 of coverage	Monthly premiums paid as noted in the claims cost summary	50% of final earnings, reducing by 2.5% each year to 25% of final earnings
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Coverage Start
Coverage End

At retirement Age 65	At retirement Lifetime	At retirement Lifetime	At retirement Lifetime
----------------------	------------------------	------------------------	------------------------

Retiree Dependent Survivor Coverage

Eligibility Requirements

Coverage

Coverage Start
Coverage End

No	No	No	No
----	----	----	----

PowerStream**Post-Retirement Coverage Type**

Former Hydro

Benefit Class

Life	Health, Dental	Health, Dental
All Union and Management retiring on or after April 1, 2016	All Union and Management retiring between July 2010 and April 1, 2016	All Union and Management retiring on or after April 1, 2016
PowerStream	PowerStream	PowerStream

% Paid by the Corporation

100%	75%	80%
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Retiree Coverage**Eligibility Requirements**

Yes	Yes	Yes
15 year minimum service requirement	15 year minimum service requirement	15 year minimum service requirement

Coverage

50% of final earnings, reducing by 2.5% each year to 25% of final earnings	Monthly premiums paid as noted in the claims cost summary	Monthly premiums paid as noted in the claims cost summary
--	---	---

**Coverage Start
Coverage End**

At retirement Lifetime	At retirement Age 65	At retirement Age 65
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Retiree Dependent Survivor Coverage**Eligibility Requirements****Coverage****Coverage Start
Coverage End**

No	No	No
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2020 Actuarial Report

RSM Consulting Canada LP

Appendix - Sensitivity Analysis

Enersource Hydro

	Dec. 31, 2020 PV DBO	Difference	% Difference
Base Assumptions	9,062,900		
Cost Trends +1%	9,622,100	559,200	6.2%
Cost Trends -1%	8,525,400	(537,500)	-5.9%
Discount Rate +1%	7,927,900	(1,135,000)	-12.5%
Discount Rate -1%	10,398,600	1,335,700	14.7%

Enersource Services

	Dec. 31, 2020 PV DBO	Difference	% Difference
Base Assumptions	296,800		
Cost Trends +1%	314,500	17,700	6.0%
Cost Trends -1%	279,300	(17,500)	-5.9%
Discount Rate +1%	260,400	(36,400)	-12.3%
Discount Rate -1%	340,200	43,400	14.6%

Horizon Utilities

	Dec. 31, 2020 PV DBO	Difference	% Difference
Base Assumptions	49,960,100		
Cost Trends +1%	57,377,800	7,417,700	14.8%
Cost Trends -1%	43,658,400	(6,301,700)	-12.6%
Discount Rate +1%	42,456,300	(7,503,800)	-15.0%
Discount Rate -1%	59,184,600	9,224,500	18.5%

Brampton

	Dec. 31, 2020 PV DBO	Difference	% Difference
Base Assumptions	5,392,700		
Cost Trends +1%	5,651,200	258,500	4.8%
Cost Trends -1%	5,132,300	(260,500)	-4.8%
Discount Rate +1%	4,629,200	(763,600)	-14.2%
Discount Rate -1%	6,336,700	944,000	17.5%

PowerStream Inc.

	Dec. 31, 2020 PV DBO	Difference	% Difference
Base Assumptions	30,253,900		
Cost Trends +1%	33,710,100	3,456,200	11.4%
Cost Trends -1%	27,211,500	(3,042,400)	-10.1%
Discount Rate +1%	26,055,500	(4,198,400)	-13.9%
Discount Rate -1%	35,346,800	5,092,900	16.8%

Appendix - Sensitivity Analysis

PowerStream Energy Services

	Dec. 31, 2020 PV DBO	Difference	% Difference
Base Assumptions	75,400		
Cost Trends +1%	81,800	6,400	8.4%
Cost Trends -1%	69,500	(6,000)	-7.9%
Discount Rate +1%	60,000	(15,400)	-20.4%
Discount Rate -1%	96,200	20,700	27.5%

Guelph Hydro

	Dec. 31, 2020 PV DBO	Difference	% Difference
Base Assumptions	9,259,200		
Cost Trends +1%	10,638,500	1,379,200	14.9%
Cost Trends -1%	8,089,300	(1,170,000)	-12.6%
Discount Rate +1%	7,888,400	(1,370,900)	-14.8%
Discount Rate -1%	10,929,100	1,669,900	18.0%

TOTAL (Alectra Inc.)

	Dec. 31, 2020 PV DBO	Difference	% Difference
Base Assumptions	104,301,100		
Cost Trends +1%	117,396,000	13,094,900	12.6%
Cost Trends -1%	92,965,600	(11,335,500)	-10.9%
Discount Rate +1%	89,277,700	(15,023,400)	-14.4%
Discount Rate -1%	122,632,200	18,331,100	17.6%

Alectra Inc.
Estimated Benefit Expense (IAS 19)
Consolidated
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	94,863,677	104,301,104	106,034,903
Defined Benefit Cost Recognized in Income Statement	5,056,554	5,170,664	5,279,064
Defined Benefit Cost Recognized in Other Comprehensive Income	6,674,191	-	-
Benefits Paid by the Employer	(2,293,318)	(3,436,864)	(3,676,715)
Net Defined Benefit Liability/(Asset) as at December 31	104,301,104	106,034,903	107,637,252

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	2,151,326	2,400,932	2,465,757
Past Service Cost/(Gain)	-	-	-
Interest Cost	2,905,228	2,769,732	2,813,307
Defined Benefit Cost Recognized in Income Statement	5,056,554	5,170,664	5,279,064

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	6,674,191	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	6,674,191	-	-
Total Defined Benefit Cost	11,730,745	5,170,664	5,279,064

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	94,863,677	104,301,104	106,034,903
Current Service Cost	2,151,326	2,400,932	2,465,757
Interest Cost	2,905,228	2,769,732	2,813,307
Benefits Paid	(2,293,318)	(3,436,864)	(3,676,715)
Past Service Cost/(Gain)	-	-	-
Net Actuarial Loss/(Gain)	6,674,191	-	-
Present Value of Defined Benefit Obligation as at December 31	104,301,104	106,034,903	107,637,252

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

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*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Inc.
Estimated Benefit Expense (IAS 19)
Consolidated
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	94,863,677	104,301,104	106,034,903
Benefits Paid	(1,146,659)	(1,718,432)	(1,838,357)
Accrued Benefits	93,717,018	102,582,671	104,196,546
Interest Cost	2,905,228	2,769,732	2,813,307

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	94,863,677	104,301,104	106,034,903
Current Service Cost	2,151,326	2,400,932	2,465,757
Benefits Paid	(2,293,318)	(3,436,864)	(3,676,715)
Interest Cost	2,905,228	2,769,732	2,813,307
Expected Present Value of Defined Benefit Obligation as at December 31	97,626,913	106,034,903	107,637,252

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	97,626,913	106,034,903	107,637,252
Past Service Cost/(Gain)	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	97,626,913	106,034,903	107,637,252
Actual Present Value of Defined Benefit Obligation	104,301,104	106,034,903	107,637,252
Net Actuarial Loss/(Gain) as at December 31	6,674,191	-	-

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Enersource Hydro
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	8,231,165	9,062,888	9,316,629
Defined Benefit Cost Recognized in Income Statement	609,614	632,636	649,710
Defined Benefit Cost Recognized in Other Comprehensive Income	502,863	-	-
Benefits Paid by the Employer	(280,753)	(378,895)	(407,768)
Net Defined Benefit Liability/(Asset) as at December 31	9,062,888	9,316,629	9,558,570

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	358,800	393,053	403,665
Past Service Cost/(Gain)	-	-	-
Interest Cost	250,814	239,583	246,044
Defined Benefit Cost Recognized in Income Statement	609,614	632,636	649,710

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	502,863	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	502,863	-	-
Total Defined Benefit Cost	1,112,477	632,636	649,710

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	8,231,165	9,062,888	9,316,629
Current Service Cost	358,800	393,053	403,665
Interest Cost	250,814	239,583	246,044
Benefits Paid	(280,753)	(378,895)	(407,768)
Past Service Cost/(Gain)	-	-	-
Net Actuarial Loss/(Gain)	502,863	-	-
Present Value of Defined Benefit Obligation as at December 31	9,062,888	9,316,629	9,558,570

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Enersource Hydro
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	8,231,165	9,062,888	9,316,629
Benefits Paid	(140,377)	(189,448)	(203,884)
Accrued Benefits	8,090,788	8,873,440	9,112,745
Interest Cost	250,814	239,583	246,044

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	8,231,165	9,062,888	9,316,629
Current Service Cost	358,800	393,053	403,665
Benefits Paid	(280,753)	(378,895)	(407,768)
Interest Cost	250,814	239,583	246,044
Expected Present Value of Defined Benefit Obligation as at December 31	8,560,026	9,316,629	9,558,570

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	8,560,026	9,316,629	9,558,570
Past Service Cost/(Gain)	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	8,560,026	9,316,629	9,558,570
Actual Present Value of Defined Benefit Obligation	9,062,888	9,316,629	9,558,570
Net Actuarial Loss/(Gain) as at December 31	502,863	-	-

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Enersource Services
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	275,020	296,778	300,836
Defined Benefit Cost Recognized in Income Statement	19,298	19,869	20,341
Defined Benefit Cost Recognized in Other Comprehensive Income	16,190	-	-
Benefits Paid by the Employer	(13,729)	(15,811)	(13,074)
Net Defined Benefit Liability/(Asset) as at December 31	296,778	300,836	308,103

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	10,985	12,069	12,395
Past Service Cost/(Gain)	-	-	-
Interest Cost	8,313	7,800	7,946
Defined Benefit Cost Recognized in Income Statement	19,298	19,869	20,341

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	16,190	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	16,190	-	-
Total Defined Benefit Cost	35,488	19,869	20,341

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	275,020	296,778	300,836
Current Service Cost	10,985	12,069	12,395
Interest Cost	8,313	7,800	7,946
Benefits Paid	(13,729)	(15,811)	(13,074)
Past Service Cost/(Gain)	-	-	-
Net Actuarial Loss/(Gain)	16,190	-	-
Present Value of Defined Benefit Obligation as at December 31	296,778	300,836	308,103

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Enersource Services
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	275,020	296,778	300,836
Benefits Paid	(6,865)	(7,906)	(6,537)
Accrued Benefits	268,155	288,873	294,299
Interest Cost	8,313	7,800	7,946

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	275,020	296,778	300,836
Current Service Cost	10,985	12,069	12,395
Benefits Paid	(13,729)	(15,811)	(13,074)
Interest Cost	8,313	7,800	7,946
Expected Present Value of Defined Benefit Obligation as at December 31	280,588	300,836	308,103

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	280,588	300,836	308,103
Past Service Cost/(Gain)	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	280,588	300,836	308,103
Actual Present Value of Defined Benefit Obligation	296,778	300,836	308,103
Net Actuarial Loss/(Gain) as at December 31	16,190	-	-

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

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*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Inc.
Estimated Benefit Expense (IAS 19)
Horizon
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	45,174,665	49,960,094	50,795,813
Defined Benefit Cost Recognized in Income Statement	2,247,257	2,299,756	2,347,429
Defined Benefit Cost Recognized in Other Comprehensive Income	3,333,569	-	-
Benefits Paid by the Employer	(795,396)	(1,464,037)	(1,545,343)
Net Defined Benefit Liability/(Asset) as at December 31	49,960,094	50,795,813	51,597,899

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	859,171	970,598	996,804
Past Service Cost/(Gain)	-	-	-
Interest Cost	1,388,086	1,329,158	1,350,625
Defined Benefit Cost Recognized in Income Statement	2,247,257	2,299,756	2,347,429

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	3,333,569	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	3,333,569	-	-
Total Defined Benefit Cost	5,580,826	2,299,756	2,347,429

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	45,174,665	49,960,094	50,795,813
Current Service Cost	859,171	970,598	996,804
Interest Cost	1,388,086	1,329,158	1,350,625
Benefits Paid	(795,396)	(1,464,037)	(1,545,343)
Past Service Cost/(Gain)	-	-	-
Net Actuarial Loss/(Gain)	3,333,569	-	-
Present Value of Defined Benefit Obligation as at December 31	49,960,094	50,795,813	51,597,899

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

** Projected CY 2021 and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Inc.
Estimated Benefit Expense (IAS 19)
Horizon
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	45,174,665	49,960,094	50,795,813
Benefits Paid	(397,698)	(732,019)	(772,672)
Accrued Benefits	44,776,967	49,228,075	50,023,141
Interest Cost	1,388,086	1,329,158	1,350,625

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	45,174,665	49,960,094	50,795,813
Current Service Cost	859,171	970,598	996,804
Benefits Paid	(795,396)	(1,464,037)	(1,545,343)
Interest Cost	1,388,086	1,329,158	1,350,625
Expected Present Value of Defined Benefit Obligation as at December 31	46,626,525	50,795,813	51,597,899

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	46,626,525	50,795,813	51,597,899
Past Service Cost/(Gain)	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	46,626,525	50,795,813	51,597,899
Actual Present Value of Defined Benefit Obligation	49,960,094	50,795,813	51,597,899
Net Actuarial Loss/(Gain) as at December 31	3,333,569	-	-

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

** Projected CY 2021 and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Inc.
Estimated Benefit Expense (IAS 19)
Brampton
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	4,955,207	5,392,736	5,498,168
Defined Benefit Cost Recognized in Income Statement	304,397	315,298	322,475
Defined Benefit Cost Recognized in Other Comprehensive Income	340,428	-	-
Benefits Paid by the Employer	(207,295)	(209,866)	(234,187)
Net Defined Benefit Liability/(Asset) as at December 31	5,392,736	5,498,168	5,586,455

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	153,999	172,527	177,186
Past Service Cost/(Gain)	-	-	-
Interest Cost	150,398	142,771	145,289
Defined Benefit Cost Recognized in Income Statement	304,397	315,298	322,475

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	340,428	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	340,428	-	-
Total Defined Benefit Cost	644,825	315,298	322,475

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	4,955,207	5,392,736	5,498,168
Current Service Cost	153,999	172,527	177,186
Interest Cost	150,398	142,771	145,289
Benefits Paid	(207,295)	(209,866)	(234,187)
Past Service Cost/(Gain)	-	-	-
Net Actuarial Loss/(Gain)	340,428	-	-
Present Value of Defined Benefit Obligation as at December 31	5,392,736	5,498,168	5,586,455

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

** Projected CY 2021 and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Inc.
Estimated Benefit Expense (IAS 19)
Brampton
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	4,955,207	5,392,736	5,498,168
Benefits Paid	(103,648)	(104,933)	(117,094)
Accrued Benefits	4,851,559	5,287,803	5,381,074
Interest Cost	150,398	142,771	145,289

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	4,955,207	5,392,736	5,498,168
Current Service Cost	153,999	172,527	177,186
Benefits Paid	(207,295)	(209,866)	(234,187)
Interest Cost	150,398	142,771	145,289
Expected Present Value of Defined Benefit Obligation as at December 31	5,052,308	5,498,168	5,586,455

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	5,052,308	5,498,168	5,586,455
Past Service Cost/(Gain)	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	5,052,308	5,498,168	5,586,455
Actual Present Value of Defined Benefit Obligation	5,392,736	5,498,168	5,586,455
Net Actuarial Loss/(Gain) as at December 31	340,428	-	-

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

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*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Inc.
Estimated Benefit Expense (IAS 19)
PowerStream Inc.
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	27,701,991	30,253,922	30,685,580
Defined Benefit Cost Recognized in Income Statement	1,493,298	1,518,866	1,548,687
Defined Benefit Cost Recognized in Other Comprehensive Income	1,865,867	-	-
Benefits Paid by the Employer	(807,234)	(1,087,208)	(1,174,939)
Net Defined Benefit Liability/(Asset) as at December 31	30,253,922	30,685,580	31,059,328

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	647,048	716,688	736,038
Past Service Cost/(Gain)	-	-	-
Interest Cost	846,250	802,179	812,649
Defined Benefit Cost Recognized in Income Statement	1,493,298	1,518,866	1,548,687

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	1,865,867	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	1,865,867	-	-
Total Defined Benefit Cost	3,359,164	1,518,866	1,548,687

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	27,701,991	30,253,922	30,685,580
Current Service Cost	647,048	716,688	736,038
Interest Cost	846,250	802,179	812,649
Benefits Paid	(807,234)	(1,087,208)	(1,174,939)
Past Service Cost/(Gain)	-	-	-
Net Actuarial Loss/(Gain)	1,865,867	-	-
Present Value of Defined Benefit Obligation as at December 31	30,253,922	30,685,580	31,059,328

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

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*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Inc.
Estimated Benefit Expense (IAS 19)
PowerStream Inc.
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	27,701,991	30,253,922	30,685,580
Benefits Paid	(403,617)	(543,604)	(587,470)
Accrued Benefits	27,298,374	29,710,317	30,098,110
Interest Cost	846,250	802,179	812,649

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	27,701,991	30,253,922	30,685,580
Current Service Cost	647,048	716,688	736,038
Benefits Paid	(807,234)	(1,087,208)	(1,174,939)
Interest Cost	846,250	802,179	812,649
Expected Present Value of Defined Benefit Obligation as at December 31	28,388,055	30,685,580	31,059,328

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	28,388,055	30,685,580	31,059,328
Past Service Cost/(Gain)	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	28,388,055	30,685,580	31,059,328
Actual Present Value of Defined Benefit Obligation	30,253,922	30,685,580	31,059,328
Net Actuarial Loss/(Gain) as at December 31	1,865,867	-	-

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

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*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Inc.
Estimated Benefit Expense (IAS 19)
PowerStream Energy
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	52,673	75,450	93,548
Defined Benefit Cost Recognized in Income Statement	15,899	18,098	19,021
Defined Benefit Cost Recognized in Other Comprehensive Income	6,878	-	-
Benefits Paid by the Employer	-	-	-
Net Defined Benefit Liability/(Asset) as at December 31	75,450	93,548	112,569

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	14,266	16,061	16,495
Past Service Cost/(Gain)	-	-	-
Interest Cost	1,633	2,037	2,526
Defined Benefit Cost Recognized in Income Statement	15,899	18,098	19,021

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	6,878	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	6,878	-	-
Total Defined Benefit Cost	22,777	18,098	19,021

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	52,673	75,450	93,548
Current Service Cost	14,266	16,061	16,495
Interest Cost	1,633	2,037	2,526
Benefits Paid	-	-	-
Past Service Cost/(Gain)	-	-	-
Net Actuarial Loss/(Gain)	6,878	-	-
Present Value of Defined Benefit Obligation as at December 31	75,450	93,548	112,569

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

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*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Inc.
Estimated Benefit Expense (IAS 19)
PowerStream Energy
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	52,673	75,450	93,548
Benefits Paid	-	-	-
Accrued Benefits	52,673	75,450	93,548
Interest Cost	1,633	2,037	2,526

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	52,673	75,450	93,548
Current Service Cost	14,266	16,061	16,495
Benefits Paid	-	-	-
Interest Cost	1,633	2,037	2,526
Expected Present Value of Defined Benefit Obligation as at December 31	68,572	93,548	112,569

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	68,572	93,548	112,569
Past Service Cost/(Gain)	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	68,572	93,548	112,569
Actual Present Value of Defined Benefit Obligation	75,450	93,548	112,569
Net Actuarial Loss/(Gain) as at December 31	6,878	-	-

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

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*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Inc.
Estimated Benefit Expense (IAS 19)
Guelph
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	8,472,957	9,259,235	9,344,330
Defined Benefit Cost Recognized in Income Statement	366,792	366,140	371,401
Defined Benefit Cost Recognized in Other Comprehensive Income	608,397	-	-
Benefits Paid by the Employer	(188,910)	(281,046)	(301,403)
Net Defined Benefit Liability/(Asset) as at December 31	9,259,235	9,344,330	9,414,328

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	107,058	119,935	123,173
Past Service Cost/(Gain)	-	-	-
Interest Cost	259,734	246,205	248,228
Defined Benefit Cost Recognized in Income Statement	366,792	366,140	371,401

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	608,397	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-
Net Actuarial Loss/(Gain) arising from Corrections to Benefits	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	608,397	-	-
Total Defined Benefit Cost	975,189	366,140	371,401

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	8,472,957	9,259,235	9,344,330
Current Service Cost	107,058	119,935	123,173
Interest Cost	259,734	246,205	248,228
Benefits Paid	(188,910)	(281,046)	(301,403)
Past Service Cost/(Gain)	-	-	-
Net Actuarial Loss/(Gain)	608,397	-	-
Present Value of Defined Benefit Obligation as at December 31	9,259,235	9,344,330	9,414,328

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

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*** Based on expected benefits to be paid to those eligible for benefits.

Alectra Inc.
Estimated Benefit Expense (IAS 19)
Guelph
FINAL

	CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.10%	2.70%	2.70%
Discount Rate at December 31	2.70%	2.70%	2.70%
Health Benefit Cost Trend Rate at December 31	4.22%	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	8,472,957	9,259,235	9,344,330
Benefits Paid	(94,455)	(140,523)	(150,702)
Accrued Benefits	8,378,502	9,118,713	9,193,628
Interest Cost	259,734	246,205	248,228

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	8,472,957	9,259,235	9,344,330
Current Service Cost	107,058	119,935	123,173
Benefits Paid	(188,910)	(281,046)	(301,403)
Interest Cost	259,734	246,205	248,228
Expected Present Value of Defined Benefit Obligation as at December 31	8,650,838	9,344,330	9,414,328

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	8,650,838	9,344,330	9,414,328
Past Service Cost/(Gain)	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	8,650,838	9,344,330	9,414,328
Actual Present Value of Defined Benefit Obligation	9,259,235	9,344,330	9,414,328
Net Actuarial Loss/(Gain) as at December 31	608,397	-	-

* The expected December 31, 2020 PV DBO and CY 2020 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2019.

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*** Based on expected benefits to be paid to those eligible for benefits.

2021 Actuarial Report

RSM Consulting Canada LP

Enersource Hydro

	Dec. 31, 2021 PV DBO	Difference	% Difference
Base Assumptions	8,616,200		
Cost Trends +1%	9,216,700	600,500	7.0%
Cost Trends -1%	8,109,300	(506,900)	-5.9%
Discount Rate +1%	7,614,600	(1,001,600)	-11.6%
Discount Rate -1%	9,854,400	1,238,200	14.4%

Enersource Services

	Dec. 31, 2021 PV DBO	Difference	% Difference
Base Assumptions	291,800		
Cost Trends +1%	311,500	19,700	6.8%
Cost Trends -1%	274,600	(17,100)	-5.9%
Discount Rate +1%	259,500	(32,200)	-11.0%
Discount Rate -1%	332,200	40,400	13.9%

Horizon Utilities

	Dec. 31, 2021 PV DBO	Difference	% Difference
Base Assumptions	47,749,200		
Cost Trends +1%	55,098,500	7,349,200	15.4%
Cost Trends -1%	41,831,000	(5,918,300)	-12.4%
Discount Rate +1%	41,129,100	(6,620,100)	-13.9%
Discount Rate -1%	56,195,500	8,446,300	17.7%

Brampton

	Dec. 31, 2021 PV DBO	Difference	% Difference
Base Assumptions	5,145,900		
Cost Trends +1%	5,439,100	293,200	5.7%
Cost Trends -1%	4,894,300	(251,600)	-4.9%
Discount Rate +1%	4,466,900	(679,000)	-13.2%
Discount Rate -1%	6,019,400	873,500	17.0%

PowerStream Inc.

	Dec. 31, 2021 PV DBO	Difference	% Difference
Base Assumptions	29,099,300		
Cost Trends +1%	32,572,500	3,473,200	11.9%
Cost Trends -1%	26,241,400	(2,857,900)	-9.8%
Discount Rate +1%	25,396,900	(3,702,400)	-12.7%
Discount Rate -1%	33,781,300	4,682,000	16.1%

PowerStream Energy Services

	Dec. 31, 2021 PV DBO	Difference	% Difference
Base Assumptions	85,500		
Cost Trends +1%	93,500	7,900	9.2%
Cost Trends -1%	78,700	(6,900)	-8.0%
Discount Rate +1%	69,500	(16,100)	-18.8%
Discount Rate -1%	107,400	21,800	25.5%

Guelph Hydro

	Dec. 31, 2021 PV DBO	Difference	% Difference
Base Assumptions	8,741,700		
Cost Trends +1%	10,096,700	1,354,900	15.5%
Cost Trends -1%	7,652,500	(1,089,200)	-12.5%
Discount Rate +1%	7,542,700	(1,199,000)	-13.7%
Discount Rate -1%	10,259,300	1,517,600	17.4%

TOTAL (Alectra Inc.)

	Dec. 31, 2021 PV DBO	Difference	% Difference
Base Assumptions	99,729,700		
Cost Trends +1%	112,828,500	13,098,800	13.1%
Cost Trends -1%	89,081,800	(10,647,900)	-10.7%
Discount Rate +1%	86,479,200	(13,250,400)	-13.3%
Discount Rate -1%	116,549,500	16,819,900	16.9%



Alectra Inc.
Estimated Benefit Expense (IAS 19)
Consolidated
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	104,301,104	99,729,686
Defined Benefit Cost Recognized in Income Statement	4,816,478	5,273,939
Defined Benefit Cost Recognized in Other Comprehensive Income	(6,647,889)	-
Benefits Paid by the Employer	(2,740,007)	(3,643,547)
Net Defined Benefit Liability/(Asset) as at December 31	99,729,686	101,360,078

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	2,400,932	2,238,793
Past Service Cost/(Gain)	(363,593)	-
Interest Cost	2,779,140	3,035,145
Defined Benefit Cost Recognized in Income Statement	4,816,478	5,273,939

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(6,647,889)	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(6,647,889)	-
Total Defined Benefit Cost	(1,831,410)	5,273,939

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	104,301,104	99,729,686
Current Service Cost	2,400,932	2,238,793
Interest Cost	2,779,140	3,035,145
Benefits Paid	(2,740,007)	(3,643,547)
Past Service Cost/(Gain)	(363,593)	-
Net Actuarial Loss/(Gain)	(6,647,889)	-
Present Value of Defined Benefit Obligation as at December 31	99,729,686	101,360,078

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Consolidated
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	104,301,104	99,729,686
Benefits Paid	(1,370,004)	(1,821,773)
Accrued Benefits	102,931,100	97,907,912
Interest Cost	2,779,140	3,035,145

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	104,301,104	99,729,686
Current Service Cost	2,400,932	2,238,793
Benefits Paid	(2,740,007)	(3,643,547)
Interest Cost	2,779,140	3,035,145
Expected Present Value of Defined Benefit Obligation as at December 31	106,741,168	101,360,078

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	106,741,168	101,360,078
Past Service Cost/(Gain)	(363,593)	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	106,377,575	101,360,078
Actual Present Value of Defined Benefit Obligation	99,729,686	101,360,078
Net Actuarial Loss/(Gain) as at December 31	(6,647,889)	-

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Enersource Hydro
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	9,062,888	8,616,210
Defined Benefit Cost Recognized in Income Statement	215,227	593,249
Defined Benefit Cost Recognized in Other Comprehensive Income	(497,198)	-
Benefits Paid by the Employer	(164,707)	(372,984)
Net Defined Benefit Liability/(Asset) as at December 31	8,616,210	8,836,475

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	393,053	331,928
Past Service Cost/(Gain) ****	(420,300)	-
Interest Cost	242,474	261,321
Defined Benefit Cost Recognized in Income Statement	215,227	593,249

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(497,198)	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(497,198)	-
Total Defined Benefit Cost	(281,971)	593,249

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	9,062,888	8,616,210
Current Service Cost	393,053	331,928
Interest Cost	242,474	261,321
Benefits Paid	(164,707)	(372,984)
Past Service Cost/(Gain) ****	(420,300)	-
Net Actuarial Loss/(Gain)	(497,198)	-
Present Value of Defined Benefit Obligation as at December 31	8,616,210	8,836,475

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Enersource Hydro
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	9,062,888	8,616,210
Benefits Paid	(82,353)	(186,492)
Accrued Benefits	8,980,535	8,429,718
Interest Cost	242,474	261,321

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	9,062,888	8,616,210
Current Service Cost	393,053	331,928
Benefits Paid	(164,707)	(372,984)
Interest Cost	242,474	261,321
Expected Present Value of Defined Benefit Obligation as at December 31	9,533,709	8,836,475

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	9,533,709	8,836,475
Past Service Cost/(Gain) ****	(420,300)	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	9,113,408	8,836,475
Actual Present Value of Defined Benefit Obligation	8,616,210	8,836,475
Net Actuarial Loss/(Gain) as at December 31	(497,198)	-

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Enersource Services
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	296,778	291,763
Defined Benefit Cost Recognized in Income Statement	18,477	20,396
Defined Benefit Cost Recognized in Other Comprehensive Income	(16,208)	-
Benefits Paid by the Employer	(7,284)	(13,074)
Net Defined Benefit Liability/(Asset) as at December 31	291,763	299,084

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	12,069	11,554
Past Service Cost/(Gain) ****	(1,507)	-
Interest Cost	7,915	8,842
Defined Benefit Cost Recognized in Income Statement	18,477	20,396

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(16,208)	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(16,208)	-
Total Defined Benefit Cost	2,268	20,396

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	296,778	291,763
Current Service Cost	12,069	11,554
Interest Cost	7,915	8,842
Benefits Paid	(7,284)	(13,074)
Past Service Cost/(Gain) ****	(1,507)	-
Net Actuarial Loss/(Gain)	(16,208)	-
Present Value of Defined Benefit Obligation as at December 31	291,763	299,084

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Enersource Services
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	296,778	291,763
Benefits Paid	(3,642)	(6,537)
Accrued Benefits	293,136	285,226
Interest Cost	7,915	8,842

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	296,778	291,763
Current Service Cost	12,069	11,554
Benefits Paid	(7,284)	(13,074)
Interest Cost	7,915	8,842
Expected Present Value of Defined Benefit Obligation as at December 31	309,478	299,084

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	309,478	299,084
Past Service Cost/(Gain) ****	(1,507)	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	307,971	299,084
Actual Present Value of Defined Benefit Obligation	291,763	299,084
Net Actuarial Loss/(Gain) as at December 31	(16,208)	-

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Horizon
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	49,960,094	47,749,246
Defined Benefit Cost Recognized in Income Statement	2,303,455	2,369,539
Defined Benefit Cost Recognized in Other Comprehensive Income	(3,324,242)	-
Benefits Paid by the Employer	(1,190,060)	(1,545,343)
Net Defined Benefit Liability/(Asset) as at December 31	47,749,246	48,573,442

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	970,598	913,265
Past Service Cost/(Gain)	-	-
Interest Cost	1,332,857	1,456,274
Defined Benefit Cost Recognized in Income Statement	2,303,455	2,369,539

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(3,324,242)	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(3,324,242)	-
Total Defined Benefit Cost	(1,020,787)	2,369,539

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	49,960,094	47,749,246
Current Service Cost	970,598	913,265
Interest Cost	1,332,857	1,456,274
Benefits Paid	(1,190,060)	(1,545,343)
Past Service Cost/(Gain)	-	-
Net Actuarial Loss/(Gain)	(3,324,242)	-
Present Value of Defined Benefit Obligation as at December 31	47,749,246	48,573,442

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Horizon
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	49,960,094	47,749,246
Benefits Paid	(595,030)	(772,672)
Accrued Benefits	49,365,064	46,976,575
Interest Cost	1,332,857	1,456,274

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	49,960,094	47,749,246
Current Service Cost	970,598	913,265
Benefits Paid	(1,190,060)	(1,545,343)
Interest Cost	1,332,857	1,456,274
Expected Present Value of Defined Benefit Obligation as at December 31	51,073,488	48,573,442

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	51,073,488	48,573,442
Past Service Cost/(Gain)	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	51,073,488	48,573,442
Actual Present Value of Defined Benefit Obligation	47,749,246	48,573,442
Net Actuarial Loss/(Gain) as at December 31	(3,324,242)	-

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Alectra Inc.
Estimated Benefit Expense (IAS 19)
Brampton
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	5,392,736	5,145,913
Defined Benefit Cost Recognized in Income Statement	315,183	319,588
Defined Benefit Cost Recognized in Other Comprehensive Income	(343,602)	-
Benefits Paid by the Employer	(218,404)	(234,187)
Net Defined Benefit Liability/(Asset) as at December 31	5,145,913	5,231,313

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	172,527	163,694
Past Service Cost/(Gain)	-	-
Interest Cost	142,655	155,893
Defined Benefit Cost Recognized in Income Statement	315,183	319,588

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(343,602)	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(343,602)	-
Total Defined Benefit Cost	(28,419)	319,588

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	5,392,736	5,145,913
Current Service Cost	172,527	163,694
Interest Cost	142,655	155,893
Benefits Paid	(218,404)	(234,187)
Past Service Cost/(Gain)	-	-
Net Actuarial Loss/(Gain)	(343,602)	-
Present Value of Defined Benefit Obligation as at December 31	5,145,913	5,231,313

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

** Projected CY 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Inc.
Estimated Benefit Expense (IAS 19)
Brampton
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	5,392,736	5,145,913
Benefits Paid	(109,202)	(117,094)
Accrued Benefits	5,283,534	5,028,819
Interest Cost	142,655	155,893

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	5,392,736	5,145,913
Current Service Cost	172,527	163,694
Benefits Paid	(218,404)	(234,187)
Interest Cost	142,655	155,893
Expected Present Value of Defined Benefit Obligation as at December 31	5,489,515	5,231,313

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	5,489,515	5,231,313
Past Service Cost/(Gain)	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	5,489,515	5,231,313
Actual Present Value of Defined Benefit Obligation	5,145,913	5,231,313
Net Actuarial Loss/(Gain) as at December 31	(343,602)	-

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

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*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Inc.
Estimated Benefit Expense (IAS 19)
PowerStream Inc.
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	30,253,922	29,099,288
Defined Benefit Cost Recognized in Income Statement	1,579,788	1,573,207
Defined Benefit Cost Recognized in Other Comprehensive Income	(1,858,143)	-
Benefits Paid by the Employer	(876,278)	(1,176,555)
Net Defined Benefit Liability/(Asset) as at December 31	29,099,288	29,495,939

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	716,688	689,365
Past Service Cost/(Gain) ****	58,074	-
Interest Cost	805,026	883,841
Defined Benefit Cost Recognized in Income Statement	1,579,788	1,573,207

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(1,858,143)	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(1,858,143)	-
Total Defined Benefit Cost	(278,355)	1,573,207

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	30,253,922	29,099,288
Current Service Cost	716,688	689,365
Interest Cost	805,026	883,841
Benefits Paid	(876,278)	(1,176,555)
Past Service Cost/(Gain) ****	58,074	-
Net Actuarial Loss/(Gain)	(1,858,143)	-
Present Value of Defined Benefit Obligation as at December 31	29,099,288	29,495,939

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

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*** Based on expected benefits to be paid to those eligible for benefits.

**** The past service cost represents a correction to the benefits as described in our letter dated January 5, 2022.



Alectra Inc.
Estimated Benefit Expense (IAS 19)
PowerStream Inc.
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	30,253,922	29,099,288
Benefits Paid	(438,139)	(588,278)
Accrued Benefits	29,815,782	28,511,010
Interest Cost	805,026	883,841

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	30,253,922	29,099,288
Current Service Cost	716,688	689,365
Benefits Paid	(876,278)	(1,176,555)
Interest Cost	805,026	883,841
Expected Present Value of Defined Benefit Obligation as at December 31	30,899,357	29,495,939

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	30,899,357	29,495,939
Past Service Cost/(Gain) ****	58,074	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	30,957,431	29,495,939
Actual Present Value of Defined Benefit Obligation	29,099,288	29,495,939
Net Actuarial Loss/(Gain) as at December 31	(1,858,143)	-

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

** Projected CY 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** The past service cost represents a correction to the benefits as described in our letter dated January 5, 2022.



Alectra Inc.
Estimated Benefit Expense (IAS 19)
PowerStream Energy
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	75,450	85,539
Defined Benefit Cost Recognized in Income Statement	18,239	17,840
Defined Benefit Cost Recognized in Other Comprehensive Income	(8,150)	-
Benefits Paid by the Employer	-	-
Net Defined Benefit Liability/(Asset) as at December 31	85,539	103,379

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	16,061	15,188
Past Service Cost/(Gain) ****	141	-
Interest Cost	2,037	2,652
Defined Benefit Cost Recognized in Income Statement	18,239	17,840

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(8,150)	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(8,150)	-
Total Defined Benefit Cost	10,089	17,840

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	75,450	85,539
Current Service Cost	16,061	15,188
Interest Cost	2,037	2,652
Benefits Paid	-	-
Past Service Cost/(Gain) ****	141	-
Net Actuarial Loss/(Gain)	(8,150)	-
Present Value of Defined Benefit Obligation as at December 31	85,539	103,379

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

** Projected CY 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** The past service cost represents a correction to the benefits as described in our letter dated January 5, 2022.



Alectra Inc.
Estimated Benefit Expense (IAS 19)
PowerStream Energy
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	75,450	85,539
Benefits Paid	-	-
Accrued Benefits	75,450	85,539
Interest Cost	2,037	2,652

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	75,450	85,539
Current Service Cost	16,061	15,188
Benefits Paid	-	-
Interest Cost	2,037	2,652
Expected Present Value of Defined Benefit Obligation as at December 31	93,548	103,379

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	93,548	103,379
Past Service Cost/(Gain) ****	141	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	93,689	103,379
Actual Present Value of Defined Benefit Obligation	85,539	103,379
Net Actuarial Loss/(Gain) as at December 31	(8,150)	-

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

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*** Based on expected benefits to be paid to those eligible for benefits.

**** The past service cost represents a correction to the benefits as described in our letter dated January 5, 2022.



Alectra Inc.
Estimated Benefit Expense (IAS 19)
Guelph
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	9,259,235	8,741,727
Defined Benefit Cost Recognized in Income Statement	366,110	380,120
Defined Benefit Cost Recognized in Other Comprehensive Income	(600,345)	-
Benefits Paid by the Employer	(283,273)	(301,403)
Net Defined Benefit Liability/(Asset) as at December 31	8,741,727	8,820,444

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	119,935	113,799
Past Service Cost/(Gain)	-	-
Interest Cost	246,175	266,322
Defined Benefit Cost Recognized in Income Statement	366,110	380,120

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(600,345)	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-
Change in Effect of Asset Ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	(600,345)	-
Total Defined Benefit Cost	(234,235)	380,120

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	9,259,235	8,741,727
Current Service Cost	119,935	113,799
Interest Cost	246,175	266,322
Benefits Paid	(283,273)	(301,403)
Past Service Cost/(Gain)	-	-
Net Actuarial Loss/(Gain)	(600,345)	-
Present Value of Defined Benefit Obligation as at December 31	8,741,727	8,820,444

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

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*** Based on expected benefits to be paid to those eligible for benefits.



Alectra Inc.
Estimated Benefit Expense (IAS 19)
Guelph
FINAL

	CY 2021 *	Projected ** CY 2022
Discount Rate at January 1	2.70%	3.10%
Discount Rate at December 31	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	4.43%	4.65%
Dental Benefit Cost Trend Rate at December 31	4.71%	4.93%
Long Term Health and Dental Benefit Cost Trend Rate	4.05%	4.05%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040
Assumed Increase in Employer Contributions	actuals	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	9,259,235	8,741,727
Benefits Paid	(141,637)	(150,702)
Accrued Benefits	9,117,599	8,591,026
Interest Cost	246,175	266,322

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	9,259,235	8,741,727
Current Service Cost	119,935	113,799
Benefits Paid	(283,273)	(301,403)
Interest Cost	246,175	266,322
Expected Present Value of Defined Benefit Obligation as at December 31	9,342,073	8,820,444

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	9,342,073	8,820,444
Past Service Cost/(Gain)	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	9,342,073	8,820,444
Actual Present Value of Defined Benefit Obligation	8,741,727	8,820,444
Net Actuarial Loss/(Gain) as at December 31	(600,345)	-

* The expected December 31, 2021 PV DBO and CY 2021 defined benefit cost are calculated based on membership data at December 31, 2019 and management's best estimate assumptions at December 31, 2020.

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*** Based on expected benefits to be paid to those eligible for benefits.

2023 Actuarial Report

RSM Consulting Canada LP

Appendix - Sensitivity Analysis

Alectra (Consolidated)

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	74,891,100		
Cost Trends +1%	83,600,300	8,709,200	12%
Cost Trends -1%	67,694,300	(7,196,800)	-10%
Discount Rate +1%	65,801,300	(9,089,800)	-12%
Discount Rate -1%	86,227,200	11,336,100	15%

Alectra (Unconsolidated)

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	225,300		
Cost Trends +1%	255,500	30,200	13%
Cost Trends -1%	200,600	(24,600)	-11%
Discount Rate +1%	179,300	(45,900)	-20%
Discount Rate -1%	287,600	62,400	28%

Enersource (Total)

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	5,766,800		
Cost Trends +1%	6,195,600	428,700	7%
Cost Trends -1%	5,416,800	(350,000)	-6%
Discount Rate +1%	5,034,800	(732,000)	-13%
Discount Rate -1%	6,694,200	927,400	16%

Enersource Hydro

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	5,577,200		
Cost Trends +1%	5,991,200	414,000	7%
Cost Trends -1%	5,239,300	(337,900)	-6%
Discount Rate +1%	4,868,700	(708,500)	-13%
Discount Rate -1%	6,474,500	897,300	16%

Enersource Services

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	189,600		
Cost Trends +1%	204,400	14,700	8%
Cost Trends -1%	177,500	(12,200)	-6%
Discount Rate +1%	166,200	(23,500)	-12%
Discount Rate -1%	219,700	30,100	16%

Appendix - Sensitivity Analysis

Horizon

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	36,152,600		
Cost Trends +1%	40,896,200	4,743,600	13%
Cost Trends -1%	32,246,200	(3,906,400)	-11%
Discount Rate +1%	31,619,100	(4,533,500)	-13%
Discount Rate -1%	41,807,100	5,654,500	16%

HOBNI

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	3,868,400		
Cost Trends +1%	4,084,300	215,900	6%
Cost Trends -1%	3,690,700	(177,700)	-5%
Discount Rate +1%	3,387,500	(480,900)	-12%
Discount Rate -1%	4,482,700	614,300	16%

PowerStream (Total)

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	21,922,300		
Cost Trends +1%	24,341,700	2,419,400	11%
Cost Trends -1%	19,904,500	(2,017,900)	-9%
Discount Rate +1%	19,452,600	(2,469,800)	-11%
Discount Rate -1%	24,978,400	3,056,000	14%

PowerStream Inc.

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	21,873,600		
Cost Trends +1%	24,287,700	2,414,100	11%
Cost Trends -1%	19,860,100	(2,013,500)	-9%
Discount Rate +1%	19,412,300	(2,461,200)	-11%
Discount Rate -1%	24,918,200	3,044,700	14%

Appendix - Sensitivity Analysis

PowerStream Energy

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	48,800		
Cost Trends +1%	54,000	5,200	11%
Cost Trends -1%	44,400	(4,400)	-9%
Discount Rate +1%	40,300	(8,500)	-17%
Discount Rate -1%	60,100	11,300	23%

Guelph

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	6,955,700		
Cost Trends +1%	7,827,000	871,300	13%
Cost Trends -1%	6,235,500	(720,200)	-10%
Discount Rate +1%	6,128,000	(827,700)	-12%
Discount Rate -1%	7,977,200	1,021,500	15%

Alectra Utilities
Estimated Benefit Expense (IAS 19)
CONSOLIDATED

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	70,315,968	74,891,104	75,685,602
Defined Benefit Cost Recognized in Income Statement	4,368,354	4,518,850	4,544,845
Defined Benefit Cost Recognized in Other Comprehensive Income	3,316,133	-	-
Benefits Paid by the Employer	(3,109,351)	(3,724,352)	(3,809,308)
Net Defined Benefit Liability/(Asset) as at December 31	74,891,104	75,685,602	76,421,139

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	1,092,143	1,161,420	1,154,205
Past Service Cost/(Gain)****	(146,380)	-	-
Interest Cost	3,422,591	3,357,430	3,390,640
Defined Benefit Cost Recognized in Income Statement	4,368,354	4,518,850	4,544,845

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	3,871,227	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(555,094)	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	3,316,133	-	-
Total Defined Benefit Cost	7,684,487	4,518,850	4,544,845

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	70,315,968	74,891,104	75,685,602
Current Service Cost	1,092,143	1,161,420	1,154,205
Interest Cost	3,422,591	3,357,430	3,390,640
Benefits Paid	(3,109,351)	(3,724,352)	(3,809,308)
Past Service Cost/(Gain)****	(146,380)	-	-
Net Actuarial Loss/(Gain)	3,316,133	-	-
Present Value of Defined Benefit Obligation as at December 31	74,891,104	75,685,602	76,421,139

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
CONSOLIDATED

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	70,315,968	74,891,104	75,685,602
Benefits Paid	(1,554,675)	(1,862,176)	(1,904,654)
Accrued Benefits	68,761,293	73,028,928	73,780,948
Interest Cost	3,422,591	3,357,430	3,390,640

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	70,315,968	74,891,104	75,685,602
Current Service Cost	1,092,143	1,161,420	1,154,205
Benefits Paid	(3,109,351)	(3,724,352)	(3,809,308)
Interest Cost	3,422,591	3,357,430	3,390,640
Expected Present Value of Defined Benefit Obligation as at December 31	71,721,351	75,685,602	76,421,139

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	71,721,351	75,685,602	76,421,139
Past Services Cost/(Gain)****	(146,380)	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	71,574,971	75,685,602	76,421,139
Actual Present Value of Defined Benefit Obligation	74,891,104	75,685,602	76,421,139
Net Actuarial Loss/(Gain) as at December 31	3,316,133	-	-

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

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*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Alectra Unconsolidated

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	71,854	225,256	324,471
Defined Benefit Cost Recognized in Income Statement	133,386	99,320	124,961
Defined Benefit Cost Recognized in Other Comprehensive Income	20,016	-	-
Benefits Paid by the Employer	-	(105)	(203)
Net Defined Benefit Liability/(Asset) as at December 31	225,256	324,471	449,229

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	57,572	88,961	110,041
Past Service Cost/(Gain)****	72,222	-	-
Interest Cost	3,592	10,359	14,920
Defined Benefit Cost Recognized in Income Statement	133,386	99,320	124,961

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	20,017	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(1)	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	20,016	-	-
Total Defined Benefit Cost	153,402	99,320	124,961

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	71,854	225,256	324,471
Current Service Cost	57,572	88,961	110,041
Interest Cost	3,592	10,359	14,920
Benefits Paid	-	(105)	(203)
Past Service Cost/(Gain)****	72,222	-	-
Net Actuarial Loss/(Gain)	20,016	-	-
Present Value of Defined Benefit Obligation as at December 31	225,256	324,471	449,229

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Alectra Unconsolidated

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	71,854	225,256	324,471
Benefits Paid	-	(53)	(102)
Accrued Benefits	71,854	225,204	324,370
Interest Cost	3,592	10,359	14,920

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	71,854	225,256	324,471
Current Service Cost	57,572	88,961	110,041
Benefits Paid	-	(105)	(203)
Interest Cost	3,592	10,359	14,920
Expected Present Value of Defined Benefit Obligation as at December 31	133,018	324,471	449,229

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	133,018	324,471	449,229
Past Services Cost/(Gain)****	72,222	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	205,240	324,471	449,229
Actual Present Value of Defined Benefit Obligation	225,256	324,471	449,229
Net Actuarial Loss/(Gain) as at December 31	20,016	-	-

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Hydro One Brampton

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	3,639,214	3,868,416	3,882,038
Defined Benefit Cost Recognized in Income Statement	247,353	249,157	247,254
Defined Benefit Cost Recognized in Other Comprehensive Income	178,232	-	-
Benefits Paid by the Employer	(196,383)	(235,535)	(225,153)
Net Defined Benefit Liability/(Asset) as at December 31	3,868,416	3,882,038	3,904,139

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	71,207	76,908	74,152
Past Service Cost/(Gain)****	-	-	-
Interest Cost	176,146	172,249	173,102
Defined Benefit Cost Recognized in Income Statement	247,353	249,157	247,254

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	206,086	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(27,854)	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	178,232	-	-
Total Defined Benefit Cost	425,585	249,157	247,254

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	3,639,214	3,868,416	3,882,038
Current Service Cost	71,207	76,908	74,152
Interest Cost	176,146	172,249	173,102
Benefits Paid	(196,383)	(235,535)	(225,153)
Past Service Cost/(Gain)****	-	-	-
Net Actuarial Loss/(Gain)	178,232	-	-
Present Value of Defined Benefit Obligation as at December 31	3,868,416	3,882,038	3,904,139

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Hydro One Brampton

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	3,639,214	3,868,416	3,882,038
Benefits Paid	(98,192)	(117,768)	(112,577)
Accrued Benefits	3,541,022	3,750,649	3,769,462
Interest Cost	176,146	172,249	173,102

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	3,639,214	3,868,416	3,882,038
Current Service Cost	71,207	76,908	74,152
Benefits Paid	(196,383)	(235,535)	(225,153)
Interest Cost	176,146	172,249	173,102
Expected Present Value of Defined Benefit Obligation as at December 31	3,690,184	3,882,038	3,904,139

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	3,690,184	3,882,038	3,904,139
Past Services Cost/(Gain)****	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	3,690,184	3,882,038	3,904,139
Actual Present Value of Defined Benefit Obligation	3,868,416	3,882,038	3,904,139
Net Actuarial Loss/(Gain) as at December 31	178,232	-	-

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	5,593,144	5,766,822	5,896,556
Defined Benefit Cost Recognized in Income Statement	209,523	397,868	401,746
Defined Benefit Cost Recognized in Other Comprehensive Income	199,459	-	-
Benefits Paid by the Employer	(235,304)	(268,134)	(282,655)
Net Defined Benefit Liability/(Asset) as at December 31	5,766,822	5,896,556	6,015,647

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	145,924	139,217	137,475
Past Service Cost/(Gain)****	(205,776)	-	-
Interest Cost	269,375	258,651	264,271
Defined Benefit Cost Recognized in Income Statement	209,523	397,868	401,746

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	313,033	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(113,574)	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	199,459	-	-

Total Defined Benefit Cost	408,982	397,868	401,746
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C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	5,593,144	5,766,822	5,896,556
Current Service Cost	145,924	139,217	137,475
Interest Cost	269,375	258,651	264,271
Benefits Paid	(235,304)	(268,134)	(282,655)
Past Service Cost/(Gain)****	(205,776)	-	-
Net Actuarial Loss/(Gain)	199,459	-	-
Present Value of Defined Benefit Obligation as at December 31	5,766,822	5,896,556	6,015,647

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

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*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	5,593,144	5,766,822	5,896,556
Benefits Paid	(117,652)	(134,067)	(141,328)
Accrued Benefits	5,475,492	5,632,755	5,755,229
Interest Cost	269,375	258,651	264,271

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	5,593,144	5,766,822	5,896,556
Current Service Cost	145,924	139,217	137,475
Benefits Paid	(235,304)	(268,134)	(282,655)
Interest Cost	269,375	258,651	264,271
Expected Present Value of Defined Benefit Obligation as at December 31	5,773,139	5,896,556	6,015,647

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	5,773,139	5,896,556	6,015,647
Past Services Cost/(Gain)****	(205,776)	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	5,567,363	5,896,556	6,015,647
Actual Present Value of Defined Benefit Obligation	5,766,822	5,896,556	6,015,647
Net Actuarial Loss/(Gain) as at December 31	199,459	-	-

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

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*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Hydro

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	5,417,263	5,577,192	5,702,222
Defined Benefit Cost Recognized in Income Statement	193,940	384,976	388,891
Defined Benefit Cost Recognized in Other Comprehensive Income	193,894	-	-
Benefits Paid by the Employer	(227,905)	(259,946)	(272,679)
Net Defined Benefit Liability/(Asset) as at December 31	5,577,192	5,702,222	5,818,434

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	141,157	134,841	133,311
Past Service Cost/(Gain)****	(208,089)	-	-
Interest Cost	260,872	250,135	255,580
Defined Benefit Cost Recognized in Income Statement	193,940	384,976	388,891

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	302,968	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(109,074)	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	193,894	-	-
Total Defined Benefit Cost	387,834	384,976	388,891

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	5,417,263	5,577,192	5,702,222
Current Service Cost	141,157	134,841	133,311
Interest Cost	260,872	250,135	255,580
Benefits Paid	(227,905)	(259,946)	(272,679)
Past Service Cost/(Gain)****	(208,089)	-	-
Net Actuarial Loss/(Gain)	193,894	-	-
Present Value of Defined Benefit Obligation as at December 31	5,577,192	5,702,222	5,818,434

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Hydro

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	5,417,263	5,577,192	5,702,222
Benefits Paid	(113,952)	(129,973)	(136,340)
Accrued Benefits	5,303,311	5,447,219	5,565,883
Interest Cost	260,872	250,135	255,580

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	5,417,263	5,577,192	5,702,222
Current Service Cost	141,157	134,841	133,311
Benefits Paid	(227,905)	(259,946)	(272,679)
Interest Cost	260,872	250,135	255,580
Expected Present Value of Defined Benefit Obligation as at December 31	5,591,387	5,702,222	5,818,434

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	5,591,387	5,702,222	5,818,434
Past Services Cost/(Gain)****	(208,089)	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	5,383,298	5,702,222	5,818,434
Actual Present Value of Defined Benefit Obligation	5,577,192	5,702,222	5,818,434
Net Actuarial Loss/(Gain) as at December 31	193,894	-	-

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

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*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Services

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	175,881	189,630	194,335
Defined Benefit Cost Recognized in Income Statement	15,582	12,892	12,853
Defined Benefit Cost Recognized in Other Comprehensive Income	5,566	-	-
Benefits Paid by the Employer	(7,399)	(8,187)	(9,975)
Net Defined Benefit Liability/(Asset) as at December 31	189,630	194,335	197,213

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	4,767	4,376	4,164
Past Service Cost/(Gain)****	2,311	-	-
Interest Cost	8,504	8,516	8,689
Defined Benefit Cost Recognized in Income Statement	15,582	12,892	12,853

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	10,066	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(4,500)	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	5,566	-	-
Total Defined Benefit Cost	21,148	12,892	12,853

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	175,881	189,630	194,335
Current Service Cost	4,767	4,376	4,164
Interest Cost	8,504	8,516	8,689
Benefits Paid	(7,399)	(8,187)	(9,975)
Past Service Cost/(Gain)****	2,311	-	-
Net Actuarial Loss/(Gain)	5,566	-	-
Present Value of Defined Benefit Obligation as at December 31	189,630	194,335	197,213

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Enersource Services

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	175,881	189,630	194,335
Benefits Paid	(3,700)	(4,094)	(4,988)
Accrued Benefits	172,181	185,537	189,348
Interest Cost	8,504	8,516	8,689

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	175,881	189,630	194,335
Current Service Cost	4,767	4,376	4,164
Benefits Paid	(7,399)	(8,187)	(9,975)
Interest Cost	8,504	8,516	8,689
Expected Present Value of Defined Benefit Obligation as at December 31	181,753	194,335	197,213

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	181,753	194,335	197,213
Past Services Cost/(Gain)****	2,311	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	184,064	194,335	197,213
Actual Present Value of Defined Benefit Obligation	189,630	194,335	197,213
Net Actuarial Loss/(Gain) as at December 31	5,566	-	-

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Guelph Hydro

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	6,613,231	6,955,681	6,925,606
Defined Benefit Cost Recognized in Income Statement	336,512	323,060	321,747
Defined Benefit Cost Recognized in Other Comprehensive Income	393,810	-	-
Benefits Paid by the Employer	(387,872)	(353,135)	(365,245)
Net Defined Benefit Liability/(Asset) as at December 31	6,955,681	6,925,606	6,882,108

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	14,315	11,101	11,504
Past Service Cost/(Gain)****	-	-	-
Interest Cost	322,197	311,959	310,243
Defined Benefit Cost Recognized in Income Statement	336,512	323,060	321,747

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	351,581	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	42,229	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	393,810	-	-
Total Defined Benefit Cost	730,322	323,060	321,747

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	6,613,231	6,955,681	6,925,606
Current Service Cost	14,315	11,101	11,504
Interest Cost	322,197	311,959	310,243
Benefits Paid	(387,872)	(353,135)	(365,245)
Past Service Cost/(Gain)****	-	-	-
Net Actuarial Loss/(Gain)	393,810	-	-
Present Value of Defined Benefit Obligation as at December 31	6,955,681	6,925,606	6,882,108

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Guelph Hydro

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	6,613,231	6,955,681	6,925,606
Benefits Paid	(193,936)	(176,568)	(182,623)
Accrued Benefits	6,419,295	6,779,114	6,742,984
Interest Cost	322,197	311,959	310,243

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	6,613,231	6,955,681	6,925,606
Current Service Cost	14,315	11,101	11,504
Benefits Paid	(387,872)	(353,135)	(365,245)
Interest Cost	322,197	311,959	310,243
Expected Present Value of Defined Benefit Obligation as at December 31	6,561,871	6,925,606	6,882,108

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	6,561,871	6,925,606	6,882,108
Past Services Cost/(Gain)****	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	6,561,871	6,925,606	6,882,108
Actual Present Value of Defined Benefit Obligation	6,955,681	6,925,606	6,882,108
Net Actuarial Loss/(Gain) as at December 31	393,810	-	-

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Horizon

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	33,681,312	36,152,585	36,636,012
Defined Benefit Cost Recognized in Income Statement	2,047,449	2,055,309	2,051,357
Defined Benefit Cost Recognized in Other Comprehensive Income	1,683,770	-	-
Benefits Paid by the Employer	(1,259,946)	(1,571,882)	(1,622,258)
Net Defined Benefit Liability/(Asset) as at December 31	36,152,585	36,636,012	37,065,111

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	400,804	429,250	405,139
Past Service Cost/(Gain)****	-	-	-
Interest Cost	1,646,645	1,626,059	1,646,218
Defined Benefit Cost Recognized in Income Statement	2,047,449	2,055,309	2,051,357

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	1,930,972	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(247,202)	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	1,683,770	-	-
Total Defined Benefit Cost	3,731,219	2,055,309	2,051,357

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	33,681,312	36,152,585	36,636,012
Current Service Cost	400,804	429,250	405,139
Interest Cost	1,646,645	1,626,059	1,646,218
Benefits Paid	(1,259,946)	(1,571,882)	(1,622,258)
Past Service Cost/(Gain)****	-	-	-
Net Actuarial Loss/(Gain)	1,683,770	-	-
Present Value of Defined Benefit Obligation as at December 31	36,152,585	36,636,012	37,065,111

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
Horizon

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	33,681,312	36,152,585	36,636,012
Benefits Paid	(629,973)	(785,941)	(811,129)
Accrued Benefits	33,051,339	35,366,644	35,824,883
Interest Cost	1,646,645	1,626,059	1,646,218

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	33,681,312	36,152,585	36,636,012
Current Service Cost	400,804	429,250	405,139
Benefits Paid	(1,259,946)	(1,571,882)	(1,622,258)
Interest Cost	1,646,645	1,626,059	1,646,218
Expected Present Value of Defined Benefit Obligation as at December 31	34,468,815	36,636,012	37,065,111

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	34,468,815	36,636,012	37,065,111
Past Services Cost/(Gain)****	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	34,468,815	36,636,012	37,065,111
Actual Present Value of Defined Benefit Obligation	36,152,585	36,636,012	37,065,111
Net Actuarial Loss/(Gain) as at December 31	1,683,770	-	-

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	20,717,213	21,922,345	22,020,918
Defined Benefit Cost Recognized in Income Statement	1,394,130	1,394,135	1,397,781
Defined Benefit Cost Recognized in Other Comprehensive Income	840,847	-	-
Benefits Paid by the Employer	(1,029,845)	(1,295,562)	(1,313,795)
Net Defined Benefit Liability/(Asset) as at December 31	21,922,345	22,020,918	22,104,904

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	402,323	415,983	415,894
Past Service Cost/(Gain)****	(12,826)	-	-
Interest Cost	1,004,633	978,152	981,887
Defined Benefit Cost Recognized in Income Statement	1,394,130	1,394,135	1,397,781

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	1,049,539	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(208,692)	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	840,847	-	-
Total Defined Benefit Cost	2,234,977	1,394,135	1,397,781

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	20,717,213	21,922,345	22,020,918
Current Service Cost	402,323	415,983	415,894
Interest Cost	1,004,633	978,152	981,887
Benefits Paid	(1,029,845)	(1,295,562)	(1,313,795)
Past Service Cost/(Gain)****	(12,826)	-	-
Net Actuarial Loss/(Gain)	840,847	-	-
Present Value of Defined Benefit Obligation as at December 31	21,922,345	22,020,918	22,104,904

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

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*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	20,717,213	21,922,345	22,020,918
Benefits Paid	(514,923)	(647,781)	(656,898)
Accrued Benefits	20,202,290	21,274,564	21,364,021
Interest Cost	1,004,633	978,152	981,887

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	20,717,213	21,922,345	22,020,918
Current Service Cost	402,323	415,983	415,894
Benefits Paid	(1,029,845)	(1,295,562)	(1,313,795)
Interest Cost	1,004,633	978,152	981,887
Expected Present Value of Defined Benefit Obligation as at December 31	21,094,324	22,020,918	22,104,904

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	21,094,324	22,020,918	22,104,904
Past Services Cost/(Gain)****	(12,826)	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	21,081,498	22,020,918	22,104,904
Actual Present Value of Defined Benefit Obligation	21,922,345	22,020,918	22,104,904
Net Actuarial Loss/(Gain) as at December 31	840,847	-	-

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Inc.

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	20,681,468	21,873,560	21,961,283
Defined Benefit Cost Recognized in Income Statement	1,384,782	1,383,285	1,386,036
Defined Benefit Cost Recognized in Other Comprehensive Income	837,155	-	-
Benefits Paid by the Employer	(1,029,845)	(1,295,562)	(1,313,795)
Net Defined Benefit Liability/(Asset) as at December 31	21,873,560	21,961,283	22,033,524

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	394,762	407,377	406,892
Past Service Cost/(Gain)****	(12,826)	-	-
Interest Cost	1,002,846	975,908	979,144
Defined Benefit Cost Recognized in Income Statement	1,384,782	1,383,285	1,386,036

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	1,045,847	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(208,692)	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	837,155	-	-
Total Defined Benefit Cost	2,221,937	1,383,285	1,386,036

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	20,681,468	21,873,560	21,961,283
Current Service Cost	394,762	407,377	406,892
Interest Cost	1,002,846	975,908	979,144
Benefits Paid	(1,029,845)	(1,295,562)	(1,313,795)
Past Service Cost/(Gain)****	(12,826)	-	-
Net Actuarial Loss/(Gain)	837,155	-	-
Present Value of Defined Benefit Obligation as at December 31	21,873,560	21,961,283	22,033,524

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.



Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Inc.

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	20,681,468	21,873,560	21,961,283
Benefits Paid	(514,923)	(647,781)	(656,898)
Accrued Benefits	20,166,545	21,225,779	21,304,386
Interest Cost	1,002,846	975,908	979,144

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	20,681,468	21,873,560	21,961,283
Current Service Cost	394,762	407,377	406,892
Benefits Paid	(1,029,845)	(1,295,562)	(1,313,795)
Interest Cost	1,002,846	975,908	979,144
Expected Present Value of Defined Benefit Obligation as at December 31	21,049,231	21,961,283	22,033,524

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	21,049,231	21,961,283	22,033,524
Past Services Cost/(Gain)****	(12,826)	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	21,036,405	21,961,283	22,033,524
Actual Present Value of Defined Benefit Obligation	21,873,560	21,961,283	22,033,524
Net Actuarial Loss/(Gain) as at December 31	837,155	-	-

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Energy

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	35,745	48,785	59,635
Defined Benefit Cost Recognized in Income Statement	9,348	10,850	11,745
Defined Benefit Cost Recognized in Other Comprehensive Income	3,692	-	-
Benefits Paid by the Employer	-	-	-
Net Defined Benefit Liability/(Asset) as at December 31	48,785	59,635	71,380

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	7,560	8,605	9,002
Past Service Cost/(Gain)****	-	-	-
Interest Cost	1,788	2,245	2,743
Defined Benefit Cost Recognized in Income Statement	9,348	10,850	11,745

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	3,692	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-
Change in Effect of Asset Ceiling	-	-	-

Defined Benefit Cost Recognized in Other Comprehensive Income	3,692	-	-
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Total Defined Benefit Cost	13,040	10,850	11,745
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C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	35,745	48,785	59,635
Current Service Cost	7,560	8,605	9,002
Interest Cost	1,788	2,245	2,743
Benefits Paid	-	-	-
Past Service Cost/(Gain)****	-	-	-
Net Actuarial Loss/(Gain)	3,692	-	-

Present Value of Defined Benefit Obligation as at December 31	48,785	59,635	71,380
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* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

Alectra Utilities
Estimated Benefit Expense (IAS 19)
PowerStream Energy

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025
Discount Rate at January 1	5.00%	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2040	2040	2040
Salary Scale Rate	4.00%	4.00%	4.00%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***

D. Calculation of Component Items

Interest Cost

Present Value of Defined Benefit Obligation as at January 1	35,745	48,785	59,635
Benefits Paid	-	-	-
Accrued Benefits	35,745	48,785	59,635
Interest Cost	1,788	2,245	2,743

Expected Present Value of Defined Benefit Obligation as at December 31

Present Value of Defined Benefit Obligation as at January 1	35,745	48,785	59,635
Current Service Cost	7,560	8,605	9,002
Benefits Paid	-	-	-
Interest Cost	1,788	2,245	2,743
Expected Present Value of Defined Benefit Obligation as at December 31	45,093	59,635	71,380

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	45,093	59,635	71,380
Past Services Cost/(Gain)****	-	-	-
Expected Present Value of Defined Benefit Obligation after Past Service Cost/(Gain)	45,093	59,635	71,380
Actual Present Value of Defined Benefit Obligation	48,785	59,635	71,380
Net Actuarial Loss/(Gain) as at December 31	3,692	-	-

* The expected December 31, 2023 PV DBO and CY 2023 defined benefit cost are calculated based on membership data at December 31, 2022 and management's best estimate assumptions at December 31, 2023.

** Projected CY 2024 and 2025 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

**** Represents a correction to the benefits as described in the extrapolation letter.

4.2.4. Account 1508 Sub-account - CGAAP IFRS Differential

On January 31, 2013, the OEB approved the establishment of 1508 Sub-account - CGAAP IFRS Differential (EB-2012-0161, PowerStream Inc., 2013 Cost of Service Application, Rate Order, Appendix B, January 31, 2013) for legacy PowerStream to record the impact of CWIP that would have been included in rate base after December 31, 2012 under CGAAP, but is not eligible for capitalization under MIFRS. The OEB subsequently approved a four year rate rider for recovery of legacy PowerStream's CWIP account balance, effective January 1, 2013 to December 31, 2016.

The balance in this account represents the residual amount (net of total recoveries) of the legacy PowerStream's Rate Rider for Recovery of CGAAP/CWIP Differential, along with carrying charges calculated until December 31, 2026. Alectra Utilities proposes the clearance of a \$0.1MM credit balance in this account by means of rate zone-specific rate riders for PRZ, effective January 1, 2027 to December 31, 2027. Alectra Utilities proposes the account to be discontinued.

4.2.5. Account 1508 Sub-account - Hydro-One Charges

In Hydro One's Application for electricity distribution rates effective May 1, 2009, the OEB approved Regulatory Asset Recovery 2008 - Rider 3A to clear several Hydro One DVA balances, as referenced in EB-2008-0187, Hydro One Networks Inc., 2009 Distribution Rate Application, Rate Order, June 1, 2009, page 565. The OEB's APH Frequently Asked Questions October 2009, Question 17, page 16 stipulate that, for Rider 3A, the distributor should consider how best to allocate the rider amount to its own accounts. An approach the distributor could use to record the Rider 3A amount in its related accounts is to break out the rider amount into separate components in relation to each account. Following the OEB's APH, in 2009 legacy PowerStream allocated a portion (8%) of the Rider 3A amount to 1508 based on Hydro One's 1508 balance contribution to the total approved DVA balances. The same allocation approach is also applied to:

- Hydro One's volumetric rate riders #9 DVA disposition 2012, #10 Incremental Capital Costs, #11 Smart Grid Costs and #12 Shared Tax Savings as referenced in EB-2012-0136, Hydro One Networks Inc., 2013 IRM, Rate Order, December 20, 2012, page 21, and
- Hydro One's volumetric rate riders for Recovery of Smart Grid Costs and Application of Tax Changes as referenced in EB-2013-0141, Hydro One Networks Inc., 2014 IRM, Rate Order, December 19, 2013, page 10.

The balance in this account reflects the percentage allocation of the Hydro One's approved Rate Riders from EB-2008-0187, EB-2012-0136 and EB-2013-0141 allocated to 1508, along with carrying charges calculated to December 31, 2026. Alectra Utilities proposes the clearance of a \$0.1MM debit balance in this account by means of rate zone-specific rate riders for the PRZ, effective January 1, 2027 to December 31, 2027. Alectra Utilities proposes the account to be discontinued.

4.2.6. Account 1508 Sub-account - Pole Attachment Revenue Variance

On March 22, 2018, the OEB issued the report on *Wireline Pole Attachment Charges*. In the report, the OEB set a new province-wide wireline pole attachment charge of \$43.63 per pole per year effective January 1, 2019. As a transitional measure, to help mitigate the impact of the increase from the charge of \$22.35 to the new charge of \$43.63, the OEB ordered that the LDCs without a distributor-specific charge will charge a province-wide pole attachment charge of \$28.09 per pole per year effective from September 1, 2018 until December 31, 2018.

On July 20, 2018, the OEB established a new variance account, Account 1508 – Sub Account – Pole Attachment Revenue Variance for LDCs without a distributor-specific pole attachment charge to record the excess incremental revenues received from carriers for the new pole attachment charge into this account.

This account captures the excess revenue collected from September 1, 2018 to December 31, 2024, along with the forecasted balances for 2025 and 2026 including associated carrying charges. The balance reflects the difference between revenue charges to carriers at the new pole attachment rates and the rate of \$22.35 per pole attachment. Alectra Utilities proposes the clearance of a \$22.5MM credit balance in this account by means of rate zone-specific rate riders, effective January 1, 2027 to December 31, 2027. Alectra Utilities proposes to discontinue this account, as updated forecast of pole attachment revenues are incorporated in the 2027-2031 rate term. Alectra Utilities will update its Tariff of Rates and Charges with updated OEB Wireline Pole Attachment Charges as approved by the OEB in its annual update applications.

Table 9-3-10 provides the details of the actual and forecasted balances included in this account for each rate zone. The forecasted amounts are calculated based on the OEB-approved pole attachment charges for 2025 and 2026.

1 **Table 9-3-10: Account 1508 Sub-account - Pole Attachment Revenue Variance (\$MM)**

	Actual					Forecast				
	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
HRZ	(0.1)	(0.9)	(1.5)	(1.2)	(0.7)	(0.8)	(0.9)	(1.0)	(1.0)	(8.1)
Carrying Charges	—	—	—	—	(0.1)	(0.2)	(0.3)	(0.2)	(0.2)	(1.1)
Total Proposed for Disposition	(0.1)	(0.9)	(1.5)	(1.2)	(0.8)	(1.0)	(1.2)	(1.2)	(1.3)	(9.1)
BRZ	—	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(2.1)
Carrying Charges	—	—	—	—	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
Total Proposed for Disposition	—	(0.3)	(0.3)	(0.3)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(2.4)
PRZ	(0.1)	(0.7)	(0.8)	(0.8)	(0.4)	(0.5)	(0.5)	(0.6)	(0.6)	(4.9)
Carrying Charges	—	—	—	—	—	(0.1)	(0.2)	(0.1)	(0.1)	(0.7)
Total Proposed for Disposition	(0.1)	(0.7)	(0.8)	(0.8)	(0.5)	(0.6)	(0.7)	(0.7)	(0.8)	(5.6)
ERZ	—	(0.4)	(0.5)	(0.5)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(3.1)
Carrying Charges	—	—	—	—	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Total Proposed for Disposition	—	(0.4)	(0.5)	(0.5)	(0.3)	(0.4)	(0.4)	(0.4)	(0.5)	(3.5)
GRZ	—	(0.2)	(0.3)	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(1.7)
Carrying Charges	—	—	—	—	—	—	(0.1)	—	—	(0.2)
Total Proposed for Disposition	—	(0.2)	(0.3)	(0.2)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	(1.9)
Alectra Total - Principal Balance	(0.2)	(2.5)	(3.3)	(3.0)	(1.7)	(1.9)	(2.2)	(2.4)	(2.5)	(19.8)
Alectra Total - Carrying Charges	—	—	(0.1)	—	(0.2)	(0.6)	(0.7)	(0.5)	(0.5)	(2.7)
Alectra Total	(0.2)	(2.5)	(3.4)	(3.0)	(1.9)	(2.5)	(2.9)	(2.9)	(3.1)	(22.5)

2
3 Table 9-3-11 below provides the calculation of the Pole Attachment Revenue Variance as
4 required by the OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate*
5 *Applications - 2025 Edition for 2026 Rate Applications*.

1 **Table 9-3-11: Account 1508 sub-account Pole Attachment Revenue Variance (\$MM) -**
2 **Alectra Utilities**

		2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Number of Attachments (000's)	A	133	134	134	135	138	139	139	142	142	
Pole Attachment Charge at the rate of \$22.35	B	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	
Wireline Pole Attachment Revenue at the rate of \$22.35	C=AXB	1.0	3.0	3.0	3.0	3.1	3.1	3.1	3.2	3.2	25.7
Actual/Forecast Pole Attachment Charge per year, per pole, \$/Pole	D	28.1	43.6	44.5	44.5	34.8	36.1	37.8	39.1	40.6	
Actual/Forecast Wireline Pole Attachment Revenue	E=AXD	1.2	5.8	6.0	6.0	4.8	5.0	5.3	5.6	5.8	45.5
Total Variance	E-C	0.3	2.8	3.0	3.0	1.7	1.9	2.1	2.4	2.6	19.8

3
4 Tables 9-3-12 through 9-3-16 outline the excess incremental revenues received from carriers for
5 each rate zone.

1 **Horizon RZ**

2 The amount proposed for disposition for the Horizon RZ is identified in Table 9-3-12, below.

3 **Table 9-3-12: Account 1508 sub-account Pole Attachment Revenue Variance - Horizon RZ**
4 **(\$MM)**

		2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Number of Attachments (000's)	A	53	54	54	55	57	57	57	58	58	
Pole Attachment Charge at the rate of \$22.35	B	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	
Wireline Pole Attachment Revenue at the rate of \$22.35	C=AXB	0.4	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	10.5
Actual/Forecast Pole Attachment Charge per year, per pole, \$/Pole	D	28.1	43.6	44.5	44.5	34.8	36.1	37.8	39.1	40.6	
Actual/Forecast Wireline Pole Attachment Revenue	E=AXD	0.5	2.3	2.4	2.4	2.0	2.1	2.2	2.3	2.4	18.5
Total Variance	E-C	0.1	1.1	1.2	1.2	0.7	0.8	0.9	1.0	1.1	8.1

5

1 **Brampton RZ**

2 The amount proposed for disposition for the Brampton RZ is identified in Table 9-3-13, below.

3 **Table 9-3-13: Account 1508 sub-account Pole Attachment Revenue Variance - Brampton**
4 **RZ (\$MM)**

		2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Number of Attachments (000's)	A	14	14	14	15	15	15	15	15	15	131
Pole Attachment Charge at the rate of \$22.35	B	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	
Wireline Pole Attachment Revenue at the rate of \$22.35	C=AXB	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.7
Actual/Forecast Pole Attachment Charge per year, per pole, \$/Pole	D	28.1	43.6	44.5	44.5	34.8	36.1	37.8	39.1	40.6	
Actual/Forecast Wireline Pole Attachment Revenue	E=AXD	0.1	0.6	0.6	0.6	0.5	0.5	0.6	0.6	0.6	4.8
Total Variance	E-C	0.0	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3	2.1

5

1 **PowerStream RZ**

2 The amount proposed for disposition for the PowerStream RZ is identified in Table 9-3-14,
3 below.

4 **Table 9-3-14: Account 1508 sub-account Pole Attachment Revenue Variance -**
5 **PowerStream RZ (\$MM)**

		2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Number of Attachments (000's)	A	33	34	34	34	34	35	35	35	35	308
Pole Attachment Charge at the rate of \$22.35	B	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	
Wireline Pole Attachment Revenue at the rate of \$22.35	C=AXB	0.2	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	6.4
Actual/Forecast Pole Attachment Charge per year, per pole, \$/Pole	D	28.1	43.6	44.5	44.5	34.8	36.1	37.8	39.1	40.6	
Actual/Forecast Wireline Pole Attachment Revenue	E=AXD	0.3	1.5	1.5	1.5	1.2	1.2	1.3	1.4	1.4	11.3
Total Variance	E-C	0.1	0.7	0.7	0.8	0.4	0.5	0.5	0.6	0.6	4.9

1 **Enersource RZ**

2 The amount proposed for disposition for the Enersource RZ is identified in Table 9-3-15, below.

3 **Table 9-3-15: Account 1508 sub-account Pole Attachment Revenue Variance - Enersource**
4 **RZ (\$MM)**

		2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Number of Attachments (000's)	A	21	21	21	21	21	21	21	21	21	191
Pole Attachment Charge at the rate of \$22.35	B	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	
Wireline Pole Attachment Revenue at the rate of \$22.35	C=AXB	0.2	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	4.0
Actual/Forecast Pole Attachment Charge per year, per pole, \$/Pole	D	28.1	43.6	44.5	44.5	34.8	36.1	37.8	39.1	40.6	
Actual/Forecast Wireline Pole Attachment Revenue	E=AXD	0.2	0.9	0.9	0.9	0.7	0.8	0.8	0.8	0.9	7.0
Total Variance	E-C	0.0	0.4	0.5	0.5	0.3	0.3	0.3	0.4	0.4	3.1

5

1 **Guelph Hydro RZ**

2 The amount proposed for disposition for the Guelph Hydro RZ is identified in Table 9-3-16,
3 below.

4 **Table 9-3-16: Account 1508 sub-account Pole Attachment Revenue Variance - Guelph**
5 **Hydro RZ (\$MM)**

		2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Number of Attachments (000's)	A	11	11	11	11	11	11	11	13	13	102
Pole Attachment Charge at the rate of \$22.35	B	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	
Wireline Pole Attachment Revenue at the rate of \$22.35	C=AXB	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	2.1
Actual/Forecast Pole Attachment Charge per year, per pole, \$/Pole	D	28.1	43.6	44.5	44.5	34.8	36.1	37.8	39.1	40.2	
Actual/Forecast Wireline Pole Attachment Revenue	E=AXD	0.1	0.5	0.5	0.5	0.4	0.4	0.4	0.5	0.5	3.8
Total Variance	E-C	0.0	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	1.6

6

4.2.7. Account 1508 Sub-account - Impact of Post-merger Capitalization Policy Change

Alectra Utilities aligned its capitalization policy in 2017 as a result of the consolidation through which Alectra Utilities was formed, and as required under the *International Financial Reporting Standards* (IFRS) to align the capitalization policies for the Alectra Utilities rate zones. For the predecessor companies that formed Alectra Utilities, PowerStream was the acquirer in accordance with IFRS 3 and IFRS 10. Consequently, Alectra Utilities adopted PowerStream's capitalization policy. In 2017, the capitalization policies of the former Enersource, Horizon Utilities and Brampton changed to conform to the capitalization policy of the acquirer (as identified by IFRS), the former PowerStream. In the 2018 EDR Application proceeding (EB-2017-0024, Alectra Utilities Corporation, 2018 Electricity Distribution Rates, Decision and Order, April 6, 2018, page 77), the OEB directed Alectra Utilities to establish new deferral accounts to track the impact of the change to the capitalization policy. In 2019, the capitalization policy of the former Guelph Hydro was changed to align to the capitalization policy of the former PowerStream.

In the 2020 EDR Application proceeding (EB-2019-0018, Alectra Utilities Corporation, 2019 Electricity Distribution Rates, Partial Decision and Order, January 30, 2020, page 35), the OEB stated that the Account 1576 approach should be used by Alectra Utilities to calculate the capitalization policy impact. The Account 1576 approach determines a principal balance in the deferral account based on the difference between the property, plant and equipment (PP&E) of a utility on the previous and new capitalization policies.

As of July 2019, HRZ, BRZ, PRZ, ERZ, successfully migrated to Alectra Utilities' Enterprise Resource Planning (ERP) system. As a result, Alectra Utilities could no longer track the actual impacts of the change in accounting policy for each of these rate zones without the costly maintenance of separate accounting systems. Alectra Utilities proposed an allocation methodology based on the best available data prior to the ERP convergence as a reasonable approach to proxy the actual impacts. Alectra Utilities proposed to determine an allocation percentage by rate zone to be applied to 2019 to 2026 distribution system plant capital based on a ratio of the actual impact of the capitalization policy change prior to the ERP convergence to actual distribution system plant capital. In the OEB's Decision and Rate Order in Alectra Utilities'

- 1 2021 EDR Application, the OEB accepted the allocation methodology applied by Alectra Utilities
- 2 to the capitalization policy deferral accounts.
- 3 This account captures the impact of the capitalization policy change from 2017 to 2024, along
- 4 with the forecasted balance for 2025 and 2026.
- 5 Table 9-3-17 provides the details of the actual and forecasted balances included in this account
- 6 for each rate zone. The forecasted balances are derived based on Alectra's Utilities' forecasted
- 7 distribution system plant capital.

Table 9-3-17: Account 1508 Sub-account - Impact of Post-merger Capitalization Policy
Change(\$MM)

	Actual					Forecast					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
HRZ	—	(1.0)	1.0	(6.3)	(5.8)	(6.3)	(6.1)	(5.0)	(5.0)	(8.0)	(42.6)
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	—	(1.0)	1.0	(6.3)	(5.8)	(6.3)	(6.1)	(5.0)	(5.0)	(8.0)	(42.6)
BRZ	1.2	1.7	2.2	2.1	3.0	2.4	2.5	2.9	3.2	4.6	25.8
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	1.2	1.7	2.2	2.1	3.0	2.4	2.5	2.9	3.2	4.6	25.8
ERZ	—	(1.9)	(2.9)	(1.3)	(1.4)	(0.9)	(1.2)	(1.7)	(1.4)	(2.5)	(15.3)
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	—	(1.9)	(2.9)	(1.3)	(1.4)	(0.9)	(1.2)	(1.7)	(1.4)	(2.5)	(15.3)
GRZ	—	—	—	(0.7)	(1.0)	0.5	(0.5)	(0.6)	(0.4)	(0.5)	(3.2)
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	—	—	—	(0.7)	(1.0)	0.5	(0.5)	(0.6)	(0.4)	(0.5)	(3.2)
Alectra Total - Principal Balance	1.2	(1.1)	0.2	(6.3)	(5.1)	(4.3)	(5.3)	(4.4)	(3.7)	(6.5)	(35.2)
Alectra Total - Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Alectra Total	1.2	(1.1)	0.3	(6.3)	(5.1)	(4.3)	(5.3)	(4.4)	(3.7)	(6.5)	(35.2)

Alectra Utilities proposes the clearance of a \$35.2MM credit balance through rate zone-specific rate riders for HRZ, BRZ, ERZ and GRZ, effective from January 1, 2027 to December 31, 2027. The proposed disposition amount includes a rate of return on capital that is earned between the start of the rebasing year and the date that the principal balance is fully amortized (end of the disposition period). Alectra Utilities applied the proposed 2027 weighted average cost of capital

of 6.10% to the balance recorded in this deferral account. Alectra Utilities proposes the account to be discontinued as Alectra Utilities' capitalization policy is aligned across all rate zones.

Table 9-3-18 below provides the capitalization policy impact for Alectra Utilities

Table 9-3-18: Account 1508 sub-account – Capitalization Policy Impact (\$MM) - Alectra Utilities

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Opening net PP&E	0.0	0.0	0.1	(0.3)	5.7	10.2	15.4	20.7	25.1	28.8
Net Additions	0.0	0.1	(0.5)	6.2	4.8	5.7	5.9	5.0	4.5	5.4
Net Depreciation	0.0	0.0	0.0	(0.1)	(0.3)	(0.4)	(0.5)	(0.7)	(0.8)	(0.9)
Closing net PP&E (1)	0.0	0.1	(0.3)	5.7	10.2	15.4	20.7	25.1	28.8	33.2
1508 Capitalization Policy Variance	0.0	(0.1)	0.3	(5.7)	(10.2)	(15.4)	(20.7)	(25.1)	(28.8)	(33.2)
Rate of Return Applied	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %
Rate of Return	0.0	0.0	0.0	(0.3)	(0.6)	(0.9)	(1.3)	(1.5)	(1.8)	(2.0)

Tables 9-3-19 through 9-3-22 below provide the impact for each rate zone.

Horizon RZ

The capitalization policy impact for the Horizon RZ is identified in Table 9-3-19, below.

1 **Table 9-3-19: Account 1508 sub-account – Capitalization Policy Impact - HRZ (\$MM)**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Opening net PP&E	0.0	0.0	0.0	0.0	6.4	12.1	18.4	24.6	29.6	34.6
Net Additions	0.0	0.0	0.0	6.5	6.1	6.8	6.8	5.9	6.0	6.6
Net Depreciation	0.0	0.0	0.0	(0.2)	(0.3)	(0.5)	(0.7)	(0.8)	(0.9)	(1.1)
Closing net PP&E (1)	0.0	0.0	0.0	6.4	12.1	18.4	24.6	29.6	34.6	40.1
1508 Capitalization Policy Variance	0.0	0.0	0.0	(6.4)	(12.1)	(18.4)	(24.6)	(29.6)	(34.6)	(40.1)
Rate of Return Applied	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %
Rate of Return	0.0	0.0	0.0	(0.4)	(0.7)	(1.1)	(1.5)	(1.8)	(2.1)	(2.4)

3 **Brampton RZ**

4 The capitalization policy impact for the Brampton RZ is identified in Table 9-3-20, below.

5 **Table 9-3-20: Account 1508 sub-account – Capitalization Policy - BRZ (\$MM)**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Opening net PP&E	0.0	(1.8)	(3.3)	(5.2)	(7.2)	(10.3)	(12.6)	(15.1)	(18.1)	(21.3)
Net Additions	(1.8)	(1.6)	(2.0)	(2.3)	(3.3)	(2.7)	(2.9)	(3.4)	(3.8)	(3.7)
Net Depreciation	0.1	0.1	0.1	0.2	0.3	0.3	0.4	0.5	0.6	0.7
Closing net PP&E (1)	(1.8)	(3.3)	(5.2)	(7.2)	(10.3)	(12.6)	(15.1)	(18.1)	(21.3)	(24.3)
1508 Capitalization Policy Variance	1.8	3.3	5.2	7.2	10.3	12.6	15.1	18.1	21.3	24.3
Rate of Return Applied	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %
Rate of Return	0.1	0.2	0.3	0.4	0.6	0.8	0.9	1.1	1.3	1.5

7 **Enersource RZ**

8 The capitalization policy impact for the Enersource RZ is identified in Table 9-3-21, below.

1 **Table 9-3-21: Account 1508 sub-account – Capitalization Policy - ERZ (\$MM)**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Opening net PP&E	0.0	1.8	3.4	4.8	6.1	7.5	8.4	9.6	11.3	12.7
Net Additions	1.9	1.7	1.5	1.5	1.6	1.1	1.5	2.0	1.8	2.1
Net Depreciation	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.4)	(0.4)
Closing net PP&E (1)	1.8	3.4	4.8	6.1	7.5	8.4	9.6	11.3	12.7	14.4
1508 Capitalization Policy Variance	(1.8)	(3.4)	(4.8)	(6.1)	(7.5)	(8.4)	(9.6)	(11.3)	(12.7)	(14.4)
Rate of Return Applied	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %
Rate of Return	(0.1)	(0.2)	(0.3)	(0.4)	(0.5)	(0.5)	(0.6)	(0.7)	(0.8)	(0.9)

3 **Guelph RZ**

4 The capitalization policy impact for the Guelph RZ is identified in Table 9-3-22, below.

5 **Table 9-3-22: Account 1508 sub-account – Capitalization Policy - GRZ (\$MM)**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Opening net PP&E	0.0	0.0	0.0	0.0	0.4	0.8	1.2	1.7	2.3	2.7
Net Additions	0.0	0.0	0.0	0.4	0.4	0.5	0.5	0.6	0.5	0.4
Net Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)
Closing net PP&E (1)	0.0	0.0	0.0	0.4	0.8	1.2	1.7	2.3	2.7	3.0
1508 Capitalization Policy Variance	0.0	0.0	0.0	(0.4)	(0.8)	(1.2)	(1.7)	(2.3)	(2.7)	(3.0)
Rate of Return Applied	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %
Rate of Return	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)

4.2.8. Account 1508 Sub-account - Useful Life Changes

Alliance Consulting Group was engaged to conduct a depreciation study for Alectra Utilities and recommend updated useful lives and asset components. These recommendations were implemented effective January 1, 2025, as detailed in Exhibit 2B, Tab 3, Schedule 1. The change of useful lives is expected to result in an overall decrease of depreciation expense of \$16.6MM and \$23.5MM for 2025 and 2026 respectively. In its 2026 EDR Application (EB-2025-0055, Alectra Utilities Corporation, 2026 Electricity Distribution Rates, Application and Evidence, August 14, 2025, page 97), Alectra Utilities has requested the OEB's approval for an accounting order to establish a new deferral and variance account, effective January 1, 2025 to capture the impact resulting from the useful life changes.

The impact of the change in useful lives has been recorded in Account 1508, sub-account: Useful Life Changes using the Account 1576 approach. The Account 1576 approach determines a principal balance in the deferral account based on the difference between the PP&E on the previous and new useful lives. The calculation of the impact resulting from the useful life changes is filed as Attachment 9-6 to this Exhibit.

Alectra Utilities proposes the clearance of a \$40.2MM credit balance (refund) to customers through rate zone-specific rate riders, effective January 1, 2027, to December 31, 2027. The proposed disposition amount includes a rate of return on capital that is earned between the start of the rebasing year and the date that the principal balance is fully amortized (end of the disposition period). Alectra Utilities applies the proposed 2027 weighted average cost of capital of 6.10% to the balance recorded in this deferral account for disposition. Alectra Utilities proposes the account to be discontinued as the changes were implemented in 2025 and have been reflected in the Fixed Asset Continuity schedules for the 2027-2031 rate term.

Table 9-3-23 provides the details of the actual and forecasted balances included in this account for each rate zone. The forecasted amounts are derived from the forecasted net fixed asset balances for 2025 and 2026.

1 **Table 9-3-23: Account 1508 - Useful Life Changes (\$MM)**

	Forecast		
	2025	2026	Total
HRZ	(3.2)	(4.6)	(7.8)
Carrying Charges	0.0	0.0	0.0
Total Proposed for Disposition	(3.2)	(4.6)	(7.8)
BRZ	(2.6)	(3.6)	(6.2)
Carrying Charges	0.0	0.0	0.0
Total Proposed for Disposition	(2.6)	(3.6)	(6.2)
PRZ	(5.6)	(7.9)	(13.5)
Carrying Charges	0.0	0.0	0.0
Total Proposed for Disposition	(5.6)	(7.9)	(13.5)
ERZ	(4.3)	(6.0)	(10.3)
Carrying Charges	0.0	0.0	0.0
Total Proposed for Disposition	(4.3)	(6.0)	(10.3)
GRZ	(1.0)	(1.4)	(2.4)
Carrying Charges	0.0	0.0	0.0
Total Proposed for Disposition	(1.0)	(1.4)	(2.4)
Alectra Total - Principal Balance	(16.6)	(23.5)	(40.2)
Alectra Total - Carrying Charges	0.0	0.0	0.0
Alectra Total	(16.6)	(23.5)	(40.2)

2

Attachment 9-6

Useful Life Changes Impact Calculation

Please see live Excel version

4.2.9. Account 1508 Sub-account - Incremental Capital Expenditures

Alectra Utilities has outlined its ICM projects as approved by the OEB in Exhibit 2B, Tab 5, Schedule 1, including detailed variance explanations between the approved and actual ICM funding for each project.

The impact of the capital cost allowance (CCA) rule change for the approved ICM projects are excluded from the 1508 Sub-account and instead reflected in the 1592 Sub-account - PILs and Tax Variances CCA Changes. For further details on Account 1592, refer to Exhibit 9, Tab 3, Schedule 26.

Alectra Utilities has calculated the actual revenue requirements and corresponding true-up amounts for the OEB-approved ICM projects in the BRZ, PRZ, and ERZ rate zones, comparing them against the ICM funding rate riders collected from customers.

Brampton RZ

Alectra Utilities proposes to refund the ICM true-up amount of \$2.0MM over a one year period, from January 1, 2027 to December 31, 2027 for the BRZ. This amount has been included in the DVA Continuity Schedule filed in Exhibit 9, Tab 1, Schedule 1 Attachment 9-2. The ICM True-up models for the BRZ are available as Attachment 9-7 to this Exhibit.

The ICM true-up for the Brampton RZ is identified in Table 9-3-24, below.

1 **Table 9-3-24: ICM True-up - Brampton RZ (\$MM)**

	ICM Project Name	Approved Costs	Actual Costs	Difference	Revenue Requirement Include Forecast to 2026	Revenue Collected from ICM Rate Riders Include Forecast to 2026	Recovery/ (Refund)
2018	Pleasant TS CCRA True Up	6.8	6.8	—	5.7	7.4	(1.7)
2021	Goreway TS CCRA True Up	5.7	5.5	(0.1)	3.2	3.6	(0.4)
2021	Goreway Road Widening	2.1	2.4	0.3	1.3	1.2	—
2	Total	14.6	14.7	0.2	10.2	12.3	(2.0)

3 **PowerStream RZ**

4 Alectra Utilities proposes to recover the ICM true-up amount of \$1.7MM over a one year period,
5 from January 1, 2027 to December 31, 2027 for the PRZ. This amount has been included in the
6 DVA Continuity Schedule filed in Exhibit 9, Tab 1, Schedule 1 Attachment 9-3. The ICM True-up
7 models for PRZ are available as Attachment 9-8 to this Exhibit. For the 2019 York Region Rapid
8 Transit (YRRT) project, the actual revenue requirement is calculated based on the lower of the
9 actual capital expenditures and the 2019 maximum eligible incremental capital amount for PRZ
10 approved by the OEB for the project.

11 The ICM true-up for the PowerStream RZ is identified in Table 9-3-25, below.

1 **Table 9-3-25: ICM True-up - PowerStream RZ (\$MM)**

	ICM Project Name	Approved Costs	Actual Costs	Difference	Revenue Requirement Include Forecast to 2026	Revenue Collected from ICM Rate Riders Include Forecast to 2026	Recovery/ (Refund)
2018	Road Authority YRRT	11.2	15.9	4.6	10.0	8.4	1.6
2019	Road Authority YRRT	13.3	25.4	12.1	11.1	10.4	0.7
2019	Bathurst Road Widening	5.5	2.8	(2.7)	1.7	1.5	0.1
2021	Rutherford Road Widening	2.9	3.1	0.2	1.4	1.3	—
2023	Cable Renewal	16.2	13.8	(2.4)	5.0	5.0	—
2024	Cable Renewal	17.3	13.9	(3.3)	3.0	3.8	(0.8)
2	Total	66.3	74.9	8.6	32.2	30.5	1.7

3 **Enersource RZ**

4 Alectra Utilities proposes to refund the ICM true-up amount of \$3.0MM over a one year period
5 from January 1, 2027 to December 31, 2027 for the ERZ. This amount has been included in the
6 DVA Continuity Schedule filed in Exhibit 9, Tab 1, Schedule 1 Attachment 9-4. The ICM True-up
7 models for ERZ are available as Attachment 9-9 to this Exhibit.

8 The ICM true-up for the Enersource RZ is identified in Table 9-3-26, below.

1 **Table 9-3-26: ICM True-up - Enersource RZ (\$MM)**

2

	ICM Project Name	Approved Costs	Actual Costs	Difference	Revenue Requirement Include Forecast to 2026	Revenue Collected from ICM Rate Riders Include Forecast to 2026	Recovery/ (Refund)
2018	Leaking Transformer - Overhead	3.7	1.3	(2.3)	1.0	3.0	(1.9)
2018	Leaking Transformer - Padmount/Vault	4.8	5.7	0.9	4.8	3.9	0.9
2018	York MS - Civil Construction	2.2	2.5	0.3	2.2	1.8	0.4
2019	Leaking Transformer - 2019	7.5	4.5	(3.0)	3.2	5.8	(2.6)
2023	Cable Renewal	1.9	2.2	0.3	0.8	0.6	0.2
	Total	20.1	16.3	(3.8)	12.0	15.0	(3.0)

Attachment 9-7

ICM True-up Model BRZ

Please see live Excel version

Attachment 9-8

ICM True-up Model PRZ

Please see live Excel version

Attachment 9-9

ICM True-up Model ERZ

Please see live Excel version

4.2.10. Account 1508 Sub-account - Direct Labour Capitalization Changes

Alectra Utilities undertook a third-party study to evaluate and update Alectra Utilities' Direct Labour Capitalization rate methodology used, as outlined in Exhibit 2B, Tab 6, Schedule 2. Alectra Utilities implemented the revised methodology effective January 1, 2025. The results of the study indicate an increase in labour capitalization (i.e., higher capital costs) and a corresponding decrease to OM&A costs in 2025 and 2026. In its 2026 EDR application (EB-2025-0055, Alectra Utilities Corporation, 2026 Electricity Distribution Rates, Application and Evidence, August 14, 2025, page 99), Alectra Utilities has requested the OEB's approval for an accounting order to establish a new deferral and variance account, effective January 1, 2025, to capture the financial impacts resulting from the Direct Labour Capitalization Changes.

The impact of the changes has been recorded in Account 1508, Sub-account: Direct Labour Capitalization Changes. The supporting calculation is filed as Attachment 9-10 to this Exhibit.

Alectra Utilities proposes the clearance of a \$11.7MM credit balance (refund) to customers through rate zone-specific rate riders, effective January 1, 2027, to December 31, 2027. The proposed disposition amount includes a rate of return on capital that is earned between the start of the rebasing year and the date that the principal balance is fully amortized (end of the disposition period). Alectra Utilities applied the proposed 2027 weighted average cost of capital of 6.10% to the balance recorded in this deferral account for disposition. Alectra Utilities proposes the account to be discontinued as the changes have been implemented and reflected in the forecasts for 2027-2031.

Table 9-3-27 provides the details of the forecasted balances included in this account for each rate zone. The forecasted amounts are derived from the forecasted labour pool costs for 2025 and 2026.

1 **Table 9-3-27: Account 1508 - Direct Labour Capitalization Changes (\$MM)**

	Forecast		
	2025	2026	Total
HRZ	(1.1)	(1.2)	(2.3)
Carrying Charges	0.0	0.0	0.0
Total Proposed for Disposition	(1.1)	(1.2)	(2.3)
BRZ	(0.9)	(0.9)	(1.8)
Carrying Charges	0.0	0.0	0.0
Total Proposed for Disposition	(0.9)	(0.9)	(1.8)
PRZ	(1.9)	(2.0)	(3.9)
Carrying Charges	0.0	0.0	0.0
Total Proposed for Disposition	(1.9)	(2.0)	(3.9)
ERZ	(1.5)	(1.5)	(3.0)
Carrying Charges	0.0	0.0	0.0
Total Proposed for Disposition	(1.5)	(1.5)	(3.0)
GRZ	(0.3)	(0.4)	(0.7)
Carrying Charges	0.0	0.0	0.0
Total Proposed for Disposition	(0.3)	(0.4)	(0.7)
Alectra Total - Principal Balance	(5.7)	(6.0)	(11.7)
Alectra Total - Carrying Charges	0.0	0.0	0.0
Alectra Total	(5.7)	(6.0)	(11.7)

2

Attachment 9-10

Direct Labour Capitalization Impact Calculation

Please see live Excel version

4.2.11. Account 1508 Sub-account - Long-term Load Mitigation

Alectra Utilities uses this account to record the lost revenue resulting from the elimination of the long-term load transfer arrangement between legacy Horizon Utilities and Niagara-on-the-Lake Hydro Inc. The elimination of the Long Term Load Transfers resulted in higher delivery charges for the affected customers transferred to Alectra Utilities. As part of the rate mitigation, Alectra Utilities applied a monthly bill credit to each affected customer and recorded the credits in Account 1508 Sub-account - Long-term Load Mitigation. The monthly bill credit was calculated using the affected customer's average monthly consumption, based on the most recent 12 months.

This account has not been requested for disposition in past proceedings. The amount proposed for disposition is a \$0.01MM recovery (debit balance) as of December 31, 2024. To recover the credit applied to the affected customer accounts, Alectra Utilities proposes the clearance of the balance in this account by means of rate zone-specific rate riders for the HRZ effective January 1, 2027 to December 31, 2027. Alectra Utilities proposes the account to be discontinued.

4.2.12. Account 1508 Sub-account - Collection of Account Charge-Related Lost Revenue

On March 14, 2019, the OEB issued amendments to the *Distribution System Code* (DSC), *Standard Supply Service Code* (SSSC), *Unit Sub-Metering Code* (USMC) and *Gas Distribution Access Rule* (GDAR) related to customer service rules. The March 2019 amendments prohibited distributors from applying the collection of account charge, effective July 1, 2019. As part of the OEB's Decision and Rate Order in Alectra Utilities' 2020 EDR Application (EB-2019-0018, Alectra Utilities Corporation, 2020 Electricity Distribution Rates, Partial Decision and Interim Rate Order, December 12, 2019, page 29), the OEB approved the establishment of a deferral account for the Collection of Account charge-related lost revenues.

This account captures the lower of the lost revenues from the elimination of the charge and the amount of revenue forecasted for these charges from the last rebasing application for BRZ, PRZ, ERZ, and GRZ. The lost collection of account charge revenue that would have been recorded is calculated by multiplying the number of disconnection notices sent to the customers for non-payment by the legacy collection of account charges.

Alectra Utilities proposes the clearance of a \$20.3MM debit balance in this account by means of rate zone-specific rate riders, effective January 1, 2027 to December 31, 2027. Alectra Utilities proposes to discontinue this account as no provision is established for other revenues from the Collection of Account charges in the 2027-2031 rate term.

Table 9-3-28 provides the details of the actual and forecasted balances included in this account by each rate zone. The forecasted amounts have been held consistent with the 2024 actual amounts.

1 **Table 9-3-28: Account 1508 Sub-account - Collection of Account Charge-Related Lost**
2 **Revenue (\$MM)**

	Actual				Forecast				
	2019	2020	2021	2022	2023	2024	2025	2026	Total
BRZ	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	4.1
Carrying Charges	—	—	—	—	0.1	0.1	0.1	0.1	0.5
Total Proposed for Disposition	0.3	0.5	0.5	0.6	0.7	0.7	0.6	0.7	4.6
PRZ	0.8	1.6	1.5	1.6	1.6	1.6	1.5	1.5	11.5
Carrying Charges	—	—	—	0.1	0.3	0.4	0.3	0.3	1.4
Total Proposed for Disposition	0.8	1.6	1.5	1.7	1.9	2.0	1.8	1.8	13.0
ERZ	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.3
Carrying Charges	—	—	—	—	—	—	—	—	0.2
Total Proposed for Disposition	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.4
GRZ	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.2	1.2
Carrying Charges	—	—	—	—	—	—	—	—	0.1
Total Proposed for Disposition	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.2	1.3
Alectra Total - Principal Balance	1.2	2.4	2.3	2.5	2.4	2.3	2.4	2.4	18.0
Alectra Total - Carrying Charges	—	—	—	0.1	0.5	0.6	0.5	0.5	2.2
Alectra Total	1.2	2.4	2.4	2.6	2.9	3.0	2.8	2.9	20.3

3
4 Table 9-3-29 below provides the calculation of Collection of Account charge-related lost
5 revenues for Alectra Utilities from 2019- to 2026. The 2025 and 2026 numbers for non-payment
6 notices are forecasted amounts.

Table 9-3-29: Account 1508 sub-account Collection of Account Charge Variance (\$MM) - Alectra Utilities

		2019	2020	2021	2022	2023	2024	2025	2026	Total
# of Notices Issued for Non-Payment (000's)	A	76	119	127	144	155	158	155	155	
Legacy Collection Account Charge (Average)	B	\$ 23	\$ 23	\$ 23	\$ 23	\$ 23	\$ 23	\$ 23	\$ 23	
Expected Collection Charges	C=AXB	1.8	2.8	2.9	3.3	3.5	3.8	3.4	3.4	24.9
Approved Amount in Rates	D	1.2	2.5	2.5	2.5	2.5	2.5	2.5	2.5	18.7
Deferred Collection Charges		1.2	2.4	2.4	2.4	2.4	2.3	2.4	2.4	18.0

Tables 9-3-30 through 9-3-33 provide the calculation of Collection of Account charge-related lost revenues for each rate zone.

Brampton RZ

The amount proposed for disposition for the Brampton RZ is identified in Table 38, below.

Table 9-3-30: Account 1508 sub-account Collection of Account Charge Variance - Brampton RZ (\$MM)

		2019	2020	2021	2022	2023	2024	2025	2026	Total
# of Notices Issued for Non-Payment (000's)	A	16	25	29	35	39	46	46	46	
Legacy Collection Account Charge	B	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	
Expected Collection Charges	C=AXB	0.5	0.8	0.9	1.0	1.2	1.4	1.4	1.4	8.5
Approved Amount in Rates	D	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	4.1
Deferred Collection Charges	Lower of C and D	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	4.1

PowerStream RZ

The amount proposed for disposition for the PowerStream RZ is identified in Table 9-3-31, below.

Table 9-3-31: Account 1508 sub-account Collection of Account Charge Variance - PowerStream RZ (\$MM)

		2019	2020	2021	2022	2023	2024	2025	2026	Total
# of Notices Issued for Non-Payment (000's)	A	36	58	54	60	63	66	49	49	
Legacy Collection Account Charge	B	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	
Expected Collection Charges	C=AXB	1.1	1.8	1.6	1.8	1.9	2.0	1.5	1.5	13.0
Approved Amount in Rates	D	0.8	1.6	1.6	1.6	1.6	1.6	1.6	1.6	11.7
Deferred Collection Charges	Lower of C and D	0.8	1.6	1.6	1.6	1.6	1.6	1.5	1.5	11.5

Enersource RZ

The amount proposed for disposition for the Enersource RZ is identified in Table 9-3-32, below.

Table 9-3-32: Account 1508 sub-account Collection of Account Charge Variance - Enersource RZ (\$MM)

		2019	2020	2021	2022	2023	2024	2025	2026	Total
# of Notices Issued for Non-Payment (000's)	A	14	25	28	32	34	37	37	37	
Legacy Collection Account Charge	B	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	
Expected Collection Charges	C=AXB	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.3	2.2
Approved Amount in Rates	D	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.3
Deferred Collection Charges	Lower of C and D	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.3

Guelph Hydro RZ

The amount proposed for disposition for the Guelph Hydro RZ is identified in Table 9-3-33, below.

1 **Table 9-3-33: Account 1508 sub-account Pole Attachment Revenue Variance - Guelph**
2 **Hydro RZ (\$MM)**

		2019	2020	2021	2022	2023	2024	2025	2026	Total
# of Notices Issued for Non-Payment (000's)	A	11	11	16	17	19	8	23	24	
Legacy Collection Account Charge	B	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	
Expected Collection Charges	C=AXB	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.2	1.2
Approved Amount in Rates	D	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.6
Deferred Collection Charges	Lower of C and D	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.2	1.2

4.2.13. Account 1508 Sub-account - GOCA Variance Account

The OEB established a generic, sector-wide variance account, the Getting Ontario Connected Act (GOCA) variance account (EB-2023-0143, Decision and Order, Getting Ontario Connected Act Variance Account, October 31, 2023), to track incremental costs of locates in 2023 and future years arising from the implementation of provincial legislation: Bill 93 (the *Getting Ontario Connected Act, 2022*). The OEB set an effective date of April 1, 2023 for the establishment of the variance account. It is expected that any costs before this date would have been at a scale that can be managed within existing rates.

Alectra Utilities proposes the clearance of a \$9.5MM debit balance in this account by means of rate zone-specific rate riders, effective January 1, 2027 to December 31, 2027. This account captures the differences between the actual locate costs incurred from April 1, 2023 to December 31, 2024 combined with forecasted costs for 2025 and 2026, and the costs currently built into rates. Alectra Utilities considers the difference between actual locate costs and the amounts embedded in rates to be incremental and attributable to the impacts of Bill 93. The approved costs are escalated accordingly by the OEB-approved Price Cap adjustment for Alectra Utilities and its predecessor utilities. The balances recorded in this account are both incremental to the amounts included in base rates and are a direct result of Bill 93. Alectra Utilities proposes to discontinue this account as an updated forecast of locate costs resulting from Bill 93 have been incorporated in the 2027-2031 rate term.

Table 9-3-34 below provides the details of the actual and forecasted balances included in this account by rate zone. The forecasted amounts are based on forecasted locate volumes and unit costs, adjusted for inflation of 2%.

1 **Table 9-3-34: Account 1508 Sub-account - GOCA Variance Account (\$MM)**

	Actual		Forecast		Total
	2023	2024	2025	2026	
HRZ	0.1	0.5	0.5	0.5	1.5
Carrying Charges	—	—	—	—	0.1
Total Proposed for Disposition	0.1	0.5	0.5	0.5	1.6
BRZ	0.6	0.4	0.4	0.4	1.8
Carrying Charges	—	—	—	—	0.1
Total Proposed for Disposition	0.6	0.4	0.4	0.4	1.9
PRZ	1.3	0.1	0.3	0.4	2.1
Carrying Charges	—	0.1	—	0.1	0.2
Total Proposed for Disposition	1.3	0.2	0.4	0.4	2.3
ERZ	0.6	0.8	0.7	0.8	2.9
Carrying Charges	—	—	0.1	0.1	0.2
Total Proposed for Disposition	0.7	0.8	0.8	0.9	3.1
GRZ	0.4	—	—	—	0.5
Carrying Charges	—	—	—	—	0.1
Total Proposed for Disposition	0.4	—	0.1	0.1	0.5
Alectra Total - Principal Balance	3.1	1.7	1.9	2.1	8.9
Alectra Total - Carrying Charges	0.1	0.2	0.2	0.2	0.7
Alectra Total	3.2	1.9	2.1	2.3	9.5

2
3 Table 9-3-35 below provides the calculation for the difference between the actual costs of
4 locates and the amount embedded in rates for Alectra Utilities from 2023 to 2026. The actual
5 locate costs are based on the invoices from various third-party service providers, Ontario One

Call and Top Shelf Screening. For more information on Cable Locates volume and unit costs, refer to Exhibit 4 Operating Expenses, Tab 2 OM&A Program, Schedule 12 Cable Locates.

Table 9-3-35: Account 1508 OEB GOCA Variance (\$MM) - Alectra Utilities

		2023	2024	2025	2026	Total
Total Actual Cost	A	7.3	7.0	7.4	7.6	29.3
Amount in Rates	B	4.2	5.2	5.4	5.5	20.4
Difference	C=A-B	3.1	1.7	1.9	2.1	8.9

Tables 9-3-36 through 9-3-40 outlines the difference between the actual cable locate costs and the amount embedded in the base rate for each rate zone. The amount embedded in the 2023 rates reflects the balance from April 1, 2023, to December 31, 2023, which corresponds to the effective date for establishing the variance account. The 2025 and 2026 costs are forecast amounts.

Horizon RZ

The amount proposed for disposition for the Horizon RZ is identified in Table 9-3-36, below. The former Horizon Utilities Corporation's approved OM&A costs include \$732,523 for costs of locates, as referenced in EB-2014-0002, Horizon Utilities Corporation 2015–2019 Custom IR Application, Horizon_Cost Allocation 2019_DRF_RO_20141218, Tab I3 TB Data, Balance for account 5070 and 5075. The approved costs are escalated accordingly by the OEB-approved Price Cap adjustments for Alectra Utilities.

1 **Table 9-3-36: Account 1508 OEB GOCA Variance - Horizon RZ (\$MM)**

		2023	2024	2025	2026	Total
Total Actual Cost	A	0.8	1.3	1.3	1.4	4.8
Amount in Rates	B	0.7	0.8	0.9	0.9	3.3
Difference	C=A-B	0.1	0.5	0.5	0.5	1.5

3 **Brampton RZ**

4 The amount proposed for disposition for the Brampton RZ is identified in Table 9-3-37, below.
5 The former Hydro One Brampton Networks Inc.'s approved OM&A costs include \$636,628 costs
6 of locates, as referenced in EB-2014-0083, Hydro One Brampton Networks Inc. 2015 Cost of
7 Service Application, HOBNI 2015_Cost_Allocation_Model_V3-1_xlsm_20141223, Tab I3 TB
8 Data, Balance for account 5070 and 5075. The approved costs are escalated accordingly by the
9 OEB-approved Price Cap adjustments for Hydro One Brampton and Alectra Utilities.

10 **Table 9-3-37: Account 1508 OEB GOCA Variance - Brampton RZ (\$MM)**

		2023	2024	2025	2026	Total
Total Actual Cost	A	1.2	1.2	1.2	1.2	4.8
Amount in Rates	B	0.6	0.8	0.8	0.8	3.0
Difference	C=A-B	0.6	0.4	0.4	0.4	1.8

PowerStream RZ

The amount proposed for disposition for the PowerStream RZ is identified in Table 9-3-38, below. The former PowerStream Inc.'s approved OM&A costs include \$2,159,841 costs of locates, as referenced in EB-2015-0003, PowerStream Inc. 2016–2020 Custom IR Application, F_PowerStream_2017_Cost_Allocation_Model_V3_3_20161102, Tab I3 TB Data, Balance for account 5075. The approved costs are escalated accordingly by the OEB-approved Price Cap adjustments for Alectra Utilities.

Table 9-3-38: Account 1508 OEB GOCA Variance - PowerStream RZ (\$MM)

		2023	2024	2025	2026	Total
Total Actual Cost	A	3.4	2.7	3.0	3.1	12.1
Amount in Rates	B	2.1	2.5	2.6	2.7	9.9
Difference	C=A-B	1.3	0.1	0.3	0.4	2.1

Enersource RZ

The amount proposed for disposition for the Enersource RZ is identified in Table 9-3-39, below. The former Enersource Hydro Mississauga Inc.'s approved OM&A costs include \$610,605 for costs of locates, as included in EB-2012-0033, Enersource Hydro Mississauga Inc., 2013 Cost of Service Application, Enersource_APPL_Rolled Up Cost Allocation Mode RUN 2 May 18 revision_20120522, Tab I3 TB Data, Balance for account 5070 and 5075. The approved costs are escalated accordingly by the OEB-approved Price Cap adjustments for Enersource and Alectra Utilities.

1 **Table 9-3-39: Account 1508 OEB GOCA Variance - Enersource RZ (\$MM)**

		2023	2024	2025	2026	Total
Total Actual Cost	A	1.2	1.5	1.5	1.6	5.9
Amount in Rates	B	0.6	0.8	0.8	0.8	3.0
Difference	C=A-B	0.6	0.8	0.7	0.8	2.9

3 **Guelph Hydro RZ**

4 The amount proposed for disposition for the Guelph Hydro RZ is identified in Table 9-3-40,
5 below. The former Guelph Hydro Electric Systems Inc.'s approved OM&A costs include
6 \$264,520 for costs of locates, as referenced in EB-2015-0073, Guelph Hydro Electric Systems
7 Inc., 2016 Cost of Service Application, Guelph_Settlement_Updated_Detailed_CA_Model_RUN
8 1_20151020, Tab I3 TB Data, Balance for account 5040 and 5045. The approved costs are
9 escalated accordingly by the OEB-approved Price Cap adjustments for Guelph Hydro and
10 Alectra Utilities.

11 **Table 9-3-40: Account 1508 OEB GOCA Variance - Guelph Hydro RZ (\$MM)**

		2023	2024	2025	2026	Total
Total Actual Cost	A	0.6	0.3	0.4	0.4	1.7
Amount in Rates	B	0.3	0.3	0.3	0.3	1.2
Difference	C=A-B	0.4	0.0	0.0	0.0	0.5

**4.2.14. Account 1508 Sub-account - LEAP Emergency Financial Assistance Funding
Deferral Account**

On February 12, 2024, the OEB announced changes to the Low-income Energy Assistance Program (LEAP) Emergency Financial assistance (EB-2023-0135, Changes to the Low-income Energy Assistance Program Emergency Financial Assistance and Accounting Orders, February 12, 2024). The OEB updated the LEAP income eligibility thresholds to align with the new expanded Ontario Electricity Support Program (OESP) income thresholds effective March 1, 2024. The updates also included an adjustment to the current LEAP amount to reflect inflationary changes and adopted OEB Staff's recommendation that no eligible LEAP applicant should be denied assistance due to lack of funding. For regulatory efficiency, the OEB also issued an accounting order establishing a generic deferral account, effective March 1, 2024, allowing distributors to record prudently incurred LEAP contributions that exceed the funding amounts embedded in rates.

Alectra Utilities proposes the clearance of a \$3.2MM debit balance in this account by means of rate zone-specific rate riders, effective January 1, 2027 to December 31, 2027. This account captures the differences between the actual LEAP contributions from January 1, 2024 to December 31, 2024 combined with forecasted amounts in 2025 and 2026, and the amounts currently built into rates. Alectra Utilities proposes to discontinue this account as an updated LEAP Contribution has been incorporated in the 2027-2031 rate term.

Table 9-3-41 below provides the details of the actual and forecasted balances included in this account by each rate zone. The forecasted amounts are derived from the 2024 actual amounts.

1 **Table 9-3-41: Account 1508 Sub-account - LEAP Emergency Financial Assistance**
2 **Funding Deferral Account (\$MM)**

	Actual 2024	Forecast 2025	2026	Total
HRZ	0.2	0.2	0.2	0.6
Carrying Charges	—	—	—	—
Total Proposed for Disposition	0.2	0.2	0.2	0.6
BRZ	0.1	0.2	0.2	0.5
Carrying Charges	—	—	—	—
Total Proposed for Disposition	0.1	0.2	0.2	0.5
PRZ	0.3	0.4	0.4	1.0
Carrying Charges	—	—	—	—
Total Proposed for Disposition	0.3	0.4	0.4	1.1
ERZ	0.2	0.3	0.3	0.8
Carrying Charges	—	—	—	—
Total Proposed for Disposition	0.2	0.3	0.3	0.8
GRZ	0.1	0.1	0.1	0.2
Carrying Charges	—	—	—	—
Total Proposed for Disposition	0.1	0.1	0.1	0.2
Alectra Total - Principal Balance	0.9	1.1	1.1	3.1
Alectra Total - Carrying Charges	—	—	0.1	0.1
Alectra Total	0.9	1.1	1.2	3.2

3
4 Table 9-3-42 below provides the calculation of the difference between the actual LEAP
5 contributions and the amount embedded in rates. Alectra Utilities' approved LEAP funding is

\$675,885, which represents 0.12% of the total approved revenue requirement¹, grossed up for revenue offsets, as established in the last cost of service applications for its predecessor utilities.

Table 9-3-42: Account 1508 Sub-account - LEAP Emergency Financial Assistance Funding Deferral Account - Alectra Utilities (\$MM)

		2024	2025	2026	Total
LEAP Distributed to Customers		1.3	1.5	1.5	4.3
LEAP Agencies for Administrative Fees		0.2	0.3	0.3	0.8
Total Actual Cost	A	1.6	1.7	1.8	5.1
Amount in Rates	B	0.7	0.7	0.7	2.0
Difference	C=A-B	0.9	1.1	1.1	3.1

The balance for this account is determined on a consolidated basis. For the purpose of calculating the rate rider, the balance is allocated to each rate zone in proportion to its respective share of Alectra Utilities' total metered consumption in 2024.

¹Approved revenue requirement for HRZ, EB-2018-0016, Alectra Utilities 2019 EDR Application, Draft Rate Order, January 7, 2019.Alectra_DRO_Attach 2_Revenue Requirement Work Form 2019_HRZ_20190107.

Approved revenue requirement for BRZ, refer to EB-2014-0083, Hydro One Brampton Networks Inc. 2015 Cost of Service Application, Draft Rate Order, December 23, 2014, HOBNI 2015_Rev_Reqt_Work_Form_V4_xlsm_20141223.

Approved revenue requirement for PRZ, refer to EB-2015-0003, PowerStream Inc. 2016–2020 Custom IR, Draft Rate Order, November 02, 2016, C_PowerStream_RRWF 2017_20161102.

Approved revenue requirement for ERZ, refer to EB-2012-0033, Enersource Hydro Mississauga Inc., 2013 Cost of Service Application, Draft Rate Order, January 11, 2013, Enersource_DRO_reply_2013_RRWF_V3_20130111.

Approved revenue requirement for GRZ, refer to EB-2015-0073, Guelph Hydro Electric Systems Inc., 2016 Cost of Service Application, Settlement Proposal, October 20, 2015, Guelph_Settlement_Updated_Rev_Reqt_Work_Form_20151020.

4.2.15. Account 1511 Incremental Cloud Computing Implementation Costs

On November 2, 2024, the OEB issued an accounting order effective December 1, 2023, to create a deferral account to record incremental cloud computing implementation costs.

Alectra Utilities proposes the clearance of a \$2.0MM debit balance in this account by means of rate zone-specific rate riders, effective January 1, 2027 to December 31, 2027. This account captures the incremental cloud computing implementation costs and related offsetting savings for Alectra Utilities' new Human Capital Management System (HCM), implemented in 2024. The strategic implementation of an HCM Cloud Computing System enhances operational efficiency, streamlines people processes, fosters greater employee engagement, and ensures Alectra Utilities could support its future expanding workforce. Alectra Utilities proposes to continue this account to capture any material incremental cloud computing implementation costs over the 2027-2031 rate term.

Table 9-3-43 below provides the details of the actual and forecasted balances included in this account by each rate zone. The 2025 forecasted balances reflect expected second phase implementation expenses and ongoing licensing costs.

1 **Table 9-3-43: Account 1511 Incremental Cloud Computing Implementation Costs (\$MM)**

	Actual 2024	Forecast 2025	2026	Total
HRZ	0.2	0.1	—	0.4
Carrying Charges	—	—	—	—
Total Proposed for Disposition	0.3	0.1	—	0.4
BRZ	0.2	0.1	—	0.3
Carrying Charges	—	—	—	—
Total Proposed for Disposition	0.2	0.1	—	0.3
PRZ	0.4	0.2	—	0.6
Carrying Charges	—	—	—	—
Total Proposed for Disposition	0.4	0.2	—	0.7
ERZ	0.3	0.1	—	0.5
Carrying Charges	—	—	—	—
Total Proposed for Disposition	0.3	0.2	—	0.5
GRZ	0.1	—	—	0.1
Carrying Charges	—	—	—	—
Total Proposed for Disposition	0.1	—	—	0.1
Alectra Total - Principal Balance	1.3	0.6	—	1.8
Alectra Total - Carrying Charges	—	0.1	0.1	0.1
Alectra Total	1.3	0.6	0.1	2.0

2
3 Table 9-3-44 below provides a breakdown of the total non-labour implementation costs for the
4 HCM system. Alectra Utilities considers the total non-labour implementation costs as
5 incremental to the amounts already embedded in rates. The balance for this account is
6 determined on a consolidated basis. For the purpose of calculating the rate rider, the balance is
7 allocated to each rate zone in proportion to its respective share of Alectra Utilities' total metered
8 consumption in 2024.

1 **Table 9-3-44: Account 1511 Incremental Cloud Computing Implementation Costs- Alectra**
2 **Utilities (\$MM)**

Cost	2024	2025	2026	Total
Implementation	0.9	1.1		2.0
System Integration, API	0.1			0.1
Change Management	0.2			0.2
On-Going Licensing	0.2			0.2
Offset Savings	(0.1)	(0.6)		(0.7)
Total Deferral Account	1.3	0.6		1.8

4.2.16. Retail Cost Variance Accounts - Account 1518 RCVA Retail and 1548 RCVA STR

According to the OEB's APH, Account 1518 captures the net of revenues derived from establishing service agreements and distributor-consolidated billing and the cost of entering into the service agreements including other expenses necessary to maintain the retailer contracts. Account 1548 captures the net of revenues derived from the Service Transaction Request (in the form of a request fee, processing fee, information request fee, and default fee) and the incremental cost of labour, internal information system maintenance costs and delivery costs related to the Service Transaction Request (STR).

All the costs recorded in Account 1518 and Account 1548 are incremental costs of providing retail services. Alectra Utilities has followed Article 490, Retail Services and Settlement Variance of the APH for Account 1518 and Account 1548.

Alectra Utilities proposes the clearance of a \$0.8MM debit balance in 1518 account and a \$0.4MM debit balance in 1548 by means of rate zone-specific rate riders, effective January 1, 2027 to December 31, 2027. Alectra Utilities proposes to discontinue this account as it does not anticipate material balances in the future.

Table 9-3-45 provides the details of the actual and forecasted balances included in Account 1518, by rate zone. The forecasted amounts have been held consistent with the 2024 actual amounts.

1 **Table 9-3-45: Retail Cost Variance Accounts - Account 1518 RCVA Retail (\$MM)**

		Actual						Forecast			
	2017 Closing Balance	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
HRZ	0.3	0.1	—	(0.1)	(0.1)	(0.1)	(0.1)	—	—	—	—
Carrying Charges	—	—	—	—	—	—	—	—	—	—	0.1
Total Proposed for Disposition	0.3	0.1	—	—	(0.1)	—	(0.1)	—	—	—	—
BRZ	0.1	—	—	—	—	—	(0.1)	—	—	—	(0.1)
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	0.1	—	—	—	—	—	(0.1)	—	—	—	(0.2)
PRZ	0.7	0.2	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.3
Carrying Charges	—	—	—	—	—	—	—	—	—	—	0.2
Total Proposed for Disposition	0.7	0.2	—	(0.1)	(0.1)	(0.1)	(0.1)	—	—	—	0.5
ERZ	0.2	—	—	—	(0.1)	—	(0.1)	—	—	—	(0.1)
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	0.2	—	—	—	(0.1)	—	(0.1)	—	—	—	(0.1)
GRZ	—	—	—	—	—	0.2	—	0.1	0.1	0.1	0.5
Carrying Charges	—	—	—	—	—	—	—	—	—	—	0.1
Total Proposed for Disposition	—	—	—	—	—	0.2	—	0.1	0.1	0.1	0.6
Alectra Total - Principal Balance	1.3	0.3	—	(0.2)	(0.2)	—	(0.4)	(0.1)	(0.1)	(0.1)	0.5
Alectra Total - Carrying Charges	—	—	—	—	—	—	0.1	—	—	—	0.3
Alectra Total	1.3	0.3	—	(0.2)	(0.2)	—	(0.3)	(0.1)	(0.1)	(0.1)	0.8

- 1 Table 9-3-46 provides the details of the actual and forecasted balances included in Account
- 2 1548, by rate zone. The forecasted amounts have been held consistent with the 2024 actual
- 3 amounts.

1 **Table 9-3-46: Retail Cost Variance Accounts - Account 1548 RCVA STR (\$MM)**

		Actual							Forecast		
	2017 Closing Balance	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
HRZ	—	—	—	—	—	—	—	—	—	—	—
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	—	—	—	—	—	—	—	—	—	—	—
BRZ	—	—	—	—	—	—	—	—	—	—	—
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	—	—	—	—	—	—	—	—	—	—	—
PRZ	—	—	—	—	—	—	—	—	—	—	—
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	—	—	—	—	—	—	—	—	—	—	—
ERZ	0.3	—	—	—	—	—	—	—	—	—	0.3
Carrying Charges	—	—	—	—	—	—	—	—	—	—	0.1
Total Proposed for Disposition	0.3	—	—	—	—	—	—	—	—	—	0.4
GRZ	0.1	—	—	—	—	(0.3)	—	—	—	—	—
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	0.1	—	—	—	—	(0.3)	—	—	—	—	—
Alectra Total - Principal Balance	0.4	0.1	—	—	—	(0.3)	—	—	—	—	0.3
Alectra Total - Carrying Charges	—	—	—	—	—	—	—	—	—	—	0.1
Alectra Total	0.4	0.1	0.1	—	—	(0.3)	—	—	—	—	0.4

2
3 In accordance with the OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate*
4 *Applications - 2025 Edition for 2026 Rate Applications*, Table 9-3-47 below provides the

1 revenues and expenses that are incorporated into the variances reported in Account 1518 and
2 Account 1548.

3 The revenues in Account 1518 are related to the amount billed to provide retail services and are
4 reflected in Account 4082 Retail Services Revenues. The revenues in Account 1548 are related
5 to the amount billed for Service Transaction Requests (STR) and are reflected in Account 4084
6 Service Transaction Requests Revenues. The costs recorded in Account 1518 and Account
7 1548 are based on the total incremental labour (recorded in 5315 Customer Billing, 5320
8 Collecting, and 5610 Management Salaries) and third party vendor costs of \$0.10 per retailer
9 customer (recorded in 5065 Meter Expense) for providing retail services and processing
10 services for STR. The total costs are allocated between Account 1518 and Account 1548 based
11 on the historical balances of Accounts 4082 and 4084.

12 Table 9-3-47 provides the difference between the retail service revenue and cost from 2016 to
13 2026 by USoA.

1 **Table 9-3-47: Account 1518/1548 Retail Cost Variance - Alectra Utilities (\$MM)**

USoA		2016 Closing Balance	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Revenue 4082	A	2.2	0.5	0.3	0.5	0.6	0.5	0.5	0.4	0.4	0.4	0.4	6.6
Cost 5315		2.9	0.9	0.6	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	6.2
Cost 5320		—	—	—	—	—	—	—	—	—	—	—	—
Cost 5610		—	—	—	—	—	—	0.1	0.1	0.1	0.1	0.1	0.4
Cost 5065		0.1	0.1	0.1	—	—	—	—	—	—	—	—	0.5
Total Cost Reported in 1518	B	3.0	1.0	0.7	0.4	0.3	0.3	0.2	0.3	0.3	0.3	0.3	7.1
Difference Reported in 1518	C=B-A	0.9	0.5	0.3	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	0.5
Revenue 4084	D	—	—	—	—	—	—	—	—	—	—	—	0.1
Cost 5315		0.3	—	—	—	—	—	—	—	—	—	—	0.4
Cost 5320		—	—	—	—	—	—	—	—	—	—	—	—
Cost 5610		—	—	—	—	—	—	—	—	—	—	—	—
Total Cost Reported in 1548	E	0.3	—	—	—	—	—	—	—	—	—	—	0.4
Difference Reported in 1548	F=E-D	0.2	—	—	—	—	—	—	—	—	—	—	0.3
Total Difference	G=C+F	1.1	0.5	0.4	(0.1)	(0.2)	(0.3)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	0.8

2
3 Tables 9-3-48 through 9-3-52 outline the difference between the retail service revenue and cost
4 by USoA for each rate zone.

5 **Horizon RZ**

6 The OEB approved the disposition of accounts 1518 and 1548, including balances as of
7 December 31, 2013, plus forecast interest to December 31, 2014, in EB-2014-0002, Horizon
8 Utilities Corporation, 2015–2019 Custom IR Application, Draft Rate Order, December 18, 2014.
9 The amount proposed for disposition for the Horizon RZ by USoA is identified in Table 9-3-48,
10 below.

1 **Table 9-3-48: Account 1518/1548 Retail Cost Variance - Horizon RZ (\$MM)**

USoA		2016 Closing Balance	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Revenue 4082	A	0.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.7
Cost 5315		0.8	0.2	0.2	0.1	0.1	—	—	—	—	—	—	1.5
Cost 5320			—	—	—	—	—	—	—	—	—	—	—
Cost 5610			—	—	—	—	—	—	—	—	—	—	0.1
Cost 5065			—	—	—	—	—	—	—	—	—	—	0.1
Total Cost Reported in 1518	B	0.8	0.2	0.2	0.1	0.1	0.1	—	0.1	0.1	0.1	0.1	1.7
Difference Reported in 1518	C=B-A	0.2	0.1	0.1	—	(0.1)	(0.1)	(0.1)	—	—	—	—	—
Revenue 4084	D	—	—	—	—	—	—	—	—	—	—	—	—
Cost 5315			—	—	—	—	—	—	—	—	—	—	—
Cost 5320			—	—	—	—	—	—	—	—	—	—	—
Cost 5610			—	—	—	—	—	—	—	—	—	—	—
Total Cost Reported in 1548	E	—	—	—	—	—	—	—	—	—	—	—	—
Difference Reported in 1548	F=E-D	—	—	—	—	—	—	—	—	—	—	—	—
Total Difference	G=C+F	0.2	0.1	0.1	—	(0.1)	(0.1)	(0.1)	—	—	—	—	—

3 **Brampton RZ**

4 The OEB approved the disposition of accounts 1518 and 1548, including balances as of
5 December 31, 2013, plus forecast interest to December 31, 2014, in EB-2014-0083, Hydro One
6 Brampton Networks Inc. 2015 Cost of Service Application, Draft Rate Order, January 12, 2015.
7 The amount proposed for disposition for the Brampton RZ by USoA is identified in Table 9-3-49,
8 below.

1 **Table 9-3-49: Account 1518/1548 Retail Cost Variance - Brampton RZ (\$MM)**

USoA		2016 Closing Balance	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Revenue 4082	A	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.1
Cost 5315		0.4	0.1	—	0.1	—	—	—	—	—	—	—	0.9
Cost 5320			—	—	—	—	—	—	—	—	—	—	—
Cost 5610			—	—	—	—	—	—	—	—	—	—	0.1
Cost 5065			—	—	—	—	—	—	—	—	—	—	0.1
Total Cost Reported in 1518	B	0.4	0.2	0.1	0.1	—	—	—	—	—	—	—	1.0
Difference Reported in 1518	C=B-A	—	0.1	—	—	—	—	—	—	—	—	—	(0.1)
Revenue 4084	D	—	—	—	—	—	—	—	—	—	—	—	—
Cost 5315		—	—	—	—	—	—	—	—	—	—	—	—
Cost 5320			—	—	—	—	—	—	—	—	—	—	—
Cost 5610			—	—	—	—	—	—	—	—	—	—	—
Total Cost Reported in 1548	E	—	—	—	—	—	—	—	—	—	—	—	—
Difference Reported in 1548	F=E-D	—	—	—	—	—	—	—	—	—	—	—	—
Total Difference	G=C+F	—	0.1	—	—	—	—	—	—	—	—	—	(0.1)

3 **PowerStream RZ**

4 The OEB approved the disposition of accounts 1518 and 1548, including balances as of
5 December 31, 2014, plus forecast interest to April 30, 2016, in EB-2015-0003, PowerStream
6 Inc. 2016–2020 Custom IR Application, Draft Rate Order Revision, September 12, 2016. The
7 amount proposed for disposition for the PowerStream by USoA RZ is identified in Table 9-3-50,
8 below.

1 **Table 9-3-50: Account 1518/1548 Retail Cost Variance - PowerStream RZ (\$MM)**

USoA		2016 Closing Balance	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Revenue 4082	A	0.4	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1.8
Cost 5315		0.7	0.4	0.3	0.1	0.1	—	—	—	—	—	—	1.8
Cost 5320			—	—	—	—	—	—	—	—	—	—	—
Cost 5610			—	—	—	—	—	—	—	—	—	—	0.1
Cost 5065		0.1	—	—	—	—	—	—	—	—	—	—	0.2
Total Cost Reported in 1518	B	0.8	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.1
Difference Reported in 1518	C=B-A	0.4	0.3	0.2	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.3
Revenue 4084	D		—	—	—	—	—	—	—	—	—	—	—
Cost 5315			—	—	—	—	—	—	—	—	—	—	—
Cost 5320			—	—	—	—	—	—	—	—	—	—	—
Cost 5610			—	—	—	—	—	—	—	—	—	—	—
Total Cost Reported in 1548	E	—	—	—	—	—	—	—	—	—	—	—	—
Difference Reported in 1548	F=E-D	—	—	—	—	—	—	—	—	—	—	—	—
Total Difference	G=C+F	0.4	0.3	0.2	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.3

3 **Enersource RZ**

4 The OEB approved the disposition of accounts 1518 and 1548, including balances as of
5 December 31, 2011, plus forecast interest to December 31, 2012 in EB-2012-0033, Enersource
6 Hydro Mississauga Inc., 2013 Cost of Service.Application, Decision and Order Rates, December
7 13, 2012. The amount proposed for disposition for the Enersource RZ by USoA is identified in
8 Table 9-3-51, below.

1 **Table 9-3-51: Account 1518/1548 Retail Cost Variance - Enersource RZ (\$MM)**

USoA		2016 Closing Balance	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Revenue 4082	A	0.7	0.1	—	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.5
Cost 5315		0.9	0.1	—	0.1	0.1	—	—	—	—	—	—	1.2
Cost 5320			—	—	—	—	—	—	—	—	—	—	—
Cost 5610			—	—	—	—	—	—	—	—	—	—	0.1
Cost 5065			—	—	—	—	—	—	—	—	—	—	0.1
Total Cost Reported in 1518	B	0.9	0.1	—	0.1	0.1	—	—	—	—	—	—	1.3
Difference Reported in 1518	C=B-A	0.2	—	—	—	(0.1)	(0.1)	(0.1)	—	—	—	—	(0.2)
Revenue 4084	D	—	—	—	—	—	—	—	—	—	—	—	—
Cost 5315		0.3	—	—	—	—	—	—	—	—	—	—	0.3
Cost 5320			—	—	—	—	—	—	—	—	—	—	—
Cost 5610			—	—	—	—	—	—	—	—	—	—	—
Total Cost Reported in 1548	E	0.3	—	—	—	—	—	—	—	—	—	—	0.3
Difference Reported in 1548	F=E-D	0.2	—	—	—	—	—	—	—	—	—	—	0.3
Total Difference	G=C+F	0.4	—	—	—	(0.1)	(0.1)	(0.1)	—	—	—	—	0.1

2

3 **Guelph Hydro RZ**

4 The OEB approved the disposition of accounts 1518 and 1548, including balances as of
5 December 31, 2014, plus forecast interest to April 30, 2016, in EB-2015-0073, Guelph Hydro
6 Electric Systems Inc., 2016 Cost of Service Application, Settlement Proposal, November 11,
7 2015. The amount proposed for disposition for the Guelph Hydro RZ by USoA is identified in
8 Table 9-3-52, below.

1 Table 9-3-52: Account 1518/1548 Retail Cost Variance - Guelph Hydro RZ (\$MM)

USoA		2016 Closing Balance	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Revenue 4082	A	0.1	—	—	—	—	—	—	—	—	—	—	0.4
Cost 5315		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.9
Cost 5320			—	—	—	—	—	—	—	—	—	—	—
Cost 5610			—	—	—	—	—	—	—	—	—	—	—
Cost 5065			—	—	—	—	—	—	—	—	—	—	—
Total Cost Reported in 1518	B	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.9
Difference Reported in 1518	C=B-A	0.1	—	0.1	—	—	—	—	—	0.1	0.1	0.1	0.5
Revenue 4084	D	—	—	—	—	—	—	—	—	—	—	—	—
Cost 5315		—	—	—	—	—	—	—	—	—	—	—	—
Cost 5320			—	—	—	—	—	—	—	—	—	—	—
Cost 5610			—	—	—	—	—	—	—	—	—	—	—
Total Cost Reported in 1548	E	—	—	—	—	—	—	—	—	—	—	—	—
Difference Reported in 1548	F=E-D	—	—	—	—	—	—	—	—	—	—	—	—
Total Difference	G=C+F	0.1	—	0.1	—	—	—	—	—	0.1	0.1	0.1	0.5

2

4.2.17. Account 1522 - Pension and OPEB Forecast Accrual versus Actual Cash

Payments Differential Carrying Charges

The OEB approved the recovery of OPEB costs for legacy Horizon, Brampton, PowerStream, and Enersource on an accrual basis. In accordance with the OEB's *Report on the Regulatory Treatment of Pension and OPEB Costs* issued on September 14, 2017, Account 1522 was established to track the difference between the forecast accrual amounts recovered in rates and the actual cash payments for OPEB costs. Carrying charges recorded in the account are based on the cumulative differential credit balance (i.e., the balance when the cumulative forecast accrual amount exceeds the cumulative cash payments).

Alectra Utilities proposes the clearance of a \$2.0MM credit balance in this account by means of rate zone-specific rate riders, effective January 1, 2027 to December 31, 2027. Alectra Utilities proposes to discontinue this account as it does not anticipate the annual balances remaining material in the future.

Table 9-3-53 below provides the details of the actual and forecasted balances, by rate zone. The forecasted amounts have been held consistent with the 2024 actual amounts.

1 **Table 9-3-53: Pension and OPEB Forecast Accrual versus Actual Cash Payments**
2 **Differential Tracking Account (\$MM)**

	Actual					Forecast					Total
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
HRZ	—	—	—	—	—	—	—	—	—	—	—
Carrying Charges	—	—	—	—	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)
Total Proposed for Disposition	—	—	—	—	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)
BRZ	—	—	—	—	—	—	—	—	—	—	—
Carrying Charges	—	—	—	—	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)
Total Proposed for Disposition	—	—	—	—	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)
PRZ	—	—	—	—	—	—	—	—	—	—	—
Carrying Charges	—	—	—	—	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)
Total Proposed for Disposition	—	—	—	—	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)
ERZ	—	(0.1)	0.1	—	—	—	—	—	—	—	—
Carrying Charges	—	—	—	—	—	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
Total Proposed for Disposition	—	(0.1)	0.1	—	—	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
GRZ	—	—	—	—	—	—	—	—	—	—	—
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	—	—	—	—	—	—	—	—	—	—	—
Alectra Total - Principal Balance	—	(0.1)	0.1	—	—	—	—	—	—	—	—
Alectra Total - Carrying Charges	—	—	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)	(0.4)	(0.4)	(0.4)	(2.0)
Alectra Total	—	(0.1)	—	(0.1)	(0.1)	(0.2)	(0.3)	(0.4)	(0.4)	(0.4)	(2.0)

4.2.18. Account 1531 Renewable Connection Capital Deferral Account

According to the OEB APH, Account 1531 records the capital deferral related to the investments associated with expansions to connect renewable generation facilities and renewable enabling improvements.

Account 1531 captures the ERZ's investments associated with renewable enabling improvements to connect renewable generation facilities. ERZ has not requested the disposition of this account in past proceedings. Alectra Utilities proposes the clearance of a \$0.5MM debit balance in Account 1531 by removing the balance from the deferral account and adding it to the fixed assets.

Alectra Utilities does not intend to request renewable generation connection rate protection in the 2027-2031 rate term and proposes to discontinue this account.

4.2.19. 1532 Renewable Connection OM&A Deferral Account

According to the OEB APH, Account 1532 captures incremental operating, maintenance, amortization and administrative expenses directly related to expansions to connect renewable generation facilities, and renewable enabling improvements.

Alectra Utilities proposes the clearance of a \$1.6MM debit balance in 1532. Account 1532 captures the incremental operating, maintenance, amortization and administrative expenses directly related to renewable enabling improvements for ERZ incurred from 2010 to 2019. ERZ has not requested the disposition of this account in past proceedings. In accordance with the OEB APH Guidance, March 2015, Question 8, page 8, the Direct Benefits portion (6%) of the balance in Account 1532, amounting to \$0.1M, has been included in the DVA Continuity Schedule. This amount is to be disposed of by means of rate zone-specific rate riders for ERZ, effective January 1, 2027 to December 31, 2027.

Alectra Utilities does not intend to request renewable generation connection rate protection in the 2027-2031 rate term and proposes to discontinue this account.

4.2.20. Account 1533 Renewable Generation Connection Funding Adder Deferral Account

According to the OEB APH, Account 1533 captures the variance between the distributor's revenue requirement associated with the actual capital and operating costs that are eligible for rate protection, as incurred by the distributor for eligible renewable enabling and expansion investments and the provincial rate protection payments collected from the IESO.

Alectra Utilities proposes the clearance of a \$0.3MM credit balance in 1533 by means of rate zone-specific rate riders for HRZ, PRZ and ERZ, effective January 1, 2027 to December 31, 2027. Alectra Utilities uses this account to record the net of the annual revenue requirement impact on an actual basis applicable to in-service capital assets, depreciation and incurred OM&A expenses, and the provincial rate protection payments received from the IESO. PRZ and ERZ have not requested the disposition of this account in past proceedings. For HRZ, The OEB approved the disposition of Account 1533, including balances as of December 31, 2013, plus forecast interest to December 31, 2014, in EB-2014-0002, Horizon Utilities Corporation, 2015–2019 Custom IR Application, Draft Rate Order, December 18, 2014. No carrying charges are recorded on this account. Alectra Utilities proposes to discontinue this account after the disposition of the proposed balance.

Table 9-3-54 below provides the details of the actual and forecasted balances by each rate zone.

1 **Table 9-3-54: Account 1533 Renewable Generation Connection Funding Adder Deferral**
2 **Account (\$MM)**

		Actual						Forecast			
	2017 Closing Balance	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
HRZ	(0.2)	—	—	0.1	—	—	—	—	—	—	(0.1)
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	(0.2)	—	—	0.1	—	—	—	—	—	—	(0.1)
PRZ	—	—	—	—	—	—	—	—	—	—	(0.2)
Carrying Charges	—	—	—	—	—	—	—	—	—	—	—
Total Proposed for Disposition	—	—	—	—	—	—	—	—	—	—	(0.2)
ERZ	(0.4)	(0.1)	—	—	0.6	—	—	—	—	—	—
Carrying Charges	—	—	—	—	—	—	(0.1)	0.1	—	—	—
Total Proposed for Disposition	(0.5)	(0.1)	(0.1)	—	0.6	—	(0.1)	0.1	—	—	—
Alectra Total - Principal Balance	(0.5)	(0.2)	(0.1)	0.1	0.5	—	—	(0.2)	—	—	(0.3)
Alectra Total - Carrying Charges	—	—	—	(0.1)	—	—	(0.1)	0.2	—	—	—
Alectra Total	(0.5)	(0.2)	(0.1)	—	0.6	—	(0.1)	—	—	—	(0.3)

4.2.21. Account 1535 Smart Grid OM&A Deferral Account

According to the OEB APH, Account 1535 captures operating, maintenance, amortization and administrative expenses directly related to the smart grid development activities.

The OEB approved the disposition of legacy PowerStream's Account 1535 balances as of December 31, 2014 as part of the deferral and variance account balances disposed of in EB-2015-0003, PowerStream Inc. 2016–2020 Custom IR Application, Draft Rate Order Revision, September 12, 2016. The current balance in this account captures the operating, maintenance, amortization and administrative expenses incurred from 2015 to 2016 related to the legacy PowerStream's smart grid development activities.

Alectra Utilities proposes the clearance of a \$3.4MM debit balance in this account by means of rate zone-specific rate riders for the PRZ, effective January 1, 2027 to December 31, 2027. Alectra Utilities proposes the account to be discontinued in accordance with the OEB APH, which requires that existing deferral accounts for smart grid development be closed following the approval of a rate order that is underpinned by a distributor's first consolidated Distribution System Plan.

Table 9-3-55 below summarizes the costs incurred from 2015 to 2016 for the legacy PowerStream's smart grid projects, categorized by smart grid technology.

Table 9-3-55: Account 1535 Smart Grid OM&A Deferral Account by categories (\$MM)

Technologies	2015	2016	Total Balance
Operations Technologies	0.3	0.0	0.3
Storage Technologies	0.0	0.1	0.1
Electric Vehicle Technologies	0.1	0.0	0.1
Home Technologies	1.6	0.6	2.2
Total Principal Balance	2.1	0.6	2.7
Carrying Charges			0.7
Total Balance			3.4

4.2.22. Account 1536 Smart Grid Funding Adder Deferral Account

According to the OEB APH, Account 1536 records the revenue collected through a funding adder approved by the OEB related to smart grid development.

Legacy PowerStream received approval for a Rate Rider for Smart Grid True-up Variance Account (2014 balance) over a 12-month period, October 2016 to September 2017 (EB-2015-0003, PowerStream Inc. 2016–2020 Custom IR Application, Decision and Rate Order, November 10, 2016). Account 1536 was used to record the revenue collected through a rate rider approved by the OEB related to smart grid development.

Alectra Utilities proposes the clearance of a \$0.003MM credit balance in this account by means of rate zone-specific rate riders for the PRZ, effective January 1, 2027 to December 31, 2027. The balance is related a residual amount from legacy PowerStream's Rate Rider for Disposition of Smart Grid True-up Variance Account (2014 Balance). Alectra Utilities proposes to discontinue this account after the disposition of the proposed balance.

4.2.23. Account 1555 Smart Meter Capital and Recovery Offset Variance Account, Sub-account Stranded Meter Costs

Alectra Utilities proposes the clearance of a \$0.1MM debit balance in this account by means of rate zone-specific rate riders for HRZ, PRZ, and ERZ effective January 1, 2027 to December 31, 2027. The balance in this account is the residual amount of the legacy Rate Riders for recovery of Stranded Meter Assets and approved stranded meter costs carrying charges. For HRZ, the OEB approved the disposition of this account in EB-2014-0002, Horizon Utilities Corporation, 2015–2019 Custom IR Application. For PRZ, the OEB approved the disposition of this account in EB-2015-0003, PowerStream Inc. 2016–2020 Custom IR Application. For ERZ, the OEB approved the disposition of this account in EB-2012-0033, Enersource Hydro Mississauga Inc., 2013 Cost of Service.Application. Alectra Utilities proposes the clearance of the balance in this account by means of class-specific rate riders effective January 1, 2027 to December 31, 2027. Alectra Utilities proposes to discontinue this account.

Table 9-3-56 below provides the details of the actual and forecasted balances by each rate zone.

1 **Table 9-3-56: Account 1555 Smart Meter Capital and Recovery Offset Variance Account,**
2 **Sub-account Stranded Meter Costs (\$MM)**

	2017 Closing Balance	Actual						Forecast			Total
	2018	2019	2020	2021	2022	2023	2024	2025	2026		
HRZ	0.02	—	—	—	—	—	—	—	—	—	0.02
Carrying Charges	0.14	—	—	—	—	—	—	—	—	—	0.15
Total Proposed for Disposition	0.16	—	—	—	—	—	—	—	—	—	0.16
PRZ	(0.03)	(0.24)	—	—	—	—	—	—	—	—	(0.27)
Carrying Charges	0.20	—	(0.01)	—	—	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	0.13
Total Proposed for Disposition	0.16	(0.25)	(0.01)	—	—	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.14)
ERZ	0.36	0.02	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	0.03
Carrying Charges	0.07	0.01	—	—	—	—	—	—	—	—	0.07
Total Proposed for Disposition	0.42	0.03	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	0.10
Alectra Total - Principal Balance	0.34	(0.22)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.23)
Alectra Total - Carrying Charges	0.41	—	(0.01)	—	—	—	(0.01)	(0.01)	(0.01)	(0.01)	0.35
Alectra Total	0.75	(0.22)	(0.05)	(0.05)	(0.05)	(0.05)	(0.06)	(0.06)	(0.05)	(0.05)	0.12

4.2.24. Account 1557 Meter Cost Deferral Account

On May 21, 2014, the OEB issued amendments to Section 5.1.3 of the DSC, which required distributors to install a Metering Inside Settlement Time (MIST) meter on any existing customer facilities, where the customer had a monthly average peak demand during a calendar year of over 50 kW, by no later than August 21, 2020. On July 23, 2020, the OEB issued a Decision and Order (EB-2020-0187) amending the licenses of all electricity distributors to extend the deadline for compliance to March 31, 2021, as a result of operational challenges related to the COVID-19 emergency. Alectra Utilities subsequently requested a further extension and was granted approval for an extension to December 31, 2021, for four of its rate zones (i.e., HRZ, BRZ, PRZ, and ERZ) and to July 30, 2022, for the GRZ. On May 12, 2022, the OEB granted Alectra Utilities' request for a further extension to December 31, 2022 for all rate zones, except for the GRZ, which was extended to July 31, 2023 (EB-2022-0090, Alectra Utilities Corporation, Application for Electricity Distribution Licence Amendment, May 12, 2022). Alectra Utilities successfully completed the MIST project for all rate zones in 2023.

Following the amendments to the DSC described above, the OEB established Account 1557 Meter Cost Deferral Account to track the incremental capital and OM&A costs outside of the established rates, associated with MIST meter requirements. Alectra Utilities proposes the clearance of a \$11.4MM debit balance in this account, representing the revenue requirement, calculated based on the incremental costs recorded in this account, by means of rate zone-specific rate riders for BRZ, ERZ, PRZ, and GRZ, effective January 1, 2027 to December 31, 2027. These rate zones have not requested the disposition of this account in past proceedings.

To support the calculation of the revenue requirement, Alectra Utilities has provided the revenue requirement models for the applicable rate zones as Attachments 9-11 through 9-14 to this Exhibit. Alectra Utilities proposes to discontinue this account after the disposition of the proposed balance.

Table 9-3-57 provides the revenue requirement included in this account for each rate zone.

1 **Table 9-3-57: Account 1557 Meter Cost Deferral Account (\$MM) - Revenue Requirement**

		Actual						Forecast			
	2017 Closing Balance	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
BRZ	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	1.3
Carrying Charges											0.0
Total Proposed for Disposition	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	1.3
PRZ	0.4	0.3	0.3	0.3	0.5	0.8	0.8	0.8	0.8	0.8	5.9
Carrying Charges											0.0
Total Proposed for Disposition	0.4	0.3	0.3	0.3	0.5	0.8	0.8	0.8	0.8	0.8	5.9
ERZ	0.7	0.3	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	3.8
Carrying Charges											0.0
Total Proposed for Disposition	0.7	0.3	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	3.8
GRZ	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.4
Carrying Charges											0.0
Total Proposed for Disposition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.4
Alectra Total - Principal Balance	1.2	0.6	0.7	0.8	1.2	1.4	1.4	1.4	1.4	1.3	11.4
Alectra Total - Carrying Charges											
Alectra Total	1.2	0.6	0.7	0.8	1.2	1.4	1.4	1.4	1.4	1.3	11.4

2

3 Table 9-3-58 below provides a breakdown of the total incremental costs for MIST Project.

1 **Table 9-3-58: Account 1557 Incremental Capital and OM&A - Alectra Utilities (\$MM)**

	BRZ	ERZ	PRZ	GRZ	Total
Incremental Capital	1.4	3.0	9.0	0.4	13.8
OM&A	0.0	0.0	0.1	0.0	0.1
Net Book Value of Stranded Meters	0.0	0.1	0.0	0.1	0.2
2 Total Costs Recorded in 1557 (Principal Balance)	1.4	3.1	9.1	0.4	14.1

Attachment 9-11

MIST Meter Revenue Requirement BRZ

Please see live Excel version

Attachment 9-12

MIST Meter Revenue Requirement PRZ

Please see live Excel version

Attachment 9-13

MIST Meter Revenue Requirement ERZ

Please see live Excel version

Attachment 9-14

MIST Meter Revenue Requirement GRZ

Please see live Excel version

**4.2.25. Account 1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account
- PILs and Tax Variances CCA Changes**

The OEB requires utilities to record the impact of any differences that result from a legislative or regulatory change to the tax rates or rules that are not incorporated in the distributor's rates. On June 21, 2019, Bill C-97, *the Budget Implementation Act, 2019, No. 1*, was given Royal Assent, which introduced the Accelerated Investment Incentive (AII) program. This program provides for a first-year increase in capital cost allowance (CCA) deductions on eligible capital assets acquired after November 20, 2018 and made available for use before 2028. All phases out for eligible capital assets acquired during 2025 to 2027 and is completely eliminated for acquisitions in 2028 and onwards. On June 23, 2022, Bill C-19, *Budget Implementation Act, 2022, No. 1*, was given Royal Assent. Bill C-19 implements new CCA immediate expensing rules, up to a maximum of \$1.5MM, on eligible capital assets acquired after April 19, 2021, and available for use before January 1, 2024. Alectra Utilities has followed the OEB's *Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance* issued on July 25, 2019 to record the revenue requirement impact of any changes in CCA rules that are not reflected in base rates. Alectra Utilities uses the Approved Additions Method to calculate the revenue requirement impact and records the full revenue requirement impact of any changes in CCA rules. The accelerated CCA impact related to the OEB approved ICM projects has also been included in this account. Consequently, the CCA impact has been excluded from Account 1508 Incremental Capital Expenditures.

Alectra Utilities proposes the clearance of a \$42.9MM credit balance in this account by means of rate zone-specific rate riders, effective January 1, 2027 to December 31, 2027.

Table 9-3-59 below provides the details of the actual and forecasted balances included in this account for each rate zone. The forecasted amounts are calculated using the same Approved Additions methodology that has been used for the 2019 to 2024 amounts recorded in 1592.

1 **Table 9-3-59: Account 1592 PILs and Tax Variance (\$MM)**

	Actual					Forecast			Total
	2019	2020	2021	2022	2023	2024	2025	2026	
HRZ	(1.9)	(1.5)	(1.3)	(1.4)	(1.2)	0.1	—	(0.1)	(7.3)
Carrying Charges	—	—	—	(0.1)	(0.3)	(0.4)	(0.2)	(0.2)	(1.3)
Total Proposed for Disposition	(1.9)	(1.5)	(1.3)	(1.5)	(1.5)	(0.3)	(0.3)	(0.3)	(8.7)
BRZ	(1.1)	(0.9)	(0.9)	(0.8)	(0.7)	—	—	—	(4.5)
Carrying Charges	—	—	—	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)	(0.8)
Total Proposed for Disposition	(1.1)	(0.9)	(0.9)	(0.9)	(0.9)	(0.2)	(0.2)	(0.2)	(5.3)
PRZ	(3.2)	(2.8)	(2.9)	(3.2)	(2.9)	(0.1)	(0.3)	(0.4)	(15.6)
Carrying Charges	—	(0.1)	—	(0.2)	(0.7)	(0.8)	(0.5)	(0.4)	(2.7)
Total Proposed for Disposition	(3.2)	(2.9)	(2.9)	(3.4)	(3.5)	(0.8)	(0.8)	(0.8)	(18.3)
ERZ	(2.3)	(1.3)	(1.2)	(1.4)	(1.1)	—	—	(0.1)	(7.3)
Carrying Charges	—	—	—	(0.1)	(0.3)	(0.4)	(0.2)	(0.2)	(1.3)
Total Proposed for Disposition	(2.3)	(1.4)	(1.2)	(1.5)	(1.4)	(0.4)	(0.3)	(0.3)	(8.7)
GRZ	(0.5)	(0.4)	(0.3)	(0.3)	(0.3)	—	—	—	(1.7)
Carrying Charges	—	—	—	—	(0.1)	(0.1)	(0.1)	—	(0.3)
Total Proposed for Disposition	(0.5)	(0.4)	(0.3)	(0.3)	(0.3)	—	—	(0.1)	(2.0)
Alectra Total - Principal Balance	(9.0)	(6.9)	(6.6)	(7.0)	(6.1)	0.1	(0.4)	(0.6)	(36.4)
Alectra Total - Carrying Charges	(0.1)	(0.2)	(0.1)	(0.5)	(1.6)	(1.8)	(1.1)	(1.1)	(6.5)
Alectra Total	(9.1)	(7.1)	(6.7)	(7.5)	(7.7)	(1.8)	(1.5)	(1.6)	(42.9)

2

3 Table 9-3-60 below provides the revenue requirement impact recorded in account 1592 by
4 various tax rule changes.

1 **Table 9-3-60: Account 1592 PILs and Tax Variance - Alectra Utilities Tax Variance (\$MM)**

	2019	2020	2021	2022	2023	2024	2025	2026	Total
Bill-C97 All	(8.5)	(7.0)	(6.5)	(6.3)	(5.8)	(0.2)	(0.6)	(0.8)	(35.7)
Bill-C19 All immediate expensing rules	0.0	0.0	0.0	(0.8)	(0.3)	0.2	0.2	0.2	(0.5)
All related to ICM projects	(0.5)	0.1	(0.1)	0.0	0.0	0.1	0.0	0.0	(0.3)
2 Total	(9.0)	(6.9)	(6.6)	(7.0)	(6.1)	0.1	(0.4)	(0.6)	(36.4)

3 Tables 9-3-61 through 9-3-65 outline the revenue requirement impact recorded in account 1592
4 by various tax rule changes for each rate zone.

5 **Table 9-3-61: Account 1592 PILs and Tax Variance - HRZ (\$MM)**

	2019	2020	2021	2022	2023	2024	2025	2026	Total
Bill-C97 All	(1.9)	(1.5)	(1.3)	(1.2)	(1.1)	0.0	(0.1)	(0.1)	(7.2)
Bill-C19 All immediate expensing rules	0.0	0.0	0.0	(0.2)	(0.1)	0.0	0.0	0.0	(0.1)
All related to ICM projects	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6 Total	(1.9)	(1.5)	(1.3)	(1.4)	(1.2)	0.1	0.0	(0.1)	(7.3)

1 **Table 9-3-62: Account 1592 PILs and Tax Variance - BRZ (\$MM)**

	2019	2020	2021	2022	2023	2024	2025	2026	Total
Bill-C97 All	(1.1)	(0.9)	(0.8)	(0.7)	(0.7)	0.0	0.0	(0.1)	(4.4)
Bill-C19 All immediate expensing rules	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
All related to ICM projects	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	(0.1)
Total	(1.1)	(0.9)	(0.9)	(0.8)	(0.7)	0.0	0.0	0.0	(4.5)

3 **Table 9-3-63: Account 1592 PILs and Tax Variance - PRZ (\$MM)**

	2019	2020	2021	2022	2023	2024	2025	2026	Total
Bill-C97 All	(2.8)	(2.9)	(2.9)	(3.0)	(2.8)	(0.2)	(0.4)	(0.4)	(15.4)
Bill-C19 All immediate expensing rules	0.0	0.0	0.0	(0.2)	(0.1)	0.1	0.0	0.0	(0.1)
All related to ICM projects	(0.4)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)
Total	(3.2)	(2.8)	(2.9)	(3.2)	(2.9)	(0.1)	(0.3)	(0.4)	(15.6)

5 **Table 9-3-64: Account 1592 PILs and Tax Variance - ERZ (\$MM)**

	2019	2020	2021	2022	2023	2024	2025	2026	Total
Bill-C97 All	(2.2)	(1.3)	(1.2)	(1.1)	(1.0)	0.0	(0.1)	(0.1)	(7.1)
Bill-C19 All immediate expensing rules	0.0	0.0	0.0	(0.3)	(0.1)	0.0	0.1	0.1	(0.2)
All related to ICM projects	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	(2.3)	(1.3)	(1.2)	(1.4)	(1.1)	0.0	0.0	(0.1)	(7.3)

1 **Table 9-3-65: Account 1592 PILs and Tax Variance - GRZ (\$MM)**

	2019	2020	2021	2022	2023	2024	2025	2026	Total
Bill-C97 All	(0.5)	(0.4)	(0.3)	(0.3)	(0.2)	0.0	0.0	0.0	(1.6)
Bill-C19 All immediate expensing rules	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
All related to ICM projects	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0			
Total	(0.5)	(0.4)	(0.3)	(0.3)	(0.3)	0.0	0.0	0.0	(1.7)

2

3 Alectra Utilities has submitted the calculations for accelerated CCA differences per year as

4 Attachment 9-15 and Attachment 9-16 to this Exhibit. The calculations include the undepreciated

5 capital cost continuity schedules for each year itemized by CCA class, the calculated PILs

6 differences and the grossed-up PILs differences.

Attachment 9-15

Accelerated CCA Differences (Bill C-97)

Please see live Excel version

Attachment 9-16

Accelerated CCA Differences (Bill C-19)

Please see live Excel version

5. DVA NOT PROPOSED FOR DISPOSITION

5.1. Account 1508 Sub-account - Earnings Sharing Mechanism (Year 9 and 10 of Deferred Rebasing Period)

The OEB requires consolidating entities that propose to defer rebasing beyond five years to implement an earnings sharing mechanism (ESM) for the period beyond five years, whereby excess earnings are shared with consumers on a 50:50 basis for all earnings that are more than 300 basis points above the consolidated entity's annual ROE. The ESM is designed to protect customers and ensure that they share in any increased benefits from consolidation during the deferred rebasing period. On December 12, 2019, the OEB issued a Partial Decision and Interim Order for Alectra Utilities 2020 Price Cap IR Application (EB-2019-0018, Alectra Utilities Corporation, 2020 Electricity Distribution Rates, Partial Decision and Order, December 12, 2019, page 43), approving Alectra Utilities' ESM proposal. The proposal included a new variance account to track the ratepayer's share of excess earnings.

Alectra Utilities has not triggered the ESM in years 6-8 of the rebasing deferral period (2022-2024) and, therefore, as at December 31, 2024 there was no balance in this account.

Alectra Utilities proposes to discontinue this ESM DVA and proposes a new Earnings Sharing Mechanism Variance Account, as outlined in Exhibit 9, Tab 8.

5.2. Account 1508 Sub-account - Advantage Power Pricing Deferral Account

On July 18, 2016, the OEB issued the *Regulated Price Plan Roadmap: Guideline for Pilot Projects on RPP Pricing* (Guideline). With the release of the Guideline, the OEB invited distributors to participate in developing and implementing priority price and non-price pilots that have been identified by the OEB. On November 4, 2016, legacy PowerStream submitted an application to develop and implement pilots, including the continuation of the Advantage Power Pricing pilot, which would support the OEB's objectives as set out in the Guideline. The OEB approved legacy PowerStream's pilot proposal (EB-2016-0201). In accordance with the direction from the Minister of Energy to the Independent Electricity System Operator (IESO) dated December 16, 2016, the IESO's conservation fund served as a source of funding for the pilot in amounts determined by the OEB.

On May 12, 2017, the OEB granted Alectra Utilities a deferral account for cost associated with extending the Advantage Power Pricing pilot (EB-2017-0097, Alectra Utilities Corporation, Decision and Order, Application for an accounting order approving the establishment of a deferral account, May 12, 2017). This account came into effect on November 1, 2016, when the IESO funding for the pilot ended, until October 31, 2017, when the funding for approved RPP pilots began.

The costs associated with extending the Advantage Power Pricing pilot from November 1, 2016 to October 31, 2017, including carrying charges, were \$0.5MM. The OEB conducted a review of the balance recorded in Account 1508 Sub-Account Advantage Power Pricing in 2021. Upon the completion of the OEB's review, Alectra Utilities received \$0.5MM from the IESO in December 2021 and subsequently cleared the balances recorded in this account. Alectra Utilities is not seeking the disposition of the balance in this account as there is no balance in this account. Alectra Utilities proposes the account to be discontinued.

5.3. Account 1509 - Impacts Arising from the COVID-19 Emergency

On March 25, 2020, the OEB issued an accounting order for the establishment of a deferral account to record impacts arising from the COVID-19 pandemic. The OEB established Account 1509 - Impacts Arising from the COVID-19 Emergency, for electricity distributors to track incremental costs and lost revenues related to the COVID-19 pandemic. On June 17, 2021, the OEB issued the *Report of the Ontario Energy Board: Regulatory Treatment of Impacts Arising from the COVID-19 Emergency* which established the guideline for the COVID-19 deferral account. The OEB expects applications for the COVID-19 to be filed only on an exceptions basis for costs not related to the mandated government or OEB-initiated programs. Alectra Utilities is not seeking disposition of this account, as there are no deferral balances recorded.

5.4. Account 1568 - Lost Revenue Adjustment Mechanism Variance Account

Alectra Utilities' application for approval of LRAM-eligible amounts for prospective disposition was filed in its 2024 EDR Application. In that proceeding (EB-2023-0241, Alectra Utilities Corporation, 2024 Electricity Distribution Rates, Decision and Rate Order, December 14, 2023, page 20), the OEB approved LRAM-eligible amounts for 2024 to 2026 for all rate zones, arising from persisting savings from the completed CDM programs. Alectra Utilities has a zero balance in the LRAMVA and is not seeking disposition of this account.

1 **5.5. Account 1525 Miscellaneous Deferred Debits**

2 Account 1525 captures Alectra Utilities' one-time application costs, as detailed in Appendix 2-M.
3 Alectra Utilities proposes to recover these costs over a five-year period through its revenue
4 requirement. Accordingly, one-fifth of the total costs has been included in the 2027 Regulatory
5 Affairs budget. As a result, Alectra Utilities is not seeking disposition of the balance recorded in
6 this deferral account.

1 **6. SUMMARY OF PROPOSED DVA DISPOSITION**

2 Alectra Utilities proposes the disposition of its Group 2 DVA actual balances as of December 31,
3 2024, along with the forecasted balances for 2025 and 2026. Table 9-5-1 provides a summary of
4 proposed disposition of Group 2 DVA balances for Alectra Utilities.

1 **Table 9-5-1: Summary of Proposed Dispositions - Alectra Utilities Group 2 Accounts**
2 **(\$MM)**

	Principal Balance as of December 31, 2026	Carrying Charge Balance as of December 31, 2026	Total Balance as of December 31, 2026	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - Earnings Sharing Mechanism	0.0	0.0	0.0	No	No
1508 - Energy East Consultation Costs	0.1	0.0	0.2	Yes	No
1508 - OEB Cost Assessment Variance	20.5	2.6	23.1	Yes	Yes
1508 - Other Post-Employment Benefit Deferral Account	(6.7)	0.0	(6.7)	Yes	Yes
1508 - Advanced Pricing Project	0.0	0.0	0.0	No	No
1508 - CGAAP IFRS Differential	(0.2)	0.1	(0.1)	Yes	No
1508 - Hydro-One Charges	0.1	0.0	0.1	Yes	No
1508 - Pole Attachment Revenue Variance	(19.8)	(2.7)	(22.5)	Yes	No
1508 - Capitalization Policy	(35.2)	0.0	(35.2)	Yes	No
1508 - Incremental Capital Module	0.7	(4.1)	(3.4)	Yes	No
1508 - Long-term Load Mitigation	0.0	0.0	0.0	Yes	No
1508 - Collection of Account Charge- Related Lost Revenue	18.0	2.2	20.3	Yes	No
1508 - GOCA Variance Account	8.9	0.7	9.5	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	3.1	0.1	3.2	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	0.0	0.0	0.0	No	No
1511 Incremental Cloud Computing Implementation Costs	1.8	0.1	2.0	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	0.5	0.3	0.8	Yes	No
1548 RCVA STR	0.3	0.1	0.4	Yes	No
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	0.0	(2.0)	(2.0)	Yes	No
1531 Renewable Connection Capital Deferral Account	0.0	0.0	0.0	Yes	No
1532 Renewable Connection OM&A Deferral Account	0.1	0.0	0.1	Yes	No
1533 Renewable Generation Connection Funding Adder Deferral Account	(0.3)	0.0	(0.3)	Yes	No
1535 Smart Grid OM&A Deferral Account	2.7	0.7	3.4	Yes	No
1536 Smart Grid Funding Adder Deferral Account	0.0	0.0	0.0	Yes	No
1555 Smart Meter Capital and Recovery Offset Variance Account, Sub-account Stranded Meter Costs	(0.2)	0.4	0.1	Yes	No
1557 Meter Cost Deferral Account	11.4	0.0	11.4	Yes	No
1508, Accounting Changes - Useful Lives	(40.2)	0.0	(40.2)	Yes	No
1508, Accounting Changes - Direct Labour Capitalization	(11.7)	0.0	(11.7)	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	0.0	0.0	0.0	No	Yes
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(36.4)	(6.5)	(42.9)	Yes	Yes
Total Balance	(82.6)	(7.9)	(90.4)		

1 **Table 9-5-2 : Summary of Proposed Dispositions - HRZ Group 2 Accounts (\$MM)**

	Principal Balance as of December 31, 2026	Carrying Charge Balance as of December 31, 2026	Total Balance as of December 31, 2026	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - Earnings Sharing Mechanism	—	—	—	No	No
1508 - Energy East Consultation Costs	—	—	—	Yes	No
1508 - OEB Cost Assessment Variance	6.4	0.9	7.3	Yes	Yes
1508 - Pole Attachment Revenue Variance	(8.1)	(1.1)	(9.1)	Yes	No
1508 - Capitalization Policy	(42.6)	—	(42.6)	Yes	No
1508 - Long-term Load Mitigation	—	—	—	Yes	No
1508 - GOCA Variance Account	1.5	0.1	1.6	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	0.6	—	0.6	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	—	—	—	No	No
1511 Incremental Cloud Computing Implementation Costs	0.4	—	0.4	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	—	0.1	—	Yes	No
1548 RCVA STR	—	—	—	Yes	No
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	—	(0.5)	(0.5)	Yes	No
1533 Renewable Generation Connection Funding Adder Deferral Account	(0.1)	—	(0.1)	Yes	No
1555 Smart Meter Capital and Recovery Offset Variance Account, Sub-account Stranded Meter Costs	—	0.1	0.2	Yes	No
1508, Accounting Changes - Useful Lives	(7.8)	—	(7.8)	Yes	No
1508, Accounting Changes - Direct Labour Capitalization	(2.3)	—	(2.3)	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	—	—	—	No	Yes
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(7.3)	(1.3)	(8.7)	Yes	Yes
Total Balance	(59.2)	(1.7)	(60.9)		

1 **Table 9-5-3: Summary of Proposed Dispositions - BRZ Group 2 Accounts (\$MM)**

	Principal Balance as of December 31, 2026	Carrying Charge Balance as of December 31, 2026	Total Balance as of December 31, 2026	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - OEB Cost Assessment Variance	3.9	0.5	4.5	Yes	Yes
1508 - Pole Attachment Revenue Variance	(2.1)	(0.3)	(2.4)	Yes	No
1508 - Capitalization Policy	25.8	—	25.8	Yes	No
1508 - Incremental Capital Module	(1.0)	(1.0)	(2.0)	Yes	No
1508 - Collection of Account Charge-Related Lost Revenue	4.1	0.5	4.6	Yes	No
1508 - GOCA Variance Account	1.8	0.1	1.9	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	0.5	—	0.5	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	—	—	—	No	No
1511 Incremental Cloud Computing Implementation Costs	0.3	—	0.3	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	(0.1)	—	(0.2)	Yes	No
1548 RCVA STR	—	—	—	Yes	No
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	—	(0.6)	(0.6)	Yes	No
1557 Meter Cost Deferral Account	1.3	—	1.3	Yes	No
1508, Accounting Changes - Useful Lives	(6.2)	—	(6.2)	Yes	No
1508, Accounting Changes - Direct Labour Capitalization	(1.8)	—	(1.8)	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	—	—	—	No	Yes
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(4.5)	(0.8)	(5.3)	Yes	Yes
Total Balance	21.9	(1.5)	20.4		

1 **Table 9-5-4: Summary of Proposed Dispositions - PRZ Group 2 Accounts (\$MM)**

	Principal Balance as of December 31, 2026	Carrying Charge Balance as of December 31, 2026	Total Balance as of December 31, 2026	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - Energy East Consultation Costs	0.1	—	0.1	Yes	No
1508 - OEB Cost Assessment Variance	7.9	1.0	8.9	Yes	Yes
1508 - Other Post-Employment Benefit Deferral Account	(4.7)	—	(4.7)	Yes	Yes
1508 - Advanced Pricing Project	—	—	—	No	No
1508 - CGAAP IFRS Differential	(0.2)	0.1	(0.1)	Yes	No
1508 - Hydro-One Charges	0.1	—	0.1	Yes	No
1508 - Pole Attachment Revenue Variance	(4.9)	(0.7)	(5.6)	Yes	No
1508 - Incremental Capital Module	3.5	(1.8)	1.7	Yes	No
1508 - Collection of Account Charge-Related Lost Revenue	11.5	1.4	13.0	Yes	No
1508 - GOCA Variance Account	2.1	0.2	2.3	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	1.0	—	1.1	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	—	—	—	No	No
1511 Incremental Cloud Computing Implementation Costs	0.6	—	0.7	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	0.3	0.2	0.5	Yes	No
1548 RCVA STR	—	—	—	Yes	No
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	—	(0.6)	(0.6)	Yes	No
1532 Renewable Connection OM&A Deferral Account	—	—	—	Yes	No
1533 Renewable Generation Connection Funding Adder Deferral Account	(0.2)	—	(0.2)	Yes	No
1535 Smart Grid OM&A Deferral Account	2.7	0.7	3.4	Yes	No
1536 Smart Grid Funding Adder Deferral Account	—	—	—	Yes	No
1555 Smart Meter Capital and Recovery Offset Variance Account, Sub-account Stranded Meter Costs	(0.3)	0.1	(0.1)	Yes	No
1557 Meter Cost Deferral Account	5.9	—	5.9	Yes	No
1508, Accounting Changes - Useful Lives	(13.5)	—	(13.5)	Yes	No
1508, Accounting Changes - Direct Labour Capitalization	(3.9)	—	(3.9)	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	—	—	—	No	Yes
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(15.6)	(2.7)	(18.3)	Yes	Yes
Total Balance	(7.6)	(2.0)	(9.6)		

1 **Table 9-5-5: Summary of Proposed Dispositions - ERZ Group 2 Accounts (\$MM)**

	Principal Balance as of December 31, 2026	Carrying Charge Balance as of December 31, 2026	Total Balance as of December 31, 2026	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - Energy East Consultation Costs	0.0	0.0	0.1	Yes	No
1508 - OEB Cost Assessment Variance	1.4	0.1	1.5	Yes	Yes
1508 - Other Post-Employment Benefit Deferral Account	(3.6)	0.0	(3.6)	Yes	Yes
1508 - Pole Attachment Revenue Variance	(3.1)	(0.4)	(3.5)	Yes	No
1508 - Capitalization Policy	(15.3)	0.0	(15.3)	Yes	No
1508 - Incremental Capital Module	(1.8)	(1.2)	(3.0)	Yes	No
1508 - Collection of Account Charge-Related Lost Revenue	1.3	0.2	1.4	Yes	No
1508 - GOCA Variance Account	2.9	0.2	3.1	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	0.8	0.0	0.8	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	0.0	0.0	0.0	No	No
1511 Incremental Cloud Computing Implementation Costs	0.5	0.0	0.5	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	(0.1)	0.0	(0.1)	Yes	No
1548 RCVA STR	0.3	0.1	0.4	Yes	No
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	0.0	(0.3)	(0.3)	Yes	No
1531 Renewable Connection Capital Deferral Account	0.0	0.0	0.0	Yes	No
1532 Renewable Connection OM&A Deferral Account	0.1	0.0	0.1	Yes	No
1533 Renewable Generation Connection Funding Adder Deferral Account	(0.01)	0.00	(0.01)	Yes	No
1555 Smart Meter Capital and Recovery Offset Variance Account, Sub-account Stranded Meter Costs	0.0	0.1	0.1	Yes	No
1557 Meter Cost Deferral Account	3.8	0.0	3.8	Yes	No
1508, Accounting Changes - Useful Lives	(10.3)	0.0	(10.3)	Yes	No
1508, Accounting Changes - Direct Labour Capitalization	(3.0)	0.0	(3.0)	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	0.0	0.0	0.0	No	Yes
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(7.3)	(1.3)	(8.7)	Yes	Yes
Total Balance	(33.3)	(2.6)	(35.9)		

1 **Table 9-5-6: Summary of Proposed Dispositions - GRZ Group 2 Accounts (\$MM)**

	Principal Balance as of December 31, 2026	Carrying Charge Balance as of December 31, 2026	Total Balance as of December 31, 2026	Proposed for Disposition (Yes/No)	To be Continued (Yes/No)
1508 - OEB Cost Assessment Variance	0.9	0.1	1.0	Yes	Yes
1508 - Other Post-Employment Benefit Deferral Account	1.6	0.0	1.6	Yes	Yes
1508 - Pole Attachment Revenue Variance	(1.7)	(0.2)	(1.9)	Yes	No
1508 - Capitalization Policy	(3.2)	0.0	(3.2)	Yes	No
1508 - Long-term Load Mitigation	0.0	0.0	0.0	Yes	No
1508 - Collection of Account Charge-Related Lost Revenue	1.2	0.1	1.3	Yes	No
1508 - GOCA Variance Account	0.5	0.1	0.5	Yes	No
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	0.2	0.0	0.2	Yes	No
1509 - Impacts Arising from the COVID-19 Emergency	0.0	0.0	0.0	No	No
1511 Incremental Cloud Computing Implementation Costs	0.1	0.0	0.1	Yes	Yes
1518 Retail Cost Variance Account (RCVA) Retail	0.5	0.1	0.6	Yes	No
1548 RCVA STR	0.0	0.0	0.0	Yes	No
1557 Meter Cost Deferral Account	0.4	0.0	0.4	Yes	No
1508, Accounting Changes - Useful Lives	(2.4)	0.0	(2.4)	Yes	No
1568 Lost Revenue Adjustment Mechanism Variance Account	0.0	0.0	0.0	No	Yes
1508, Accounting Changes - Direct Labour Capitalization	(0.7)	0.0	(0.7)	Yes	No
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	(1.7)	(0.3)	(2.0)	Yes	Yes
Total Balance	(4.3)	(0.1)	(4.4)		

7. DVA ALLOCATION AND RECOVERY METHODOLOGY

Alectra Utilities allocates DVA balances to rate classes based on the methodologies described in the OEB's *EDDVAR Report*. For accounts that were not in existence when the *EDDVAR Report* was issued or where the *EDDVAR Report* specifies that allocation should be determined on a case-by-case basis, Alectra Utilities has proposed specific allocation methodologies.

The following table provides the proposed rate class allocators for each account requested for clearance:

1 **Table 9-6-1: Proposed rate class allocators for each Group 2 Account**

Account	Allocator
1508 - Energy East Consultation Costs	kWh
1508 - OEB Cost Assessment Variance	kWh
1508 - Other Post-Employment Benefit Deferral Account	kWh
1508 - CGAAP IFRS Differential	kwh
1508 - Hydro-One Charges	kwh
1508 - Pole Attachment Revenue Variance	Distribution Rev.
1508 - Capitalization Policy	kWh
1508 - Incremental Capital Module	kWh
1508 - Long-term Load Mitigation	kWh
1508 - Collection of Account Charge-Related Lost Revenue	kWh
1508 - GOCA Variance Account	kWh
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	kWh
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	kWh
1518 Retail Cost Variance Account (RCVA) Retail	# of Customers
1548 RCVA STR	# of Customers
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	kWh
1525 - Miscellaneous Deferred Debits	kWh
1531 Renewable Connection Capital Deferral Account	kWh
1532 Renewable Connection OM&A Deferral Account	kwh
1533 Renewable Generation Connection Funding Adder Deferral Account	kwh
1535 Smart Grid OM&A Deferral Account	kwh
1536 Smart Grid Funding Adder Deferral Account	kwh
1555 Smart Meter Capital and Recovery Offset Variance Account, Sub-account Stranded Meter Costs	kwh
1557 Meter Cost Deferral Account	GS>50
1508 Sub-account - Useful Life Changes	kwh
1508 Direct Labour Capitalization Changes	kwh
1592 PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes	kWh

8. DEVELOPMENT OF RATE RIDERS

Alectra Utilities proposes to clear its Group 2 DVA balances through rate riders as follows:

- For the Residential class, Alectra Utilities proposes to implement fixed rate riders, consistent with the class's fully fixed distribution rate design.
- For all other rate classes, Alectra Utilities proposes to implement volumetric rate riders.

Alectra Utilities further proposes separate rate riders for the disposition of the balances in the following Group 2 DVA accounts:

- Account 1508, Sub-account – Impact of Post-Merger Capitalization Policy
- Account 1508, Sub-account – Useful Life Changes
- Account 1508, Sub-account – Direct Labour Capitalization Changes
- Account 1508, Sub-account – Incremental Capital Module True Up
- Account 1557 – Meter Cost Deferral Account Revenue Requirement
- Account 1592 - PILs and Tax Variance for 2006 and Subsequent Years, Sub-account - PILs and Tax Variances CCA Changes

Alectra Utilities proposes a one-year disposition period for all Group 2 DVA proposed for disposition, from January 1, 2027 to December 31, 2027.

9. NEW DEFERRAL AND/OR VARIANCE ACCOUNTS

This schedule sets out Alectra Utilities' proposals to establish new deferral and variance accounts and includes evidence demonstrating that the OEB's eligibility criteria of causation, materiality and prudence. Alectra Utilities has also included draft accounting orders for each new account which includes a description of the mechanics of the account, provides sample journal entries and the proposed duration of the account.

9.1. CAPITAL RELATED REVENUE REQUIREMENT VARIANCE ACCOUNT (CRRRVA)

Subject to the OEB's approval of the Custom IR framework, Alectra Utilities proposes a Capital-Related Revenue Requirement Variance Account (CRRRVA) for the 2027-2031 term of the DSP. The CRRRVA is an asymmetrical account to the benefit of ratepayers, intended to capture the cumulative differences between forecast and actual capital-related revenue requirement over the 2027-2031 rate term. The account ensures that capital-related costs in excess of forecast are absorbed by the utility while protecting customers from overcollection relative to costs. If the cumulative revenue requirement from January 1, 2027 to December 31, 2031 is greater than zero, the variance account is set to zero, if not already at zero. If it is less than zero, there will be an entry to the variance account representing a potential refund to ratepayers. Alectra Utilities proposes to report on its actual versus forecast in-service additions in its annual applications, however, the assessment of the account will be based on the cumulative difference over the five-year period.

The CRRRVA amount each year will be derived on an Alectra Utilities-wide basis. Calculating the annual CRRRVA amount on a company-wide basis is consistent with the reality of executing a multi-year capital investment plan. Alectra Utilities requires the flexibility in the execution of the plan to respond to business-as-usual investment prioritization, unplanned investments and system priorities as a whole. The variance account will be disposed of at the end of the five year term, if applicable.

The capital related revenue requirement includes depreciation, interest, return and PILs applied in the calculation of the capital related revenue requirement. All components of cost of capital will use the rates, and capital structure, as approved by the OEB in this proceeding.

Eligibility Criteria

The OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications* specify that requests for new deferral or variance accounts must satisfy the OEB's eligibility criteria of causation, materiality and prudence. The proposed CRRRVA satisfies the OEB's eligibility criteria as follows:

Causation – The amounts captured in the CRRRVA will capture differences between forecast and actual capital-related revenue requirement.

Materiality – Given the number of projects and the overall size of the proposed investments in the DSP, there is a high likelihood that the amounts recorded to the CRRRVA over the five-year term of the DSP will exceed the \$1MM materiality threshold for Alectra Utilities. The DSP contemplates total capital expenditures of approximately \$3.1B over the 2027-2031 period.

Prudence – The CRRRVA will protect ratepayers in the event that Alectra Utilities' actual revenue requirement related to capital was less than the amount funded in the approved revenue requirement for the 2027-2031 rate period.

A draft accounting order for the proposed CRRRVA, which includes a description of the mechanics of the account, examples of the general ledger entries and the proposed manner in which to dispose of the account, is provided in Appendix 'A'.

Appendix A: Draft Accounting Order - Capital-Related Revenue Requirement Variance Account (CRRRVA)

Alectra Utilities will establish the following two sub-accounts under Account 1508, Other Regulatory Assets:

- 1508, Other Regulatory Assets, Sub-account CRRRVA
- 1508, Other Regulatory Assets, Sub-account CRRRVA Carrying Charges

Alectra Utilities will establish this account, effective January 1, 2027, to record the revenue requirement impact of under-spending on Alectra Utilities' capital plan. The purpose of this account is to record the revenue requirement associated with the difference between actual and forecasted cumulative capital additions (net of capital contributions) for 2027-2031, should in-service capital additions be lower than, or the pacing of capital additions be slower than, forecast over the 2027-2031 period.

This is an asymmetrical account, in that overspending or faster pace of spending will not result in recording debits in this account, and no amount will be collected related to excess capital additions.

Interest carrying charges will apply to the account balances based on the OEB's prescribed interest rates.

The sample journal entries are provided below:

- | | |
|-----|--|
| Dr. | 4080, Distribution Services Revenue |
| Cr. | 1508, Other Regulatory Assets, Sub-account Capital Additions, Depreciation |
| Cr. | 1508, Other Regulatory Assets, Sub-account Capital Additions, Interest |
| Cr. | 1508, Other Regulatory Assets, Sub-account CRRRVA, Return |
| Cr. | 1508, Other Regulatory Assets, Sub-account CRRRVA, PILS |

To record the revenue requirement associated with the difference between actual and forecasted cumulative capital additions

1 Dr. 6035, Other Interest Expense

2 Cr. 1508, Other Regulatory Assets, Sub-account, CRRRVA Carrying Charges(various)

3 *To record carrying charges*

4 Alectra Utilities will apply to the OEB to clear the balance in the CRRRVA through rate riders at
5 the end of the 2027 to 2031 DSP period (i.e., in Alectra Utilities' next rebasing application).

9.2. EARNINGS SHARING MECHANISM VARIANCE ACCOUNT (ESMVA)

Alectra Utilities is proposing the Earnings Sharing Mechanism Variance Account (ESMVA) as another customer protection mechanism as part of its proposed Custom IR rate framework. The ESMVA is proposed to share any excess earnings above a 150 basis point dead band above OEB-approved ROE, with a 50/50 split between customers and the utility. The ESMVA is asymmetrical, benefiting customers only when earnings exceed the threshold. The ESM is proposed to be calculated on a cumulative basis over the 2027 to 2031 rate term.

Eligibility Criteria

The OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications* specify that requests for new deferral or variance accounts must satisfy the OEB's eligibility criteria of causation, materiality and prudence. The proposed ESMVA satisfies the OEB's eligibility criteria as follows:

Causation – The amounts in the ESMVA will capture 50% of all earnings that are 150 basis points above the OEB-approved ROE. These earnings are outside of the base upon which Alectra Utilities' rates are derived.

Materiality – As with all OEB-approved ESMs, there is no application of the OEB's materiality threshold as set out in section 2.0.8 of the Chapter 2 Filing Requirements. The ESMVA is a customer protection element of the Alectra Utilities' rate framework.

Prudence – The amounts recorded in the ESMVA will be supported by Alectra Utilities' RRR filings, and annual financial statements. The criteria for recording amounts in the ESMVA is set out and clearly defined in this Exhibit and accompanying Draft Accounting Order.

A draft accounting order for the proposed ESMVA, which includes a description of the mechanics of the account, examples of the general ledger entries and the proposed manner in which to dispose of the account, is provided in Appendix 'B'.

Appendix B: Draft Accounting Order - Earnings Sharing Mechanism Variance Account (ESMVA)

Alectra Utilities will establish the following two sub-accounts under Account 1508, Other Regulatory Assets:

- 1508, Other Regulatory Assets, Sub-account ESMVA
- 1508, Other Regulatory Assets, Sub-account ESMVA CRRRVA Carrying Charges

Alectra Utilities will establish this account, effective January 1, 2027, to record amounts related to any earnings above Alectra Utilities' approved Return on Equity (ROE) to be shared on a 50/50 basis between Alectra Utilities and its ratepayers with a 150 basis points deadband.

The regulatory net income will be calculated, for the purpose of earnings sharing, in the same manner as net income for regulatory purposes under the *Reporting and Record Keeping Requirements* (RRR) filings. This will exclude revenue and expenses that are not otherwise included for regulatory purposes, such as:

- Settlement of any regulatory assets or regulatory liabilities; and
- Changes in taxes/PILS to which the USoA 1592 – PILs and Tax Variance for 2006 and Subsequent Years applies, which will be shared through that account rather than through the earning sharing mechanism.

Interest carrying charges will apply to the account balances based on the OEB's prescribed interest rates.

The sample journal entries are provided below:

Dr. 4080, Distribution Services Revenue

Cr. 1508, Other Regulatory Assets, Sub-account, ESMVA

To record ratepayer share of excess earnings

Dr. 6035, Other Interest Expense

- 1 Cr. 1508, Other Regulatory Assets, Sub-account, ESMVA Carrying Charges
- 2 *To record carrying charges*
- 3 Alectra Utilities will apply to the OEB to clear the balance in the ESMVA through rate riders at
- 4 the end of the 2027 to 2031 rate period (i.e., in Alectra Utilities' next rebasing application).

9.3. NON-WIRES SOLUTION DEFERRAL ACCOUNT (NWSDA)

Alectra Utilities requests approval to establish a deferral account under Account 1508, Other Regulatory Assets. The proposed deferral account would be comprised of a Sub-account NWS Program OM&A, and a Sub-account NWS Program OM&A - Carrying Charges for the purpose of recording OM&A costs incurred to acquire DERs and operate and manage the Non-Wires Solutions (NWS) Program, net of third-party funding and any OEB-approved incentive revenues such as Margin-on-Payments (MoP). Disposition of the NWSDA would be sought at the end of the 2027 to 2031 rate term via appropriate rate riders. If approved, Alectra Utilities will file supporting evidence on procurement results, costs, and performance when seeking disposition.

Alectra Utilities' Distribution System Plan (DSP) integrates NWS into capacity planning using Preliminary NWS Framework defined in the DSP Chapter 5.3.5 NWS to Address System Needs. Initial analysis indicates that up to approximately \$13.2MM in OM&A expenses may be required through the incentive term, between 2027 and 2031 to procure up to 32 MW of flexible capacity annually to defer five select MS/TS projects at targeted locations. A 25% MoP applied to eligible third-party DER payments estimated at \$12.0MM could generate approximately \$3.0MM in offsetting incentive revenues while maintaining a positive Distribution Service Test (DST). Market depth and price discovery remain evolving. Alectra Utilities plans to run competitive, transparent RFI/RFP processes and local auctions and refine utilization assumptions through operational experience and evaluation, measurement & verification (EM&V). The requested NWSDA permits prudent scaling while protecting customers from forecast error.

The proposed expenses to be included in the NWSDA are incremental OM&A expenses not included in base rates that are directly caused by the NWS Program, including but not limited to availability, energy and other payments/charges to DER owners/aggregators, contracting costs, equipment and system costs, operation and maintenance, administrative costs and EM&V where capitalization is not appropriate, and incremental operational costs of coordination with the IESO. Amounts recorded will be net of third-party funding/recoveries (e.g., IESO incentives, municipal/partner contributions, federal grants) and, if approved by the OEB, net of incentive revenues such as MoP.

Eligibility Criteria

The OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications* specify that requests for new deferral or variance accounts must satisfy the OEB's eligibility criteria of causation, materiality and prudence. The proposed NWS sub-account satisfies the OEB's eligibility criteria as follows:

Causation - The costs proposed for the NWSDA address documented capacity needs identified in the DSP – Exhibit 2A, Tab 1, Schedule 1, Section 5.3.5 Non-Wires Solutions to Address System Needs. These costs are not included in OM&A for 2027–2031; therefore, eligible costs are incremental, prudently incurred OM&A expenses necessary to deliver NWS capacity relief to five MS/TS, including DER payments, contracting, equipment and system costs, operation and maintenance, administrative costs, EM&V, and costs of coordination with the IESO. Alectra Utilities will offset NWS Program OM&A costs any with third-party funding/recoveries (e.g., IESO incentives, municipal/partner contributions, federal grants) or OEB-approved incentive revenues such as MoP.

Materiality - Based on current planning, Alectra Utilities anticipates up to approximately \$13.2MM in OM&A expenses by the end of 2031 to acquire and operate up to 32 MW of flexible capacity to defer five MS/TS projects. This exceeds Alectra Utilities' materiality threshold of \$1MM, as defined in section 2.0.8 of the OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications*. Although actual costs may differ from this forecast based on market price discovery, auction results, portfolio size, site-specific utilization, and realized performance, costs are expected to exceed Alectra Utilities' materiality threshold.

Prudence - Alectra Utilities intends to use competitive, transparent RFI/RFP/RFQ processes with clear eligibility, auction rules, performance obligations, penalties/remedies, and settlement mechanics tailored to distribution-level DER portfolios and local needs at targeted MS/TS. The NWS Program will be supported by application of the OEB's BCA Framework (including the Distribution Service Test), with assumptions updated to reflect realized pricing, utilization, and operating experience. Contracts will include M&V protocols and telemetry/controls requirements appropriate to resource type

1 and response speed; settlement will be tied to verified availability and delivered capacity
2 (or energy where applicable).

3 A draft accounting order for the proposed NWSDA, which includes a description of the
4 mechanics of the account, examples of the general ledger entries and the proposed manner in
5 which to dispose of the account, is provided in Appendix 'C'.

Appendix C: Draft Accounting Order - Non-Wires Solutions Deferral Account (NWSDA)

Alectra Utilities will establish the following two sub-accounts under Account 1508, Other Regulatory Assets:

- 1508, Other Regulatory Assets, Sub-account NWS Program OM&A
- 1508, Other Regulatory Assets, Sub-account NWS Program OM&A Carrying Charges

Effective January 1, 2027, Alectra Utilities will record in these accounts the OM&A costs associated with acquiring and operating distribution-level Non-Wires Solutions (NWS). Eligible cost components are limited to OM&A required as payments to DER owners/aggregators, contracting costs, equipment and system costs, operation and maintenance, administrative costs and EM&V, and costs of coordination with the IESO. Any amounts recorded will be net of any third-party funding or recoveries (e.g. IESO incentives, municipal/partner contributions, federal grants) and, if approved by the OEB, net of incentive revenues such as Margin-on-Payments (MoP) credited against the principal balance.

Interest carrying charges will apply to the account balances based on the OEB's prescribed interest rates.

The sample journal entries are provided below:

Dr.	1508, Other Regulatory Assets, Sub-account NWS Program OM&A
Cr.	Account(s) associated with the NWS OM&A costs

To record NWS OM&A not included in base rates

Dr.	1508, Other Regulatory Assets, Sub-account NWS Program OM&A Carrying Charges
Cr.	4405, Interest and Dividend Income

To record carrying charges on the monthly opening balance in Account 1508, Sub-account NWS Program OM&A.

1 Dr. 4235, Other Operating Revenues/Miscellaneous Service Revenues
2 Cr. 1508, Other Regulatory Assets, Sub-account NWS Program OM&A

3 *To record approved incentive revenues*

4 Alectra Utilities will apply to the OEB to clear the balance in the NWSDA through rate riders at
5 the end of the 2027 to 2031 DSP period. If the NWSDA balance were to become material prior
6 to 2031, Alectra Utilities may request approval for an earlier disposition of the account.