
EXECUTIVE SUMMARY

PURPOSE

MEARIE Actuarial Services and Dion, Durrell + Associates Inc. were engaged by Goderich Hydro West Coast Huron Energy 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, 2008. The nature of these benefits is defined benefit.

Per the Corporation's financial statements, prior to January 1, 2008 the liability for post-retirement non-pension benefits was estimated by the Corporation's management and calculations were not performed in accordance with Canadian generally accepted accounting principles.

This report is prepared in accordance with The Canadian Institute of Chartered Accountants (the "CICA") guidelines outlined in Employee Future Benefits, Section 3461 of the CICA Handbook—Accounting (CICA Section 3461).

As per our discussion with the Corporation, we understand that CICA Section 3461 is being implemented for the first time as at January 1, 2008 in respect of post-retirement non-pension benefits. Furthermore, the recommendations under CICA Section 3461 are being applied on a prospective basis, giving rise to a transitional obligation as at January 1, 2008.

The purpose of this valuation is threefold:

- i) to determine the Corporation's liabilities in respect of post-retirement non-pension benefits at January 1, 2008;
- ii) to determine the benefit expense for fiscal year 2008; and
- iii) to provide all other pertinent information necessary for compliance with CICA Section 3461.

The intended users of this report include the Corporation and their 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 January 1, 2008 are shown below:

	January 1, 2008 (000's)
Accrued Benefit Obligation (ABO)	
a) People in receipt of benefits	\$ 191
b) Fully eligible actives	\$ 91
c) Non fully eligible actives	<u>\$ 61</u>
Total	\$ 343
Current Service Cost <i>for following 12 months</i>	\$ 4
Benefit Expense <i>for following 12 months</i>	\$ 42

The implementation of CICA Section 3461 at January 1, 2008 results in a transitional obligation of \$192,877, equal to the ABO at January 1, 2008 minus management's estimated liability for post-retirement non-pension benefits of \$150,000 at December 31, 2007 (as per the Corporation's financial statements for the year ending December 31, 2007). Pursuant to CICA Section 3461, the transitional obligation will be amortized over the average remaining service period of active employees expected to receive benefits under the benefit plan.