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Actuaries and Consultants

ENWIN UTILITIES

**Report on the
Actuarial Valuation of
Post-Retirement & Post-Employment Benefits
(Other than Pensions)**

As at January 1, 2001

FINAL

January 24, 2002

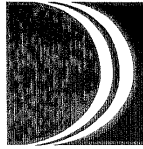


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> PURPOSE

At the request of Enwin Utilities (the "Employer"), we have prepared this report, which presents the results of an actuarial valuation conducted in respect of post employment and post retirement benefits (other than pensions) as at January 1, 2001.

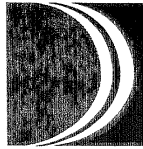
This report is prepared in accordance with The Canadian Institute of Chartered Accountants (the "CICA") guidelines outlined in Employee Future Benefits, Section 3461 of the CICA Handbook – Accounting, and is prepared on the basis that CICA 3461 was first applied with effect from January 1, 2000.

Prior to the introduction of Section 3461, the Employer was not required to account for the cost of post employment and post retirement benefits other than pensions. However, Section 3461 requires that such benefits be recognized. The Employer provides post employment benefits such as maternity benefits, compensated sick leave, and short and long term disability benefits and post retirement benefits such as life insurance and supplemental health and dental coverage for employees who retire from active employment. These benefits are underwritten primarily by Sun Life Financial and Green Shield Canada, respectively.

The purpose of this valuation is threefold:

- (i) to determine the Employer's liabilities in respect of post employment and post retirement benefits other than pensions;
- (ii) to determine the Net Periodic Post Employment and Post Retirement Benefit Expense for Fiscal Year 2001; and
- (iii) to provide all other pertinent information necessary for compliance with CICA Section 3461.

The intended users of this report include Enwin Utilities and their auditors.



> SUMMARY OF KEY RESULTS

The key results of this actuarial valuation as at January 1, 2001 with comparative results from the previous valuation as at January 1, 2000 are shown below (all figures are in thousands):

<i>As at January 1</i>	2000	2001
ACCRUED POST EMPLOYMENT AND POST RETIREMENT BENEFIT OBLIGATION (APBO)		
a) People in receipt of benefits	██████████	██████████
b) Fully eligible actives	██████████	██████████
c) Non fully eligible actives	██████████	██████████
TOTAL	██████████	██████████
NET PERIODIC POST EMPLOYMENT AND POST-RETIREMENT BENEFIT EXPENSE	██████████	██████████

DISCUSSION

ASSETS OF THE PROGRAM

We understand that no assets have been designated for this plan.

ACTUARIAL BASIS

Post-employment and post-retirement benefits (or liabilities) must be estimated in order to determine the amount of accrued liabilities to be set aside to meet them. To estimate the cost of the future commitments, assumptions must be made about future events that will affect the cost.

These assumptions may be categorized as either economic or demographic assumptions. Economic assumptions pertain to factors such as the rate of inflation and the discount rate. Demographic assumptions pertain to events affecting the employees and former employees, such as terminations, mortality, and retirement.

The actuarial basis of calculation for this valuation is set out below. The actuarial basis includes the economic and demographic assumptions used to value the liabilities. It also includes the actuarial methods used to determine the actuarial value of assets and the allocation of costs to past and future service for determination of the liability and annual benefit expense requirements. Actual costs may be higher or lower than the actuarial estimate since any difference between the actual experience and the actuarial assumptions will emerge as experience gains or losses in future valuations and will thus be reflected in the level of future accruals. In the long run, the cost of the programs will ultimately be determined by the benefits provided and by the program's actual experience, not by the actuarial basis adopted from time to time by actuaries to estimate the cost.

As in previous actuarial reviews, we have considered the adequacy and appropriateness of the actuarial assumptions and methods that are currently in use for this valuation. Changes in the actuarial basis affect the quantum of the liabilities, and since stability of funding is highly desirable, major changes are not made frequently nor without good reason. Rather, we expect to modify the actuarial basis in response to changing circumstances and experience, as well as the underlying objectives adopted by the program sponsor for the funding of the benefit programs.



Based on the valuation results of this report, the Employer's current expense has increased by approximately \$3,779,000. This is mostly due in part to a change in the actuarial assumptions and is primarily due to the following changes:

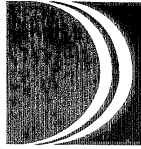
- Reduction of the retirement age from age 65 to 57,
- Increase in the Health and Dental claims cost.

LIABILITIES

The valuation is conducted using the Projected Unit Credit actuarial cost method. This method is designed to accumulate liabilities systematically to provide for the benefits provided under the terms of the program in respect of service that has already been rendered. Under this method, for each active participant, the normal cost of benefits for one year of service is determined as the actuarial present value of the benefit accruing for such participant during the year.

The accrued actuarial liabilities for active Participants are determined by summing each Participant's actuarial present value of benefits accrued in respect of service up to the date of the valuation. For inactive Participants, the accrued actuarial liabilities are determined as the actuarial present value of benefits accrued in respect of service up to the date of valuation. The accrued actuarial liabilities are then compared with the actuarial value of the assets in the Fund to determine the funded position of the Plan at the valuation date.

The normal cost for the year following the valuation date is equal to the normal cost described above multiplied by the expected service of the participant in such year. For a particular participant, the normal cost will increase each year due to increasing age. The overall cost for the program in each year will vary according to the age of the participants. In a relatively stable group, the average age will tend to increase with an attendant increase in costs. However, most groups will tend to have a steady influx of new entrants at younger ages, which, together with retirements and the forfeiture of some non-vested benefits on terminations (to the extent not anticipated by the assumptions), at least partially offsets this tendency to increasing costs. Rapid changes in staff composition, size, or salary levels may have significant effects on costs.



> COMMENTS ON CALCULATIONS

1. TERMINOLOGY AND METHODOLOGY

The following is a summary of the terminology and methodology outlined in Section 3461:

- i) The Projected Unit Credit actuarial cost method is to be used in determining the liabilities (obligation)
- ii) The Full Eligibility Date is the date at which the employee has achieved sufficient age or completed service to have earned the right to receive the post-retirement benefits. Under the Employer's plan, employees reach their full eligibility date for post-retirement health, dental and life insurance benefits when they have attained age 55, and name completed 20 years of service.
- iii) The Attribution Period is the period beginning at the date of employment and ending at the Full Eligibility Date.
- iv) The Expected Post-Retirement Benefit Obligation (EPBO) is calculated as the sum for all employees of
 - a) the probability of surviving all decrements to each future year
times
 - b) the expected benefit amount to be received in each future year
times
 - c) a discount factor from each future year to the measurement date.
- v) For each employee, the EPBO is accrued uniformly over the Attribution Period. The Accrued Post-retirement Benefit Obligation (APBO) is calculated as the portion of the EPBO that has been accrued to the measurement date and is determined as the EPBO multiplied by the:

$$\frac{\text{The period of employment to the measurement date}}{\text{The Attribution Period}}$$

For retirees and active employees who have reached full eligibility date, the APBO is the EPBO.

- vi) The annual benefit expense, or Net Periodic Post Employment and Post Retirement Benefit Expense, is comprised of the following 6 components:
 - Service Cost
 - Interest Cost
 - Expected Return of Assets
 - Amortization of Transition Amount
 - Amortization of Prior Service Cost
 - Amortization of Gains/Losses
- vii) The Service Cost is determined as the EPBO multiplied by:

$$\frac{\text{additional service accrued over the coming year}}{\text{service to full eligibility date}}$$

For retirees and active employees who have reached full eligibility date, the service cost is zero.

- viii) The Interest Cost is the notional interest on the APBO. The APBO is a present value calculation; each year this present value increases as the amount of time until benefits will be paid decreases. The interest cost reflects this increase.



ix) The Expected Return on Assets is the anticipated return on the fair value of any plan assets. We understand that no assets have been designated for this plan and consequently this item is zero.

x) Transition Obligation/(Asset)

This valuation has been prepared on the assumption that Section 3461 was adopted as at January 1, 2000 (the "Transition Date").

As at the Transition Date, a Transition Obligation/(Asset) was determined as:

- a) APBO, minus
- b) fair value of plan assets, minus
- c) any accrued cost made by the Employer for these post-retirement benefits.

We understand that items ii) and iii) are zero.

Section 3461 permits employers to recognize the Transition Obligation in one of three ways:

- immediately, as a one time charge
- amortized over the average working lifetime of the current active employees, or
- on a retroactive basis.

This report has been based on assumption that the Transition Obligation will be applied on a retroactive basis as at January 1, 2000.

xi) Prior Service Cost

If employees' or pensioners' accrued benefits are improved or decreased through an amendment to the plan provisions, the change in APBO is considered a "Prior Service Cost". This would be amortized over the average number of years to full eligibility for active employees at the measurement date.

xii) Amortization of Gains/Losses

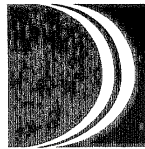
Gains or Losses arise when the expected amount of APBO differs from the actual amounts. These gains or losses are amortized according to certain rules.

As at January 1, 2001, there was a loss of approximately \$3,257,000. This will be immediately recognized in the year 2001.

2. BENEFITS

All employees who retire from current employment with twenty or more years of service are eligible for post-retirement life insurance and post-retirement health and dental benefits.

Certain Post-employment benefits are provided to employees. Section 3461 requires that post-employment benefits (excluding the accrual of post-retirement benefits while on STD or LTD), compensated absences and termination benefits that do not vest or accumulate should be recognized when the event occurs. Since the post employment benefits provided do not vest or accumulate, the benefits are not recognized in this report.



3. CLAIMS COSTS

The following is a summary of the information regarding post-retirement claims costs that was provided to us:

TOTAL

	Total Premiums (000's)				Total Claim Cost (000's)			
	Health	% Increase	Dental	% Increase	Health	% Increase	Dental	% Increase
2000	██████	██████	██████	██████	██████	██████	██████	██████
1999	██████	██████	██████	██████	██████	██████	██████	██████
1998	██████	██████	██████	██████	██████	██████	██████	██████
1997	██████	██████	██████	██████	██████	██████	██████	██████

The above is the aggregate numbers from Enwin Utilities, Enwin Powerlines, Enwin Energy, and Windsor Utilities. Premium information is not provided for years 1997 till 1999.

Due to the change of structure in Enwin Utilities, the actuarial valuation conducted in respect of Post-Employment and Post-Retirement benefits (other than pensions) on the basis of Section 3461 will be on Enwin Utilities, Enwin Powerlines, and Enwin Energy only. Below is the breakdown and total of the premiums and claim cost for the three groups.

1. Enwin Utilities

	Total Premiums (000's)				Total Claim Cost (000's)			
	Health	% Increase	Dental	% Increase	Health	% Increase	Dental	% Increase
2000	██████	██████	██████	██████	██████	██████	██████	██████

2. Enwin Powerlines

	Total Premiums (000's)				Total Claim Cost (000's)			
	Health	% Increase	Dental	% Increase	Health	% Increase	Dental	% Increase
2000	217	-	42	-	192	-	41	-

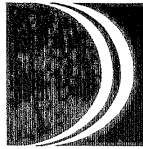
3. Enwin Energy

	Total Premiums (000's)				Total Claim Cost (000's)			
	Health	% Increase	Dental	% Increase	Health	% Increase	Dental	% Increase
2000	██████	██████	██████	██████	██████	██████	██████	██████

Total Enwin Utilites (1.+2.+3.)

	Total Premiums (000's)				Total Claim Cost (000's)			
	Health	% Increase	Dental	% Increase	Health	% Increase	Dental	% Increase
2000	██████	██████	██████	██████	██████	██████	██████	██████

The actuarial basis includes an assumption concerning how claim costs will increase in future - the "claim cost trend". The results of the valuation are sensitive to this assumption.



> CALCULATION BASIS

The following should be noted:

1. Currency:

All amounts are expressed in thousands of dollars.

2. Data:

Information concerning employees, those receiving benefits and benefit payments was provided by the Employer. A summary of the data is set out in Table 4.

The data as at January 1, 2001 for both employees and people receiving benefits was complete and valid.

Benefit payment data was only available in aggregate form; as a result our calculation method and assumptions were applied aggregate basis.

3. Actuarial assumptions:

Table 5 gives a summary of the actuarial assumptions used; under Section 3461 each significant assumption must reflect the best estimate for that particular assumption. Table 6 gives details of the justification for key assumptions.

4. Plan provisions:

Details of plan provisions were provided by the Employer. These provisions are summarized in Table 8.

This report has been prepared by Dion, Durrell + Associates Inc.

We would be pleased to answer questions concerning this report, or to provide any additional information or analysis that may be required.

DION, DURRELL + ASSOCIATES INC.

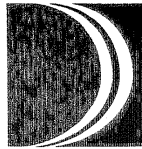


TABLE 1

> VALUATION RESULTS

(IN THOUSANDS OF DOLLARS)

As of January 1

2000

2001

	2000	2001
1. ACCRUED POST-RETIREMENT BENEFIT OBLIGATION		
a) People in receipt of benefits	[REDACTED]	[REDACTED]
b) Fully eligible actives	[REDACTED]	[REDACTED]
c) Not fully eligible actives	[REDACTED]	[REDACTED]
TOTAL	[REDACTED]	[REDACTED]
1. NET PERIODIC POST-RETIREMENT BENEFIT EXPENSE		
a) Service Cost	[REDACTED]	[REDACTED]
b) Interest Cost	[REDACTED]	[REDACTED]
c) Expected Return on Assets	[REDACTED]	[REDACTED]
d) Amortization of Transition Amount	[REDACTED]	[REDACTED]
e) Amortization of Prior Service Cost	[REDACTED]	[REDACTED]
f) Amortization of Gains/Losses	[REDACTED]	[REDACTED]
TOTAL NPPBC	[REDACTED]	[REDACTED]
2. EXPECTED BENEFIT PAYMENTS	[REDACTED]	[REDACTED]

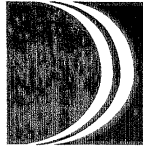


TABLE 2

> **SENSITIVITY ANALYSIS**

(IN THOUSANDS OF DOLLARS)

As of January 1

2001

	<i>Valuation Results</i>	<i>Retirement Age 60</i>	<i>1% Higher Trend</i>
1. APBO			
a) People in receipt of benefits	██████████	██████████	██████████
b) Fully eligible actives	██████████	██████████	██████████
c) Not fully eligible actives	██████████	██████████	██████████
TOTAL	██████████	██████████	██████████
2. SERVICE COST	██████████	██████████	██████████
3. INTEREST COST	██████████	██████████	██████████
3. EXPECTED BENEFITS	██████████	██████████	██████████
4. AVERAGE WORKING LIFETIME OF THE CURRENT ACTIVE EMPLOYEES	██████████	██████████	██████████
5. (GAIN)/LOSS '01	██████████	██████████	██████████



TABLE 3

> DEVELOPMENT OF NET GAINS OR LOSSES

(IN THOUSANDS OF DOLLARS)

As of January 1, 2001

	Total	Utilities	Powerlines	Energy
A. ACTUARIAL GAIN (LOSS) ON ACCRUED POST-RETIREMENT BENEFIT OBLIGATION				
Unamortized Gain or (Loss) as January 1, 2001	\$ [REDACTED]	\$ [REDACTED]	\$ (2,131,377)	\$ [REDACTED]
Gain or (Loss) amortized in year	[REDACTED]	[REDACTED]	(2,131,377)	[REDACTED]
B. CALCULATION OF APBO GAIN (LOSS)				
APBO, January 1, 2000	\$ [REDACTED]	\$ [REDACTED]	\$ (7,720,124)	\$ [REDACTED]
Service Cost in year	[REDACTED]	[REDACTED]	(130,732)	[REDACTED]
Interest Cost in year	[REDACTED]	[REDACTED]	(462,500)	[REDACTED]
Actual Benefit Payments	[REDACTED]	[REDACTED]	285,556	[REDACTED]
Expected APBO at December 31, 2000	\$ [REDACTED]	\$ [REDACTED]	\$ (8,027,800)	\$ [REDACTED]
Actual APBO at January 1, 2001	[REDACTED]	[REDACTED]	(10,159,177)	[REDACTED]
Actuarial Gain (Loss) on APBO	[REDACTED]	[REDACTED]	(2,131,377)	[REDACTED]
C. REQUIRED AMORTIZATION OF UNAMORTIZED ACTUARIAL LOSS				
10% of Actual APBO at January 1, 2001	\$ [REDACTED]	\$ [REDACTED]	\$ 1,015,918	\$ [REDACTED]
Unamortized Net Actuarial Loss (Gain), January 1,2001	[REDACTED]	[REDACTED]	2,131,377	[REDACTED]
Amount Subject to Amortization	[REDACTED]	[REDACTED]	1,115,459	[REDACTED]
Minimum Required Amortization	[REDACTED]	[REDACTED]	85,435	[REDACTED]



TABLE 4

> PARTICIPANT DATA

Membership data as at January 1, 2001 was received from the Employer via e-mail and included information such as name, sex, date of birth, 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:

- 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

<i>As of January 1</i>	2000			2001		
	Male	Female	Total	Male	Female	Total
NUMBER OF EMPLOYEES	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
AVERAGE LENGTH OF SERVICE	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

As of January 1, 2001

CURRENT AGE

<u>Age Band</u>	<u>Active Lives – Not Fully Eligible</u>			<u>Active Lives – Fully Eligible</u>		
	<u>Count</u>			<u>Count</u>		
	Male	Female	Total	Male	Female	Total
Less than 30	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
30-35	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
36-40	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
41-45	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
46-50	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
51-55	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
56-60	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
61-65	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
66-70	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
71-75	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Greater than 75	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

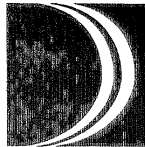


TABLE 4 (cont'd)

As of January 1, 2001

AVERAGE SERVICE

<u>Age Band</u>	<u>Active Lives – Not Fully Eligible</u>			<u>Active Lives – Fully Eligible</u>		
	<u>Service</u>			<u>Service</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30						
30-35						
36-40						
41-45						
46-50						
51-55						
56-60						
61-65						
66-70						
71-75						
Greater than 75						
TOTAL						

PEOPLE IN RECEIPT OF BENEFITS

As of January 1

	<u>2000</u>			<u>2001</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
NUMBER OF MEMBERS						

As of January 1, 2001

RETIREE LIVES

<u>Age Band</u>	<u>Actual Annual Benefit Payments</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30			
30-35			
36-40			
41-45			
46-50			
51-55			
56-60			
61-65			
66-70			
71-75			
Greater than 75			
TOTAL			

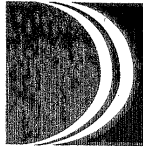


TABLE 5

> RECONCILIATION OF DATA

	Actives	People in Receipt of Benefits
As at January 1, 2000	[REDACTED]	[REDACTED]
New entrants	[REDACTED]	[REDACTED]
Transfers in	[REDACTED]	[REDACTED]
Transfers out	[REDACTED]	[REDACTED]
Disabled - without benefits	[REDACTED]	[REDACTED]
- with benefits	[REDACTED]	[REDACTED]
Terminated - without benefits	[REDACTED]	[REDACTED]
- with benefits	[REDACTED]	[REDACTED]
Retired	[REDACTED]	[REDACTED]
Died	[REDACTED]	[REDACTED]
- with survivor benefit	[REDACTED]	[REDACTED]
- without survivor benefit	[REDACTED]	[REDACTED]
New Survivor	[REDACTED]	[REDACTED]
Correction	[REDACTED]	[REDACTED]
As at January 1, 2001	[REDACTED]	[REDACTED]

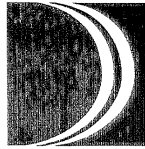


TABLE 6

> SUMMARY OF ACTUARIAL ASSUMPTIONS

<u>ASSUMPTION</u>	<u>January 1, 2000</u>	<u>January 1, 2001</u>
1. Discount Rate	: 6.0% Per Annum	6% Per Annum
2. Mortality - Actives	: CIA 68-72	CIA 68-72
- People in receipt of benefits	: CIA 68-72	CIA 68-72
3. Administration Expenses	: Included in Benefit Cost	Included in Benefit Cost
4. Disability	: None	None
5. Attribution	: Age 55	Age 55
6. Retirement	: Age 65	Age 57
7. Resignation	: 2% Per Annum	2% Per Annum
8. Salary Scale	: 2% Per Annum	2% Per Annum
9. Proportion Married	: Current Status in Data File	Current Status in Data File
10. Claims Cost Trend	:	
		<u>Health</u> <u>Dental</u>
	2000	8.5% 4.5%
	2001	7.5% 4.5%
	2002	6.5% 4.5%
	2003	5.5% 4.5%
	2004	4.5% 4.5%
	2005	4.5% 4.5%
	2006	4.5% 4.5%
	2007	4.5% 4.5%
	2008	4.5% 4.5%
	2009	4.5% 4.5%
	Thereafter	4.5% 4.5%



> JUSTIFICATION OF ACTUARIAL ASSUMPTIONS

1. DISCOUNT RATE

The pension plan assumes a 6% discount factor. However:

- a) Rates used by other companies for Section 3461 purposes are typically in the range 5% - 7%.
- b) Pricing rates of insurance products tend to be around 6%.
- c) Long Term bond rates are in the range 6.0% - 7.0%.

Recommendation: 6%.

2. DEMOGRAPHIC ASSUMPTIONS

Retirement, Termination and Marriage rates have been derived from data provided.

Very low disabilities were reported; as such we have assumed that there are no future disabilities.

3. EXPENSES

We have been advised that any administrative expenses payable have been included in the aggregate claims data.

4. CLAIM COST TREND

Claims costs have risen considerably faster than price inflation. Health and Dental expenses have risen faster than the consumer price index and it is reasonable to assume that future claims will follow a similar trend.

The Health Care claims cost increase in 2001 is assumed to be 7.5% decreasing to 4.5% for the year 2004 and beyond, while the increase in Dental Care claims cost is assumed to be 4.5% for the year 2001 and beyond.

5. ECONOMIC ASSUMPTIONS

For purposes of our current valuation, we have assumed that the long term inflation rate, as measured by the Consumer Price Index for Canada, will be 3.5% per annum.



> SUMMARY OF POST-RETIREMENT BENEFITS

The valuation is based on the Post-retirement and Post-employment benefit program of Enwin Utilities as at January 1, 2001. The following is a summary of the plan provisions that are pertinent to this valuation.

EFFECTIVE DATE OF THE PROGRAM

The program is governed by the collective agreement in effect until March 31, 2002.

ELIGIBILITY

Full-time employees are required to join the plan following their date of hire.

PARTICIPANT CONTRIBUTIONS

No participant contributions are required on the Health and Dental Post-retirement programs.

PAST SERVICE

Past service is defined as continuous service prior to joining the plan if the participant was employed with another electrical distribution company/utility prior to joining Enwin Utilities.

LENGTH OF SERVICE

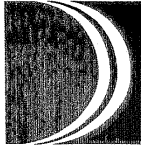
Length of service is defined as continuous service from the date of hire to the valuation date, measured in years and months.

SUMMARY OF BENEFITS

Upon retirement, all employees of Enwin Utilities are eligible for post-retirement life insurance, as per the MEARIE plan administered by Canada Life.

All employees of Enwin Utilities who retire are eligible for lifetime health and dental benefits.

Health and Dental benefits continue to an eligible spouse of a deceased employee or pensioner for the lifetime of the spouse.



> **EMPLOYER CERTIFICATION**

**Post-Employment and Post-Retirement Benefit Plan
of Enwin Utilities
Actuarial Valuation as at January 1, 2001**

I hereby confirm as an authorized signing officer of the administrator of the Post-Employment and Post-Retirement Benefit Plan of Enwin Utilities that, to the best of my knowledge and belief, for the purposes of the valuation:

- (i) the membership data is accurate and complete; and
- (ii) The summary of Main Plan Provisions is an accurate and complete summary of the terms of the Plan in effect on January 1, 2001.

ENWIN UTILITIES

Date

Signature

Name

Title

Enwin Power

**ESTIMATED BENEFIT EXPENSE (CICA 3461)
as at December 31, 2001
Scenario #1**

Discount Rate
Withdrawal Rate

A. Determination of Benefit Expense

Accrual for Service
Interest on Benefits
Expected Interest on Assets
Transition amortized over 12 years
(Gain)/Loss '01

Benefit Expense

B. Reconciliation of Prepaid Benefit Asset (Liability)

PBO as at January 1, 2002
Assets as at January 1, 2002

Unfunded PBO
Unrecognized Loss/(Gain)
Unrecognized Transition

Prepaid Benefit Asset (Liability)

Prepaid Benefit (Liability) as at January 1, 2001
2001 Benefit Income (Expense)
2001 Contributions by Firm

Prepaid Benefit Asset (Liability)

Enwin Power

ESTIMATED BENEFIT EXPENSE (CICA 3461)

as at December 31, 2001

Scenario #1

C. Calculation of Component Items

Calculation of the Service Cost

- Current service cost

[REDACTED]

Interest on Benefits

- PBO at January 1, 2001
- Current service cost
- Benefit payments
- Accrued benefits
- Interest

[REDACTED]

Expected Interest on Assets

- Assets at January 1, 2001
- Funding
- Benefit payments
- Expected assets
- Interest

[REDACTED]

Expected PBO as at January 1, 2002

- PBO at January 1, 2001
- Current service cost
- Interest on benefits
- Gain/Loss '01
- Benefit payments
- Expected PBO as at January 1, 2002

[REDACTED]

Expected Assets as at January 1, 2002

- Assets at January 1, 2001
- Funding
- Interest on assets
- Benefit payments
- Expected Assets as at January 1, 2002

[REDACTED]

Gain and Loss

Gain/Loss '01 on PBO as at January 1, 2001

- Expected PBO
- Actual PBO
- (Gain)/Loss on PBO

[REDACTED]

Gain/Loss '00 on Assets as at January 1, 2001

- Expected assets
- Actual assets
- (Gain)/Loss on assets

[REDACTED]

Enwin Power

ESTIMATED BENEFIT EXPENSE (CICA 3461) as at December 31, 2001 Scenario #1

D. Gain and Loss History

Remaining Payments	Transition Amount	(Gain)/Loss 2001	(Gain)/Loss 2002
January 1, 2000	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
January 1, 2001	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
January 1, 2002			

ENWIN UTILITIES

ESTIMATED BENEFIT EXPENSE (CICA 3461) as at December 31, 2001 Scenario #1

Discount Rate
Withdrawal Rate

A. Determination of Benefit Expense

Accrual for Service
Interest on Benefits
Expected Interest on Assets
Transition amortized over 12 years
(Gain)/Loss '01

Benefit Expense

B. Reconciliation of Prepaid Benefit Asset (Liability)

PBO as at January 1, 2002
Assets as at January 1, 2002

Unfunded PBO
Unrecognized Loss/(Gain)
Unrecognized Transition

Prepaid Benefit Asset (Liability)

Prepaid Benefit (Liability) as at January 1, 2001
2001 Benefit Income (Expense)
2001 Contributions by Firm

Prepaid Benefit Asset (Liability)

[REDACTED]

ENWIN UTILITIES

ESTIMATED BENEFIT EXPENSE (CICA 3461) as at December 31, 2001 Scenario #1

C. Calculation of Component Items

Calculation of the Service Cost

- Current service cost

[REDACTED]

Interest on Benefits

- PBO at January 1, 2001
- Current service cost
- Benefit payments
- Accrued benefits
- Interest

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Expected Interest on Assets

- Assets at January 1, 2001
- Funding
- Benefit payments
- Expected assets
- Interest

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Expected PBO as at January 1, 2002

- PBO at January 1, 2001
- Current service cost
- Interest on benefits
- (Gain)/Loss '01
- Benefit payments
- Expected PBO as at January 1, 2002

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Expected Assets as at January 1, 2002

- Assets at January 1, 2001
- Funding
- Interest on assets
- Benefit payments
- Expected Assets as at January 1, 2002

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Gain and Loss

Gain/Loss '01 on PBO as at January 1, 2001

- Expected PBO
- Actual PBO
- (Gain)/Loss on PBO

[REDACTED]
[REDACTED]
[REDACTED]

Gain/Loss '00 on Assets as at January 1, 2001

- Expected assets
- Actual assets
- (Gain)/Loss on assets

[REDACTED]
[REDACTED]
[REDACTED]

ENWIN UTILITIES

ESTIMATED BENEFIT EXPENSE (CICA 3461)

as at December 31, 2001

Scenario #1

D. Gain and Loss History

Remaining Payments	Transition Amount	(Gain)/Loss 2001	(Gain)/Loss 2002
January 1, 2000	\$ ██████████	\$ ██████████	\$ ██████████
January 1, 2001	\$ ██████████	\$ ██████████	\$ ██████████
January 1, 2002			

ENWIN POWERLINES

ESTIMATED BENEFIT EXPENSE (CICA 3461)

as at December 31, 2001

Scenario #1

Discount Rate	6.00%
Withdrawal Rate	2.00%

A. Determination of Benefit Expense

Accrual for Service	\$241,339
Interest on Benefits	\$612,454
Expected Interest on Assets	\$0
Transition amortized over 13 years	\$0
(Gain)/Loss '01	\$2,131,377
Benefit Expense	\$2,985,170

B. Reconciliation of Prepaid Benefit Asset (Liability)

PBO as at January 1, 2002	\$10,627,065
Assets as at January 1, 2002	\$0
Unfunded PBO	(\$10,627,065)
Unrecognized Loss/(Gain)	\$0
Unrecognized Transition	<u>\$0</u>
Prepaid Benefit Asset (Liability)	(\$10,627,065)
Prepaid Benefit (Liability) as at January 1, 2001	(\$8,027,800)
2001 Benefit Income (Expense)	(\$2,985,170)
2001 Contributions by Firm	<u>\$385,905</u>
Prepaid Benefit Asset (Liability)	(\$10,627,065)

ENWIN POWERLINES

ESTIMATED BENEFIT EXPENSE (CICA 3461) as at December 31, 2001 Scenario #1

C. Calculation of Component Items

Calculation of the Service Cost

- Current service cost \$241,339

Interest on Benefits

- PBO at January 1, 2001 \$10,159,177
- Current service cost \$241,339
- Benefit payments (\$192,953)
- Accrued benefits \$10,207,563
- Interest \$612,454

Expected Interest on Assets

- Assets at January 1, 2001 \$0
- Funding \$0
- Benefit payments \$0
- Expected assets \$0
- Interest \$0

Expected PBO as at January 1, 2002

- PBO at January 1, 2001 \$8,027,800
- Current service cost \$241,339
- Interest on benefits \$612,454
- (Gain)/Loss '01 \$2,131,377
- Benefit payments (\$385,905)
- Expected PBO as at January 1, 2002 \$10,627,065

Expected Assets as at January 1, 2002

- Assets at January 1, 2001 \$0
- Funding \$0
- Interest on assets \$0
- Benefit payments \$0
- Expected Assets as at January 1, 2002 \$0

Gain and Loss

Gain/Loss '01 on PBO as at January 1, 2001

- Expected PBO \$8,027,800
- Actual PBO \$10,159,177
- (Gain)/Loss on PBO \$2,131,377

Gain/Loss '00 on Assets as at January 1, 2001

- Expected assets \$0
- Actual assets \$0
- (Gain)/Loss on assets \$0

ENWIN POWERLINES

ESTIMATED BENEFIT EXPENSE (CICA 3461)
as at December 31, 2001
Scenario #1

D. Gain and Loss History

Remaining Payments	Transition Amount	(Gain)/Loss 2001	(Gain)/Loss 2002
January 1, 2000	\$ 7,720,124	\$ -	\$ -
January 1, 2001	\$ 10,159,177	\$ 2,131,377	\$ -
January 1, 2002			

ENWIN ENERGY

ESTIMATED BENEFIT EXPENSE (CICA 3461)
as at December 31, 2001
Scenario #1

Discount Rate
Withdrawal Rate

[REDACTED]

A. Determination of Benefit Expense

Accrual for Service
Interest on Benefits
Expected Interest on Assets
Transition amortized over 16 years
(Gain)/Loss '01

[REDACTED]

Benefit Expense

[REDACTED]

B. Reconciliation of Prepaid Benefit Asset (Liability)

PBO as at January 1, 2002
Assets as at January 1, 2002

[REDACTED]

Unfunded PBO
Unrecognized Loss/(Gain)
Unrecognized Transition

[REDACTED]

Prepaid Benefit Asset (Liability)

[REDACTED]

Prepaid Benefit (Liability) as at January 1, 2001
2001 Benefit Income (Expense)
2001 Contributions by Firm

[REDACTED]

Prepaid Benefit Asset (Liability)

[REDACTED]

ENWIN ENERGY

ESTIMATED BENEFIT EXPENSE (CICA 3461) as at December 31, 2001 Scenario #1

C. Calculation of Component Items

Calculation of the Service Cost

- Current service cost

[REDACTED]

Interest on Benefits

- PBO at January 1, 2001
- Current service cost
- Benefit payments
- Accrued benefits
- Interest

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Expected Interest on Assets

- Assets at January 1, 2001
- Funding
- Benefit payments
- Expected assets
- Interest

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Expected PBO as at January 1, 2002

- PBO at January 1, 2001
- Current service cost
- Interest on benefits
- (Gain)/Loss '01
- Benefit payments
- Expected PBO as at January 1, 2002

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Expected Assets as at January 1, 2002

- Assets at January 1, 2001
- Funding
- Interest on assets
- Benefit payments
- Expected Assets as at January 1, 2002

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Gain and Loss

Gain/Loss '01 on PBO as at January 1, 2001

- Expected PBO
- Actual PBO
- (Gain)/Loss on PBO

[REDACTED]
[REDACTED]
[REDACTED]

Gain/Loss '00 on Assets as at January 1, 2001

- Expected assets
- Actual assets
- (Gain)/Loss on assets

[REDACTED]
[REDACTED]
[REDACTED]

ENWIN ENERGY

ESTIMATED BENEFIT EXPENSE (CICA 3461)

as at December 31, 2001

Scenario #1

D. Gain and Loss History

Remaining Payments	Transition Amount	(Gain)/Loss 2001	(Gain)/Loss 2002
January 1, 2000	\$ ██████████	\$ ██████████	\$ ██████████
January 1, 2001	\$ ██████████	\$ ██████████	\$ ██████████
January 1, 2002			

5. **Employee Future Benefits**

Enwin Utilities pays certain benefits on behalf of its retired employees. Effective January 1, 2000, the Enwin Utilities adopted The Canadian Institute of Chartered Accountants new accounting standards for employee future benefits. Enwin Utilities recognizes these post-retirement costs in the period in which the employees rendered the services. The change in accounting policy was applied retroactively without restatement. The accrued benefit liability at December 31, 2000 of [REDACTED] and the expense for the 9 months ended September 30, 2001, was determined by actuarial valuation using a discount rate of 6.0%.

Information about Enwin Utilities' defined benefit plans is as follows:

	Year-Ended Dec. 31, 2000	Nine-Month Period Ended Sept 30, 2001
Accrued benefit obligation		
Balance at the beg of the period	[REDACTED]	[REDACTED]
Expense for the period	[REDACTED]	[REDACTED]
Benefits paid for the period	[REDACTED]	[REDACTED]
Projected accrued benefit obligation at	[REDACTED]	[REDACTED]
Balance at the end of the period	[REDACTED]	[REDACTED]
Unamortized actuarial loss	[REDACTED]	[REDACTED]

The main actuarial assumptions employed for the valuations are as follows:

(a) **General inflation:**

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed at 3.5% in 2001 and thereafter.

(b) **Interest (discount) rate:**

The obligation as at December 31, 2000, of the present value of future liabilities and the expense for the 9 months ended September 30, 2001, were determined using an annual discount rate of 6.0%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 2%.

(c) **Salary levels:**

Future general salary and wage levels were assumed to increase at 2% per annum.

(d) **Medical costs:**

Medical costs were assumed to increase at the CPI rate plus a further increase of 4% in 2001 graded down to 1% in 2004 and thereafter.

(e) **Dental costs:**

Dental costs were assumed to increase at the CPI rate plus a further increase of 1.00% in 2001 and thereafter.



DION DURRELL
Actuaries and Consultants

COPY

February 19, 2003

DELIVERED BY EMAIL & REGULAR MAIL

Mr. Bill Davie
Vice President of Finance
Enwin Utilities Ltd.
787 Ouellette Avenue
Box 1625, Stn. A
Windsor, ON N9A 5T7

Dear Mr. Davie:

Re: December 31, 2002 Benefit Expense Report

Please find attached exhibits which outline the extrapolation of the benefit expense to December 31, 2002 for the following employee groups:

- Enwin Power, broken down into:
 - ♦ Enwin Utilities
 - ♦ Enwin Powerlines
 - ♦ Enwin Energy
- Windsor Utilities

The extrapolations are based upon the results as shown in the valuation reports prepared by Dion, Durrell + Associates and dated January 24, 2002. As per our telephone conversation, we have made no adjustments for any changes to the assumptions, benefit provisions or premium rates from those assumed in these valuation reports.

We have estimated the current service cost in 2002 to be 6.0% higher than the current service cost in 2001, as reported in the applicable valuation report. In other words, employees are now one year closer to retirement so we have added one year of interest.

We have estimated the contributions/premiums paid by the utility to increase based upon the assumed increase in claims for health benefits used in the valuation as at January 1, 2001.

We have also included two tables that list the required disclosures under CICA 3461 and PS 3250, as applicable.

DION, DURRELL + ASSOCIATES INC.

20 Queen Street West, Suite 306, Toronto, Ontario, Canada M5H 3R3 Tel: 416-408-2626 Fax: 416-408-3721



Mr. Bill Davie

February 19, 2003

Page 2

If you have any questions, please do not hesitate to call.

Yours truly,

Karen G. Long

Actuary

[Telephone: (416) 408-5326]

[E-mail: karenl@dion-durrell.com]

KGL:jb

Enclosures

Copy: Marilyn Fraser, The MEARIE Group
Michael Arlitt, Dion Durrell + Associates Inc.

Enwin Utilities\Letters\2003\DavieB_0302_benefit expense.doc

FINANCIAL STATEMENTS DISCLOSURE

For the Year Ending December 31, 2002

Extrapolation from January 1, 2001 valuation

Section 3250.083 - PS Handbook

**Windsor
Utilities**

comments

- (a) general description of plans
- (b) accrued benefit obligation at the end of the period
- (c) market value of assets
- (d) benefit liability/(asset) at the end of period
- (e) unamortized gains/losses and periods of amortizations
- (f) current period benefit cost
- (g) cost of plan amendments
net actuarial gains/loss recognized in determining cost of plan amendments
- (h)
- (i) other gains/losses on accrued benefit obligations incurred in period
- (j) other gains/losses on plan assets incurred in period
- (k) gains and losses arising from plan settlements/curtailments
- (l) amortization of actuarial gains/losses reflected in current expense
- (m) any temporary deviation
- (n) change in valuation allowance
- (o) amount of contribution by the employees
components of retirement benefit interest expenditure/expense for the period
- (p) the period
- (q) amount of contributions by the government
- (r) amount of benefit paid in the period
- (s) expected return and actual return on plan assets
assumptions about long term inflation rates, expected rate of return on plan assets, assumed health care cost trends, rate of salary
- (t) increase and discount rate
- (u) date of most recent actuarial valuation performed

See Report as at
January 1, 2001

not applicable

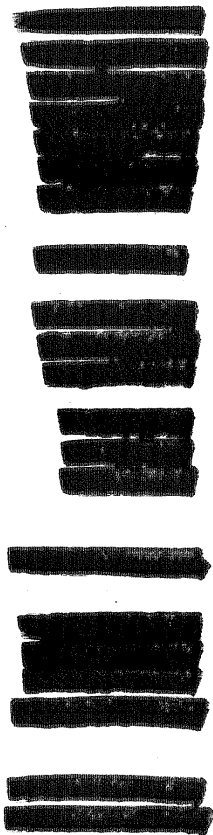
not applicable

benefits have been
valued net of employee
share

interest on ABO only

not applicable

See Report as at
January 1, 2001
January 1, 2001



FINANCIAL STATEMENTS DISCLOSURE

Extrapolation from January 1, 2001 valuation

For the Year Ending December 31, 2002

	Enwin Power	Utilities	Powerlines	Energy
Total				
Section 3461.153 - CICA Handbook				
(a) valuation basis for plan assets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(b) method chosen for recognizing past service costs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(c) method chosen for recognizing actuarial gains/losses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(d) sequence for settlements/curtailments	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(e) multi-employer plan accounting method	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(f) multi-employer plan accounting method (related companies)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Section 3461.155 - CICA Handbook				
(a) accrued benefit obligation at the end of the period	[REDACTED]	[REDACTED]	11,108,564	[REDACTED]
(b) fair value of assets	[REDACTED]	[REDACTED]	(11,108,564)	[REDACTED]
(c) resulting surplus/deficit	[REDACTED]	[REDACTED]	(11,108,564)	[REDACTED]
(d) benefit liability/asset at the end of period (recognized on balance sheet)	[REDACTED]	[REDACTED]	896,347	[REDACTED]
(e) current period benefit expense	[REDACTED]	[REDACTED]	414,848	[REDACTED]
(f) amount of contributions by the employer	[REDACTED]	[REDACTED]	-	[REDACTED]
(g) amount of contribution by the employees	[REDACTED]	[REDACTED]	414,848	[REDACTED]
(h) amount of benefit paid in the period	[REDACTED]	[REDACTED]	-	[REDACTED]
(i) any non-routine event	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(j) assumptions about expected rate of return on plan assets, rate of salary increase and discount rate	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(k) assumption about assumed health care cost trends	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(l) amount and types of securities or insurance contracts	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

comments
 not applicable
 not yet determined
 immediate recognition
 not yet determined
 not applicable
 not applicable

not applicable

benefits have been valued net of employee share

See Report as at January 1, 2001
 See Report as at January 1, 2001
 not applicable

Section 3461.157 - CICA Handbook

- (a) reconciliation of beginning and ending accrued benefit obligation
- (b) reconciliation of beginning and ending fair value of assets
- (c) the balances of unamortized amounts at the end of the period
- (d) expected return on plan assets for the period
- (e) amortization of past service costs for the period
- (f) amortization of net actuarial gains/losses for the period
- (g) amortization for the period of a transitional asset/obligation

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

see detail pages
 see detail pages
 not applicable

Enwin Power
 (Total of Enwin Utilities, Enwin Powerlines & Enwin Energy)
ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2001	Calendar Year 2002
Discount Rate	██████████	██████████
Withdrawal Rate	██████████	██████████
Assumed Increase in Contributions/Benefit Payments	██████████	██████████

A. Determination of Benefit Expense

Accrual for Service	██████████	██████████
Interest on Benefits	██████████	██████████
Expected Interest on Assets	██████████	██████████
Transitional Obligation/(Asset)	██████████	██████████
Actuarial (Gain)/Loss	██████████	██████████
Benefit Expense	██████████	██████████

B. Reconciliation of Prepaid Benefit Asset (Liability)

Accrued Benefit Obligation (ABO) as at December 31	██████████	██████████
Assets as at December 31	██████████	██████████
Unfunded ABO	██████████	██████████
Unrecognized Loss/(Gain)	██████████	██████████
Unrecognized Transition	██████████	██████████
Prepaid Benefit Asset (Liability)	██████████	██████████
Prepaid Benefit/(Liability) as at January 1	██████████	██████████
Benefit Income/(Expense)	██████████	██████████
Contributions/Benefit Payments by the Employer	██████████	██████████
Prepaid Benefit Asset (Liability)	██████████	██████████

Enwin Power
 (Total of Enwin Utilities, Enwin Powerlines & Enwin Energy)
ESTIMATED BENEFIT EXPENSE (CICA 3461)

Calendar Year 2001

Calendar Year 2002

C. Calculation of Component Items

Calculation of the Service Cost

- Current service cost

[REDACTED]

[REDACTED]

Interest on Benefits

- ABO at January 1
 - Current service cost
 - Benefit payments
 - Accrued benefits
 - Interest

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Expected Interest on Assets

- Assets at January 1
 - Funding
 - Benefit payments
 - Expected assets
 - Interest

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Expected PBO as at December 31

- ABO at January 1
 - Current service cost
 - Interest on benefits
 - Benefit payments
 - Expected PBO at December 31

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Expected Assets as at December 31

- Assets at January 1
 - Funding
 - Interest on assets
 - Benefit payments
 - Expected Assets at December 31

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Gain and Loss

(Gain)/Loss on ABO as at December 31

- Expected ABO
 - Actual ABO
 - (Gain)/Loss on ABO

[REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]

(Gain)/Loss on assets as at December 31

- Expected assets
 - Actual assets
 - (Gain)/Loss on assets

[REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]

Total (Gain)/Loss as at December 31

[REDACTED]

[REDACTED]

Enwin Utilities

ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2001	Calendar Year 2002
Discount Rate	██████████	██████████
Withdrawal Rate	██████████	██████████
Assumed Increase in Contributions/Benefit Payments	██████████	██████████
 <u>A. Determination of Benefit Expense</u>		
Accrual for Service	██████████	██████████
Interest on Benefits	██████████	██████████
Expected Interest on Assets	██████████	██████████
Transitional Obligation/(Asset)	██████████	██████████
Actuarial (Gain)/Loss	██████████	██████████
Benefit Expense	██████████	██████████
 <u>B. Reconciliation of Prepaid Benefit Asset (Liability)</u>		
Accrued Benefit Obligation (ABO) as at December 31	██████████	██████████
Assets as at December 31	██████████	██████████
Unfunded ABO	██████████	██████████
Unrecognized Loss/(Gain)	██████████	██████████
Unrecognized Transition	██████████	██████████
Prepaid Benefit Asset (Liability)	██████████	██████████
Prepaid Benefit/(Liability) as at January 1	██████████	██████████
Benefit Income/(Expense)	██████████	██████████
Contributions/Benefit Payments by the Employer	██████████	██████████
Prepaid Benefit Asset (Liability)	██████████	██████████

Enwin Utilities

ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2001	Calendar Year 2002
<u>C. Calculation of Component Items</u>		
Calculation of the Service Cost		
- Current service cost	██████████	██████████
Interest on Benefits		
- ABO at January 1	██████████	██████████
- Current service cost	██████████	██████████
- Benefit payments	██████████	██████████
- Accrued benefits	██████████	██████████
- Interest	██████████	██████████
Expected Interest on Assets		
- Assets at January 1	██████████	██████████
- Funding	██████████	██████████
- Benefit payments	██████████	██████████
- Expected assets	██████████	██████████
- Interest	██████████	██████████
Expected PBO as at December 31		
- ABO at January 1	██████████	██████████
- Current service cost	██████████	██████████
- Interest on benefits	██████████	██████████
- Benefit payments	██████████	██████████
- Expected PBO at December 31	██████████	██████████
Expected Assets as at December 31		
- Assets at January 1	██████████	██████████
- Funding	██████████	██████████
- Interest on assets	██████████	██████████
- Benefit payments	██████████	██████████
- Expected Assets at December 31	██████████	██████████
Gain and Loss		
(Gain)/Loss on ABO as at December 31		
- Expected ABO	██████████	██████████
- Actual ABO	██████████	██████████
- (Gain)/Loss on ABO	██████████	██████████
(Gain)/Loss on assets as at December 31		
- Expected assets	██████████	██████████
- Actual assets	██████████	██████████
- (Gain)/Loss on assets	██████████	██████████
Total (Gain)/Loss as at December 31	██████████	██████████

Enwin Powerlines

ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2001	Calendar Year 2002
Discount Rate	6.00%	6.00%
Withdrawal Rate	2.00%	2.00%
Assumed Increase in Contributions/Benefit Payments	7.50%	6.50%

A. Determination of Benefit Expense

Accrual for Service	241,339	255,819
Interest on Benefits	612,454	640,528
Expected Interest on Assets	-	-
Transitional Obligation/(Asset)	-	-
Actuarial (Gain)/Loss	2,131,377	-
Benefit Expense	2,985,170	896,347

B. Reconciliation of Prepaid Benefit Asset (Liability)

Accrued Benefit Obligation (ABO) as at December 31	10,627,065	11,108,564
Assets as at December 31	-	-
Unfunded ABO	(10,627,065)	(11,108,564)
Unrecognized Loss/(Gain)	-	-
Unrecognized Transition	-	-
Prepaid Benefit Asset (Liability)	(10,627,065)	(11,108,564)
Prepaid Benefit/(Liability) as at January 1	(8,027,800)	(10,627,065)
Benefit Income/(Expense)	(2,985,170)	(896,347)
Contributions/Benefit Payments by the Employer	385,905	414,848
Prepaid Benefit Asset (Liability)	(10,627,065)	(11,108,564)

Enwin Powerlines

ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2001	Calendar Year 2002
<u>C. Calculation of Component Items</u>		
Calculation of the Service Cost		
- Current service cost	241,339	255,819
Interest on Benefits		
- ABO at January 1	10,159,177	10,627,065
- Current service cost	241,339	255,819
- Benefit payments	<u>(192,953)</u>	<u>(207,424)</u>
- Accrued benefits	10,207,564	10,675,460
- Interest	612,454	640,528
Expected Interest on Assets		
- Assets at January 1	-	-
- Funding	192,953	207,424
- Benefit payments	<u>(192,953)</u>	<u>(207,424)</u>
- Expected assets	-	-
- Interest	-	-
Expected PBO as at December 31		
- ABO at January 1	10,159,177	10,627,065
- Current service cost	241,339	255,819
- Interest on benefits	612,454	640,528
- Benefit payments	<u>(385,905)</u>	<u>(414,848)</u>
- Expected PBO at December 31	10,627,065	11,108,564
Expected Assets as at December 31		
- Assets at January 1	-	-
- Funding	385,905	414,848
- Interest on assets	-	-
- Benefit payments	<u>(385,905)</u>	<u>(414,848)</u>
- Expected Assets at December 31	-	-
Gain and Loss		
(Gain)/Loss on ABO as at December 31		
- Expected ABO	8,027,800	10,627,065
- Actual ABO	<u>10,159,177</u>	<u>10,627,065</u>
- (Gain)/Loss on ABO	2,131,377	-
(Gain)/Loss on assets as at December 31		
- Expected assets	-	-
- Actual assets	<u>-</u>	<u>-</u>
- (Gain)/Loss on assets	-	-
Total (Gain)/Loss as at December 31	2,131,377	-

Enwin Energy

ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2001	Calendar Year 2002
Discount Rate	[REDACTED]	[REDACTED]
Withdrawal Rate	[REDACTED]	[REDACTED]
Assumed Increase in Contributions/Benefit Payments	[REDACTED]	[REDACTED]

A. Determination of Benefit Expense

Accrual for Service	[REDACTED]	[REDACTED]
Interest on Benefits	[REDACTED]	[REDACTED]
Expected Interest on Assets	[REDACTED]	[REDACTED]
Transitional Obligation/(Asset)	[REDACTED]	[REDACTED]
Actuarial (Gain)/Loss	[REDACTED]	[REDACTED]
Benefit Expense	[REDACTED]	[REDACTED]

B. Reconciliation of Prepaid Benefit Asset (Liability)

Accrued Benefit Obligation (ABO) as at December 31	[REDACTED]	[REDACTED]
Assets as at December 31	[REDACTED]	[REDACTED]
Unfunded ABO	[REDACTED]	[REDACTED]
Unrecognized Loss/(Gain)	[REDACTED]	[REDACTED]
Unrecognized Transition	[REDACTED]	[REDACTED]
Prepaid Benefit Asset (Liability)	[REDACTED]	[REDACTED]
Prepaid Benefit/(Liability) as at January 1	[REDACTED]	[REDACTED]
Benefit Income/(Expense)	[REDACTED]	[REDACTED]
Contributions/Benefit Payments by the Employer	[REDACTED]	[REDACTED]
Prepaid Benefit Asset (Liability)	[REDACTED]	[REDACTED]

Windsor Utilities

ESTIMATED BENEFIT EXPENSE (PS 3250)

	Calendar Year 2001	Calendar Year 2002
Discount Rate	██████████	██████████
Withdrawal Rate	██████████	██████████
Assumed Increase in Contributions/Benefit Payments	██████████	██████████

A. Determination of Benefit Expense

Accrual for Service	██████████	██████████
Interest on Benefits	██████████	██████████
Expected Interest on Assets	██████████	██████████
Transitional Obligation/(Asset)	██████████	██████████
Actuarial (Gain)/Loss	██████████	██████████
Benefit Expense	██████████	██████████

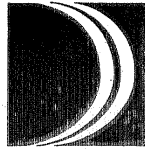
B. Reconciliation of Prepaid Benefit Asset (Liability)

Accrued Benefit Obligation (ABO) as at December 31	██████████	██████████
Assets as at December 31	██████████	██████████
Unfunded ABO	██████████	██████████
Unrecognized Loss/(Gain)	██████████	██████████
Unrecognized Transition	██████████	██████████
Prepaid Benefit Asset (Liability)	██████████	██████████
Prepaid Benefit/(Liability) as at January 1	██████████	██████████
Benefit Income/(Expense)	██████████	██████████
Contributions/Benefit Payments by the Employer	██████████	██████████
Prepaid Benefit Asset (Liability)	██████████	██████████

Windsor Utilities

ESTIMATED BENEFIT EXPENSE (PS 3250)

	Calendar Year 2001	Calendar Year 2002
<u>C. Calculation of Component Items</u>		
Calculation of the Service Cost		
- Current service cost	██████████	██████████
Interest on Benefits		
- ABO at January 1	██████████	██████████
- Current service cost	██████████	██████████
- Benefit payments	██████████	██████████
- Accrued benefits	██████████	██████████
- Interest	██████████	██████████
Expected Interest on Assets		
- Assets at January 1	██████████	██████████
- Funding	██████████	██████████
- Benefit payments	██████████	██████████
- Expected assets	██████████	██████████
- Interest	██████████	██████████
Expected PBO as at December 31		
- ABO at January 1	██████████	██████████
- Current service cost	██████████	██████████
- Interest on benefits	██████████	██████████
- Benefit payments	██████████	██████████
- Expected PBO at December 31	██████████	██████████
Expected Assets as at December 31		
- Assets at January 1	██████████	██████████
- Funding	██████████	██████████
- Interest on assets	██████████	██████████
- Benefit payments	██████████	██████████
- Expected Assets at December 31	██████████	██████████
Gain and Loss		
(Gain)/Loss on ABO as at December 31		
- Expected ABO	██████████	██████████
- Actual ABO	██████████	██████████
- (Gain)/Loss on ABO	██████████	██████████
(Gain)/Loss on assets as at December 31		
- Expected assets	██████████	██████████
- Actual assets	██████████	██████████
- (Gain)/Loss on assets	██████████	██████████
Total (Gain)/Loss as at December 31		
	██████████	██████████



COPY

DION DURRELL

Actuaries and Consultants

Dion, Durrell + Associates Inc.

February 6, 2004

BY REGULAR MAIL

Ms. Victoria Zuber, CMA
Manager of Accounting Services
EnWin Utilities Ltd.
787 Ouellette Avenue
Box 1625, Stn. A
Windsor, ON N9A 5T7

Project Professional:	
Peer Reviewer:	
Date Proof Read:	_____
File Colour/Name:	_____
Client Number:	_____

Dear Ms. Zuber:

**Re: Post Retirement Benefit Plan of ENWIN Utilities Ltd.
Final Benefit Expense for FY 2003**

As requested, we have determined the FY 2003 final benefit expense as at January 1, 2003 for the above-captioned plan.

The FY 2003 benefit expense is \$1,704,000. Details of the calculation of the benefit expense are outlined in the attached valuation report (Section 1).

In addition, we have included the accounting worksheets for ENWIN Utilities Inc. (Section 2). We have included a breakdown by employee division (Section 3). Also included is a sample copy of the "Notes to the Financial Statements" (Section 4).

If you have any questions regarding the FY 2003 benefit expense, please do not hesitate to call.

Yours truly,

Karen G. Long, F.S.A., F.C.I.A.
Consulting Actuary
(E-mail: karenl@dion-durrell.com)
(Telephone: (416) 408-5326)

Mike Arlitt
Actuarial Analyst
(E-mail: michaela@dion-durrell.com)
(Telephone: (416) 408-5339)

KL/MA:jb
Enclosures

Zuberv_040205_FY2003 bft expense_FINAL

DION, DURRELL + ASSOCIATES INC.

20 Queen Street West, Suite 306, Toronto, Ontario, Canada M5H 3R3 Tel: 416-408-2626 Fax: 416-408-3721



DION DURRELL
Actuaries and Consultants

ENWIN UTILITIES LTD.

**Report on the
Actuarial Valuation of
Post-Retirement & Post-Employment Benefits
(Other than Pensions)**

As at January 1, 2003

FINAL

February 6, 2004



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EXECUTIVE SUMMARY

PURPOSE

MEARIE Actuarial Services and Dion, Durrell + Associates Inc. were engaged by ENWIN Utilities Ltd. to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by ENWIN Utilities Ltd. and to determine the accounting results for those benefits for the fiscal period starting January 1, 2003 and ending December 31, 2003.

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 3461 was first applied with effect from January 1, 2000.

The most recent full valuation was prepared as at January 1, 2001 based upon assumptions appropriate as at December 31, 2001.

The purpose of this valuation is threefold:

- i) to determine the Employer's liabilities in respect of post-retirement non-pension benefits;
- ii) to determine the benefit expense for fiscal year 2003; and
- iii) to provide all other pertinent information necessary for compliance with CICA Section 3461.

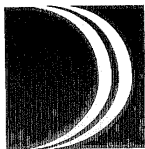
The intended users of this report include ENWIN Utilities Ltd. and their auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.



SUMMARY OF KEY RESULTS

The key results of this actuarial valuation as at January 1, 2003 with comparative results from the previous valuation as at January 1, 2001 are shown below (all figures are in thousands):

<i>As at January 1</i>	2001	2003
	(000's)	(000's)
ACCRUED BENEFIT OBLIGATION (ABO)		
a) People in receipt of benefits	██████████	██████████
b) Fully eligible actives	██████████	██████████
c) Non fully eligible actives	██████████	██████████
TOTAL	██████████	██████████
CURRENT SERVICE COST	██████████	██████████
BENEFIT EXPENSE	██████████	██████████
PREPAID BENEFIT LIABILITY at January 1 (as per ENWIN Utilities Ltd.)	██████████	██████████



ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by the ENWIN Utilities Ltd. as at January 1, 2003, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards and Practice-Specific Standards for Post-Employment Benefit Plans, 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 ENWIN Utilities Ltd. as best estimate assumptions (no provision for adverse deviations) and are in accordance with accepted actuarial practice;
3. The actuarial methods employed, as outlined in Section C, are appropriate for the purpose and consistent with sound actuarial principles; and
4. The valuation conforms to the standards set out in the Canadian Institute of Chartered Accountants Accounting Handbook Section 3461.

The latest date on which the next actuarial valuation should be performed is January 1, 2006. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

DION, DURRELL + ASSOCIATES INC.

Karen G. Long

Fellow, Canadian Institute of Actuaries

Michael Arlitt

Consultant

Toronto, Ontario
February 6, 2004



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 57, and an increase in the health and dental claims cost trend rate by 1% per annum.

Table A - 3 presents the determination of the actuarial gain/(loss) from the previous valuation at January 1, 2001.



**TABLE A - 1
VALUATION RESULTS**

(IN THOUSANDS OF DOLLARS)

<i>As of January 1</i>	2001 (000's)	2003 (000's)
1. ACCRUED BENEFIT OBLIGATION		
a) People in receipt of benefits	██████████	██████████
b) Fully eligible actives	██████████	██████████
c) Not fully eligible actives	██████████	██████████
TOTAL ABO	██████████	██████████
2. BENEFIT EXPENSE		
a) Current Service Cost	██████████	██████████
b) Interest Cost	██████████	██████████
c) Expected Return on Assets	██████████	██████████
d) Amortization of Transition Amount	██████████	██████████
e) Amortization of Prior Service Cost	██████████	██████████
f) Settlement (Gain)/Loss	██████████	██████████
g) Amortization of (Gains)/Losses	██████████	██████████
h) Restatement of Prior Liabilities	██████████	██████████
TOTAL BENEFIT EXPENSE	██████████	██████████
3. EXPECTED BENEFIT PAYMENTS	██████████	██████████



TABLE A - 2
SENSITIVITY ANALYSIS

(IN THOUSANDS OF DOLLARS)

As of January 1

2003

	<i>Valuation Results</i> (000's)	<i>Retirement Age 57</i> (000's)	<i>1% Higher Trend</i> (000's)
1. ABO			
a) People in receipt of benefits			
b) Fully eligible actives			
c) Not fully eligible actives			
TOTAL			
2. CURRENT SERVICE COST			
3. INTEREST COST			
4. EXPECTED BENEFITS			
5. AVERAGE WORKING LIFETIME OF THE CURRENT ACTIVE EMPLOYEES (YEARS)			
6. SETTLEMENT (GAIN)/LOSS			
7. ACTUARIAL (GAIN)/LOSS 2003			
8. AMORTIZATION OF ACTUARIAL (GAINS)/LOSSES			

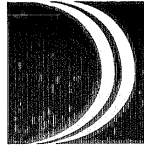


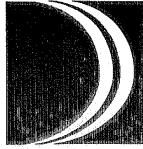
TABLE A - 3
DEVELOPMENT OF NET GAINS OR LOSSES
(IN THOUSANDS OF DOLLARS)

	2001	2002
ABO, January 1	[REDACTED]	[REDACTED]
Current Service Cost	[REDACTED]	[REDACTED]
Interest Cost	[REDACTED]	[REDACTED]
Benefit Payments	[REDACTED]	[REDACTED]
Expected ABO at December 31	[REDACTED]	[REDACTED]
Settlement ABO at December 31	[REDACTED]	[REDACTED]
Actual ABO at December 31	[REDACTED]	[REDACTED]
Actuarial Gain/(Loss) on ABO	[REDACTED]	[REDACTED]

* Some differences exist due to rounding

**ACTUARIAL GAIN (LOSS) ON ACCRUED
BENEFIT OBLIGATION**

	2002	2003
Unamortized Gain or (Loss) at January 1	[REDACTED]	[REDACTED]
Amortization for Current Year	[REDACTED]	[REDACTED]
Actuarial Gain (Loss) on Accrued Benefit Obligation	[REDACTED]	[REDACTED]
Unamortized Net Actuarial/Gain (Loss), December 31	[REDACTED]	[REDACTED]



REQUIRED AMORTIZATION OF UNAMORTIZED ACTUARIAL LOSS

I. ENWIN UTILITIES DIVISION

A. 10% of ABO at January 1	[REDACTED]
B. Unamortized Net Actuarial Loss (Gain), January 1	[REDACTED]
C. Amount Subject to Amortization	[REDACTED]
D. Minimum Required Amortization	[REDACTED]

II. ENWIN POWERLINES DIVISION

A. 10% of ABO at January 1	1,136
B. Unamortized Net Actuarial Loss (Gain), January 1	251
C. Amount Subject to Amortization	-
D. Minimum Required Amortization	-

III. ENWIN UTILITIES LTD. (CONSOLIDATED)

A. 10% of consolidated ABO at January 1 (IA + IIA)	[REDACTED]
B. Unamortized Net Actuarial Loss (Gain), January 1 (IB + IIB)	[REDACTED]
C. Amount Subject to Amortization (IC + IIC)	[REDACTED]
D. Minimum Required Amortization (ID + IID)	[REDACTED]



DEVELOPMENT OF NET GAINS OR LOSSES (cont'd)

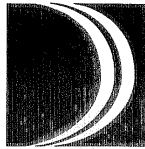
Please note that the actual ABO at January 1, 2003 is [REDACTED] higher than the expected ABO at December 31, 2002. This is due to a combination of the following factors:

- A change in the valuation assumptions (an increase of approximately [REDACTED] in the total ABO)
- Unexpected increases in the health and dental premium rates (an increase of approximately [REDACTED])
- Deviations from the expected demographic changes of the valued group and other miscellaneous factors (a decrease of approximately [REDACTED] in the total ABO)

Section 3461 of the Canadian Institute of Chartered Accountants states that any gain or loss in excess of 10% of the Accrued Benefit Obligation must, at minimum, be amortized over the expected average remaining service lifetime (E.A.R.S.L.). The E.A.R.S.L. of the current active group is 11 years. Under these guidelines, the minimum required amortization for the year 2003 is approximately [REDACTED]. Section 3461 requires that the amortization method is applied consistently. The minimum amortization of [REDACTED] will be applied for the year 2003. It should be noted that this method of amortizing gains/losses will be precedent setting for future years.

DEVELOPMENT OF SETTLEMENT GAINS/LOSSES

Please note that due to the transfer of 23 employees out of the ENWIN Utilities division, a plan settlement has occurred. This settlement has led to a decrease of approximately [REDACTED] in the ABO at January 1, 2003. Section 3461 of the Canadian Institute of Chartered Accountants states that any settlement gains or losses must be fully expensed during the year in which they occur. ENWIN Utilities Ltd. must therefore expense the full amount of the gain of [REDACTED] during the year 2003.



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 January 1, 2001.

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

(The table content is extremely faint and illegible due to low contrast and scan quality. It appears to be a multi-column table with several rows of data.)



**TABLE B - 1
PARTICIPANT DATA**

Membership data as at January 1, 2003 was received from the Employer via e-mail and included information such as name, sex, date of birth, 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 birth prior to date of hire
- Salaries less than \$20,000 per year, or greater than \$200,000 per year
- Ages under 18 or over 100
- Abnormal levels of benefits and/or premiums
- Duplicate records

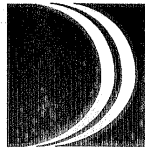
In addition, the following tests were performed:

- 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

<i>As of January 1</i>	2001			2003		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
NUMBER OF EMPLOYEES	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
AVERAGE LENGTH OF SERVICE	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

<i>As of January 1, 2003</i>	CURRENT AGE					
	<u>Active Lives – not fully eligible</u>			<u>Active Lives – fully eligible</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Age Band						
Less than 30	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
30-35	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
36-40	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
41-45	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
46-50	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
51-55	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
56-60	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
61-65	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
66-70	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
71-75	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Greater than 75	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]



As of January 1, 2003

AVERAGE SERVICE

Age Band	Active Lives – not fully eligible			Active Lives – fully eligible		
	Male	Female	Total	Male	Female	Total
Less than 30						
30-35						
36-40						
41-45						
46-50						
51-55						
56-60						
61-65						
66-70						
71-75						
Greater than 75						
TOTAL						

PEOPLE IN RECEIPT OF BENEFITS

As of January 1

	2001			2003		
	Male	Female	Total	Male	Female	Total
NUMBER OF MEMBERS						

As of January 1, 2003

TOTAL LIVES

Age Band	Actual Annual Benefit Payments		
	Male	Female	Total
Less than 30			
30-35			
36-40			
41-45			
46-50			
51-55			
56-60			
61-65			
66-70			
71-75			
Greater than 75			
TOTAL			



TABLE B - 2
RECONCILIATION OF DATA

	Actives	Dependents	Retired
As at January 1, 2001	████████	████████	████████
New Entrants	████████	████████	████████
Disabled - With Benefits	████████	████████	████████
Terminated - Without Benefits	████████	████████	████████
Retired	████████	████████	████████
Deceased	████████	████████	████████
Transferred to Water Division	████████	████████	████████
Correction	████████	████████	████████
As at January 1, 2003	████████	████████	████████



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. In order to value the liabilities of the post-employment benefits, 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 benefit to the specific years of employment.

The Accrued Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by the Accounting Recommendations 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. The CICA Section 3461 stipulates that the attribution period commences at the employee's hire date and ends at the earliest age at which the employee could retire and qualify for full benefits.

For each employee not yet fully eligible for benefits, the Accrued Benefit Obligation is equal to the present value of expected future benefit 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.

We have used the premium rates charged to retirees as an estimate of the claims to be incurred. The monthly premium rates used are as follows:

ENWIN Utilities

<i>Health Care</i>		<i>Dental Care</i>	
Single	Family	Single	Family
██████████	██████████	██████████	██████████

ENWIN Powerlines

<i>Health Care</i>		<i>Dental Care</i>	
Single	Family	Single	Family
\$179.07	\$378.96	\$35.22	\$74.60

Note that these are the premium rates as given to us by ENWIN Utilities Ltd. at January 1, 2003.



ECONOMIC ASSUMPTIONS

CONSUMER PRICE INDEX

The consumer price index is assumed to be 2.2% per annum.

DISCOUNT RATE

The rate used to discount future benefits is assumed to be 6.0% per annum. This rate reflects the assumed long term yield on high quality bonds as at January 1, 2003.

The assumption used in the previous valuation was 6.0% per annum.

SALARY INCREASE RATE

The rate used to increase salaries is assumed to be 3.0% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion, as at January 1, 2003.

The assumption used in the previous valuation was 2.0% per annum.

CLAIMS COST TREND RATE

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

	Previous Valuation		Current Valuation	
	<u>Health</u>	<u>Dental</u>	<u>Health</u>	<u>Dental</u>
2003	5.5%	4.5%	*4.25%	*2.25%
2004	4.5%	4.5%	7.5%	4.5%
2005	4.5%	4.5%	6.5%	4.5%
2006	4.5%	4.5%	5.5%	4.5%
2007 & Thereafter	4.5%	4.5%	4.5%	4.5%

**Note that the trend rates used for 2003 were adjusted to reflect the application of health and dental premium rates presented at July 1, 2003.*

DEMOGRAPHIC ASSUMPTIONS

MORTALITY TABLE

Mortality is assumed to be in accordance with the 1994 Group Annuity Mortality table, with Projection A to 2002. Mortality rates were applied on a sex-distinct basis.

The assumption used in the previous valuation was 70% of the Canadian Institute of Actuaries' 1968-72 Canadian Group Mortality Table.

RATES OR WITHDRAWAL

Termination of employment prior to age 55 was assumed to be equal to 2.0% per annum. 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. The assumption used in the previous valuation was age 57.

DISABILITY

No provision was made for future disability. It is assumed that individuals currently receiving long-term disability benefits will remain disabled until retirement age. This assumption remains unchanged from the previous valuation.

FAMILY/SINGLE COVERAGE

It is assumed that the current coverage type will remain into retirement. This assumption remains unchanged from the previous valuation.

EXPENSES AND TAXES

We have assumed 10% of benefits are required for taxes and the cost of sponsoring the program for life insurance.

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

There was no specific allowance for expenses or taxes in 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.

EFFECTIVE DATE OF THE PROGRAM

The program is governed by the collective agreements in effect until March 31, 2006.

ELIGIBILITY

All employees who retire from ENWIN Utilities Ltd. With a minimum of 10 years of active are eligible for post-retirement life, health and dental benefits.

PARTICIPANT CONTRIBUTIONS

The Corporation shall pay 100% of the cost of the life, health and dental benefits.

PAST SERVICE

Past service is defined as continuous service prior to joining the plan if the participant was employed with another electrical distribution company/utility prior to joining ENWIN Utilities Ltd.

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

All employees who retire from ENWIN Utilities Ltd. are eligible for post-retirement life insurance, as per the MEARIE plan, administered by Canada 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.
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 Sun Life.

Benefits Specific to ENWIN Utilities Employees

Employees hired prior to April 1, 2002 who retire from the service of ENWIN Utilities with a minimum of 10 years of active service receive lifetime joint survivor health and dental benefits.

Employees hired on or after April 1, 2002 who retire from the service of ENWIN Utilities with a minimum of 10 years of active service receive a retirement gratuity of \$5,000 credit for each completed year of service to be used solely for the intention of purchasing post-retirement health and/or dental benefit coverage.

Benefits Specific to ENWIN Powerlines Employees

Employees hired prior to April 1, 2002 who retire from the service of ENWIN Powerlines with a minimum of 10 years of active service receive lifetime joint survivor health and dental benefits.

Employees hired on or after April 1, 2002 who retire from the service of ENWIN Powerlines with a minimum of 10 years of active service receive joint survivor health and dental benefits to age 65.



SECTION E
EMPLOYER CERTIFICATION

**Post-Retirement Non-Pension Benefit Plan
of ENWIN Utilities Ltd.
Actuarial Valuation as at January 1, 2003**

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

- i) the assumptions upon which this report is based are management best estimate assumptions and are adequate and appropriate for the purposes of this valuation;
- ii) the membership data is accurate and complete; and
- iii) the summary of Plan Provisions is an accurate and complete summary of the terms of the Plan in effect on January 1, 2003.

ENWIN UTILITIES LTD.

Feb 2, 2004

Date

V Zuber

Signature

V ZUBER

Name

DIRECTOR OF FINANCE

Title



DION DURRELL
Actuaries and Consultants

COPY

December 21, 2004

BY E-MAIL: vzuber@enwin.com

Ms. Victoria Zuber, CMA
Director, Finance
EnWin Utilities Ltd.
787 Ouellette Avenue
Box 1625, Stn. A
Windsor, ON N9A 5T7

Dear Ms. Zuber:

Re: Post Retirement Benefit Plan of EnWin Utilities Ltd.
Benefit Expense Extrapolation for FY 2004 and FY 2005

Please find attached exhibits which outline the extrapolation of the benefit expense to December 31, 2003 for your post-retirement non-pension benefit programs for EnWin Utilities Ltd.

The extrapolations are based upon the results as shown in the valuation report prepared by Dion, Durrell + Associates and dated February 6, 2004. We have made no adjustments for any changes to the assumptions, benefit provisions or premium rates from those assumed in this valuation report.

We have estimated the current service cost in 2003 to be 6.0% higher than the current service cost in 2002, as provided in the projection for 2002. In other words, employees are now one year closer to retirement so we have added one year of interest.

We have estimated the contributions/premiums paid by the Utility to increase based upon the assumed increase in claims for health and dental benefits used in the valuation as at January 1, 2003.

We have also included a table that presents the required disclosures under CICA 3461.

If you have any questions, please do not hesitate to call.

Yours truly,

A black and white image of a handwritten signature in white ink on a black background. The signature is cursive and appears to read 'Karen G. Long'.

Karen G. Long, F.S.A., F.C.I.A.
Actuary
[Telephone: (416) 408-5326]
[E-mail: karenl@dion-durrell.com]

KGL:kl
Enclosures

Copy: Susanne Sauve (EnWin Powerlines Ltd.)
Andrea Greto (The MEARIE Group)
Patrick Yoo (Dion, Durrell + Associates Inc.)

EnWin Utilities Ltd.

FINANCIAL STATEMENTS DISCLOSURE

Extrapolation from January 1, 2003 valuation

For the Year Ending December 31, 2004

For the Year Ending December 31, 2005

Section 3461.152 - CICA Handbook

- (a) impact of future salary levels
- (b) valuation basis for plan assets
- (c) method chosen for recognizing past service costs
- (d) method chosen for recognizing actuarial gains/losses
- (e) method chosen for amortization of transitional obligation/asset
- (f) sequence for settlements/curtailments
- (g) multi-employer plan accounting method
- (h) multi-employer plan accounting method (related companies)

Section 3461.154 - CICA Handbook

- (a) description of types of plans
- (b) measurement dates
- (c) benefit cost
- (d) (accrued benefit liability)/asset
- (e) reconciliation of accrued benefit obligation to (d)

Section 3461.155 - CICA Handbook

- (a) accrued benefit obligation at the end of the period
- (b) plan assets
- (c) non-routine events

Section 3461.157 - CICA Handbook

significant assumptions

add'l comments	For the Year Ending December 31, 2004		For the Year Ending December 31, 2005	
	Total EnWin Utilities Ltd.	EnWin Powerlines	Total EnWin Utilities Ltd.	EnWin Powerlines
future salary levels have a very minimal effect on the life insurance benefit				
not applicable				
not yet determined				
excess over 10% corridor is amortized over EARSLS				
not applicable				
not yet determined				
not applicable				
not applicable				
		978,900		1,021,090
		(11,955,417)		(12,392,793)
see Report as at January 1, 2003				
see Report as at January 1, 2003				
see attached detail pages				
		12,206,680		12,644,056
See detail pages for reconciliation				
none				

see Report as at January 1, 2003

EnWin Utilities Ltd.
 (Total of EnWin Utilities & EnWin Powerlines)
ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2003	Projected Calendar Year 2004	Projected Calendar Year 2005
Discount Rate	██████████	██████████	██████████
Withdrawal Rate	██████████	██████████	██████████
Assumed Increase in Contributions/Benefit Payments	██████████	██████████	██████████
<u>A. Determination of Benefit Expense</u>			
Accrual for Service	██████████	██████████	██████████
Interest on Benefits	██████████	██████████	██████████
Expected Interest on Assets	██████████	██████████	██████████
Transitional Obligation/(Asset)	██████████	██████████	██████████
Settlement (Gain)/Loss	██████████	██████████	██████████
Actuarial (Gain)/Loss	██████████	██████████	██████████
Benefit Expense	██████████	██████████	██████████
<u>B. Reconciliation of Prepaid Benefit Asset (Liability)</u>			
Accrued Benefit Obligation (ABO) as at December 31	██████████	██████████	██████████
Assets as at December 31	██████████	██████████	██████████
Unfunded ABO	██████████	██████████	██████████
Unrecognized Loss/(Gain)	██████████	██████████	██████████
Unrecognized Transition	██████████	██████████	██████████
Prepaid Benefit Asset (Liability)	██████████	██████████	██████████
Prepaid Benefit/(Liability) as at January 1	██████████	██████████	██████████
Benefit Income/(Expense)	██████████	██████████	██████████
Contributions/Benefit Payments by the Employer	██████████	██████████	██████████
Prepaid Benefit Asset (Liability)	██████████	██████████	██████████

EnWin Utilities Ltd.
 (Total of EnWin Utilities & EnWin Powerlines)
ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2003	Projected Calendar Year 2004	Projected Calendar Year 2005
<u>C. Calculation of Component Items</u>			
Calculation of the Service Cost			
- Current service cost			
Interest on Benefits			
- ABO at January 1			
- Current service cost			
- Benefit payments			
- Accrued benefits			
- Interest			
Expected Interest on Assets			
- Assets at January 1			
- Funding			
- Benefit payments			
- Expected assets			
- Interest			
Expected PBO as at December 31			
- ABO at January 1			
- Current service cost			
- Interest on benefits			
- Benefit payments			
- Expected PBO at December 31			
Expected Assets as at December 31			
- Assets at January 1			
- Funding			
- Interest on assets			
- Benefit payments			
- Expected Assets at December 31			
<u>D. Actuarial (Gain)/Loss</u>			
Unamortized (Gain)/Loss From Prior Year			
(Gain)/Loss on ABO as at December 31			
- Expected ABO			
- Settlement ABO			
- Actual ABO			
- (Gain)/Loss on ABO			
(Gain)/Loss on assets as at December 31			
- Expected assets			
- Actual assets			
- (Gain)/Loss on assets			
Total (Gain)/Loss as at December 31			
10% of ABO as at January 1			
Total (Gain)/Loss to be amortized			
Expected average remaining service life (years)			
Minimum Amortization for current year			
Actual Amortization for current year			
Unamortized (Gain)/Loss			

EnWin Utilities

ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2003	Projected Calendar Year 2004	Projected Calendar Year 2005
Discount Rate	██████████	██████████	██████████
Withdrawal Rate	██████████	██████████	██████████
Assumed Increase in Contributions/Benefit Payments	██████████	██████████	██████████
<u>A. Determination of Benefit Expense</u>			
Accrual for Service	██████████	██████████	██████████
Interest on Benefits	██████████	██████████	██████████
Expected Interest on Assets	██████████	██████████	██████████
Transitional Obligation/(Asset)	██████████	██████████	██████████
Settlement (Gain)/Loss	██████████	██████████	██████████
Actuarial (Gain)/Loss	██████████	██████████	██████████
Benefit Expense	██████████	██████████	██████████
<u>B. Reconciliation of Prepaid Benefit Asset (Liability)</u>			
Accrued Benefit Obligation (ABO) as at December 31	██████████	██████████	██████████
Assets as at December 31	██████████	██████████	██████████
Unfunded ABO	██████████	██████████	██████████
Unrecognized Loss/(Gain)	██████████	██████████	██████████
Unrecognized Transition	██████████	██████████	██████████
Prepaid Benefit Asset (Liability)	██████████	██████████	██████████
Prepaid Benefit/(Liability) as at January 1	██████████	██████████	██████████
Benefit Income/(Expense)	██████████	██████████	██████████
Contributions/Benefit Payments by the Employer	██████████	██████████	██████████
Prepaid Benefit Asset (Liability)	██████████	██████████	██████████

EnWin Utilities

ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2003	Projected Calendar Year 2004	Projected Calendar Year 2005
<u>C. Calculation of Component Items</u>			
Calculation of the Service Cost			
- Current service cost	██████████	██████████	██████████
Interest on Benefits			
- ABO at January 1	██████████	██████████	██████████
- Current service cost	██████████	██████████	██████████
- Benefit payments	██████████	██████████	██████████
- Accrued benefits	██████████	██████████	██████████
- Interest	██████████	██████████	██████████
Expected Interest on Assets			
- Assets at January 1	██████████	██████████	██████████
- Funding	██████████	██████████	██████████
- Benefit payments	██████████	██████████	██████████
- Expected assets	██████████	██████████	██████████
- Interest	██████████	██████████	██████████
Expected PBO as at December 31			
- ABO at January 1	██████████	██████████	██████████
- Current service cost	██████████	██████████	██████████
- Interest on benefits	██████████	██████████	██████████
- Benefit payments	██████████	██████████	██████████
- Expected PBO at December 31	██████████	██████████	██████████
Expected Assets as at December 31			
- Assets at January 1	██████████	██████████	██████████
- Funding	██████████	██████████	██████████
- Interest on assets	██████████	██████████	██████████
- Benefit payments	██████████	██████████	██████████
- Expected Assets at December 31	██████████	██████████	██████████
<u>D. Actuarial (Gain)/Loss</u>			
Unamortized (Gain)/Loss From Prior Year	██████████	██████████	██████████
(Gain)/Loss on ABO as at December 31			
- Expected ABO	██████████	██████████	██████████
- Settlement ABO	██████████	██████████	██████████
- Actual ABO	██████████	██████████	██████████
- (Gain)/Loss on ABO	██████████	██████████	██████████
(Gain)/Loss on assets as at December 31			
- Expected assets	██████████	██████████	██████████
- Actual assets	██████████	██████████	██████████
- (Gain)/Loss on assets	██████████	██████████	██████████
Total (Gain)/Loss as at December 31	██████████	██████████	██████████
10% of ABO as at January 1	██████████	██████████	██████████
Total (Gain)/Loss to be amortized	██████████	██████████	██████████
Expected average remaining service life (years)	██████████	██████████	██████████
Minimum Amortization for current year	██████████	██████████	██████████
Actual Amortization for current year	██████████	██████████	██████████
Unamortized (Gain)/Loss	██████████	██████████	██████████

EnWin Powerlines

ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2003	Projected Calendar Year 2004	Projected Calendar Year 2005
Discount Rate	6.00%	6.00%	6.00%
Withdrawal Rate	2.00%	2.00%	2.00%
Assumed Increase in Contributions/Benefit Payments	3.92%	7.01%	6.17%

A. Determination of Benefit Expense

Accrual for Service	27,092	272,518	288,869
Interest on Benefits	681,268	706,383	732,221
Expected Interest on Assets	-	-	-
Transitional Obligation/(Asset)	-	-	-
Settlement (Gain)/Loss	-	-	-
Actuarial (Gain)/Loss	-	-	-
Benefit Expense	988,360	978,900	1,021,090

B. Reconciliation of Prepaid Benefit Asset (Liability)

Accrued Benefit Obligation (ABO) as at December 31	11,773,274	12,206,680	12,644,056
Assets as at December 31	-	-	-
Unfunded ABO	(11,773,274)	(12,206,680)	(12,644,056)
Unrecognized Loss/(Gain)	251,263	251,263	251,263
Unrecognized Transition	-	-	-
Prepaid Benefit Asset (Liability)	(11,522,011)	(11,955,417)	(12,392,793)
Prepaid Benefit/(Liability) as at January 1	(11,108,564)	(11,522,011)	(11,955,417)
Benefit Income/(Expense)	(938,360)	(978,900)	(1,021,090)
Contributions/Benefit Payments by the Employer	524,912	545,494	583,715
Prepaid Benefit Asset (Liability)	(11,522,011)	(11,955,417)	(12,392,793)

EnWin Powerlines

ESTIMATED BENEFIT EXPENSE (CICA 3461)

	Calendar Year 2003	Projected Calendar Year 2004	Projected Calendar Year 2005
<u>C. Calculation of Component Items</u>			
Calculation of the Service Cost			
- Current service cost	257,092	272,518	288,869
Interest on Benefits			
- ABO at January 1	11,359,827	11,773,274	12,206,680
- Current service cost	257,092	272,518	288,869
- Benefit payments	<u>(262,456)</u>	<u>(272,747)</u>	<u>(291,857)</u>
- Accrued benefits	11,354,463	11,773,045	12,203,692
- Interest	681,268	706,383	732,221
Expected Interest on Assets			
- Assets at January 1	-	-	-
- Funding	262,456	272,747	291,857
- Benefit payments	<u>(262,456)</u>	<u>(272,747)</u>	<u>(291,857)</u>
- Expected assets	-	-	-
- Interest	-	-	-
Expected PBO as at December 31			
- ABO at January 1	11,359,827	11,773,274	12,206,680
- Current service cost	257,092	272,518	288,869
- Interest on benefits	681,268	706,383	732,221
- Benefit payments	<u>(524,912)</u>	<u>(545,494)</u>	<u>(583,715)</u>
- Expected PBO at December 31	11,773,274	12,206,680	12,644,056
Expected Assets as at December 31			
- Assets at January 1	-	-	-
- Funding	524,912	545,494	583,715
- Interest on assets	-	-	-
- Benefit payments	<u>(524,912)</u>	<u>(545,494)</u>	<u>(583,715)</u>
- Expected Assets at December 31	-	-	-
<u>D. Actuarial (Gain)/Loss</u>			
Unamortized (Gain)/Loss From Prior Year	-	251,263	251,263
(Gain)/Loss on ABO as at December 31			
- Expected ABO	11,108,564	11,773,274	12,206,680
- Settlement ABO	-	-	-
- Actual ABO	<u>11,359,827</u>	<u>11,773,274</u>	<u>12,206,680</u>
- (Gain)/Loss on ABO	251,263	-	-
(Gain)/Loss on assets as at December 31			
- Expected assets	-	-	-
- Actual assets	<u>-</u>	<u>-</u>	<u>-</u>
- (Gain)/Loss on assets	-	-	-
Total (Gain)/Loss as at December 31	251,263	251,263	251,263
10% of ABO as at January 1	1,135,983	1,177,327	1,220,668
Total (Gain)/Loss to be amortized	-	-	-
Expected average remaining service life (years)	11	10	9
Minimum Amortization for current year	-	-	-
Actual Amortization for current year	-	-	-
Unamortized (Gain)/Loss	251,263	251,263	251,263

**WINDSOR CANADA UTILITIES LTD.
EMPLOYEE FUTURE BENEFITS**

**ACTUARIAL REPORT FOR ACCOUNTING PURPOSES
IN ACCORDANCE WITH CICA 3461
FOR THE PERIOD ENDING DECEMBER 31, 2005
AND PROJECTED RESULTS FOR 2006 FISCAL YEAR**

January 2006

WINDSOR CANADA UTILITIES LTD.
(ENWIN UTILITIES LTD. and ENWIN POWERLINES LTD.)
EMPLOYEE FUTURE BENEFITS

ACTUARIAL REPORT FOR ACCOUNTING PURPOSES
IN ACCORDANCE WITH CICA 3461
FOR THE PERIOD ENDING DECEMBER 31, 2005
AND PROJECTED RESULTS FOR 2006 FISCAL YEAR

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SECTION I

GENERAL DISCUSSION

WINDSOR CANADA UTILITIES LTD.

Employee Future Benefits

Actuarial Report for Accounting Purposes For the Period ending December 31, 2005

GENERAL DISCUSSION

The following report sets out the results of actuarial valuations of Windsor Canada Utilities Ltd. Employee Future Benefits (the "Plan") in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook, Section 3461. This report has been prepared at the request of the Windsor Canada Utilities Ltd.

Participants in the Plan are covered under post retirement life insurance, health benefits and dental benefits. A brief description of the benefits valued for each category of employee can be found in Section III.

The purpose of this report is to determine the 2005 benefit cost (income) for the Plan incurred during the period January 1, 2005 to December 31, 2005 and to establish the financial position of the Plan at December 31, 2005. This report also provides an estimate of the fiscal 2006 benefit cost (income) for the Plan. We will revise or confirm this estimate, as appropriate, at the end of the next fiscal year.

The last full valuation was prepared as at January 1, 2003 by MEARIE Actuarial Services and Dion, Durrell & Associates Inc.

This report is intended for the use of the Windsor Canada Utilities Ltd. and its external auditor in the support of amounts appearing on its financial statements. Separate disclosures have been provided for the two distinct reporting entities, ENWIN Utilities Ltd. and ENWIN Powerlines Ltd.

Benefit cost results

The benefit cost (income) under CICA 3461 for the Plan during 2005 along with the prior year is as follows:

	<u>2004</u>	<u>2005</u>
Enwin Utilities	██████████	██████████
Enwin Powerlines	<u>978,901</u>	<u>1,023,655</u>
Total Benefit Cost	██████████	██████████

Reliance

Data used for this valuation was provided by Windsor Canada Utilities Ltd.. The data included actual claims and premium data for the period under review along with membership data in respect of all individuals eligible for coverage under the Plan. The data provided was subjected to a number of tests of reasonableness and consistency. We are satisfied that the data used in our analysis is sufficient and reliable for the purposes of this report.

The discount rate used to determine the accrued benefit obligation is the market interest rate on high quality debt instruments. The discount rate used at January 1, 2005 is 6.00% per annum. We have assumed a lower discount rate of 5.00% per annum as at December 31, 2005 due to a decrease in applicable rates for bonds.

A summary of the actuarial assumptions and methodology used are included in Section IV.

Certification

We completed this report on January 19, 2006.

To the best of our knowledge and on the basis of discussions with Windsor Utilities Ltd., it is our understanding that there were no events which occurred between the valuation date and the date this report was completed which would have a material impact on the results of the valuations or the year-end disclosures at December 31, 2005.

In our opinion,

- the data on which these valuations are based is sufficient and reliable for the purpose of the valuations; and
- these actuarial valuations conform with the requirements of the Canadian Institute of Chartered Accountants (CICA), Section 3461.

The valuations have been prepared using the best estimate assumptions provided by management. As these assumptions were established by Windsor Canada Utilities Ltd. for the purpose of financial reporting, we are not providing an opinion on the appropriateness of the assumptions for that purpose. Emerging experience under the Plan differing from the assumptions will result in gains or losses which will be revealed in future valuations.

The discount rate assumption has been determined in accordance with CICA Section 3461.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice.

Respectfully submitted,

Jill Wagman, FSA FCIA

Kiersten Johnston, FSA FCIA

SECTION II

**DETERMINATION OF CICA 3461 BENEFITS COST AND
YEAR END DISCLOSURES**

**Windsor Canada Utilities Ltd.
Employee Future Benefits**

**Actuarial Report for Accounting Purposes
For the Period December 31, 2005**

RECONCILIATION OF THE FUNDED STATUS OF THE PLAN AS OF JANUARY 1, 2005

	<u>ENWIN Utilities</u>	<u>ENWIN Powerlines</u>	<u>Total</u>
1. Fair value of plan assets	██████████	\$0	██████████
2. Accrued benefit obligation	██████████	(12,206,680)	██████████
3. Funded status of plan as of January 1, 2005 – surplus (deficit)	██████████	(12,206,680)	██████████
4. Unamortized net actuarial (gain) loss	██████████	251,263	██████████
5. Unamortized past service costs	██████████	0	██████████
6. Unamortized transitional obligation (asset)	██████████	0	██████████
7. Accrued benefit asset (liability) = (3) + (4) + (5) + (6)	██████████	(11,955,417)	██████████
8. Valuation allowance	██████████	0	██████████
9. Accrued benefit asset (liability), net of valuation allowance	██████████	(\$11,955,417)	██████████

**Windsor Canada Utilities Ltd.
Employee Future Benefits**

**Actuarial Report for Accounting Purposes
For the Period December 31, 2005**

ELEMENTS OF BENEFIT COSTS (INCOME) RECOGNIZED FOR FISCAL YEAR 2005

	<u>ENWIN Utilities</u>	<u>ENWIN Powerlines</u>	<u>Total</u>
1. Current service cost	██████████	\$288,869	██████████
2. Interest cost	██████████	734,786	██████████
3. Actual return on plan assets	██████████	0	██████████
4. Actuarial (gains) losses	██████████	2,888,607	██████████
5. Plan amendments	██████████	0	██████████
6. Curtailment gain	██████████	0	██████████
7. Settlement gain	██████████	0	██████████
8. Contractual termination benefits	██████████	0	██████████
9. Elements of future benefit costs before adjustments to recognize long-term nature	██████████	\$3,912,262	██████████
10. Adjustments to recognize long-term nature of future benefit costs			
(a) Difference between expected and actual return on plan assets	██████████	0	██████████
(b) Difference between recognized and actual actuarial (gain) loss	██████████	(2,888,607)	██████████
(c) Difference between amortization of past service costs and actual plan amendments	██████████	0	██████████
(d) Amortization of transitional obligation (asset)	██████████	0	██████████
	██████████	(2,888,607)	██████████
11. Valuation allowance provided against accrued benefit asset	██████████	0	██████████
12. Benefit cost (income) recognized	██████████	\$1,023,655	██████████

**Windsor Canada Utilities Ltd.
Employee Future Benefits**

**Actuarial Report for Accounting Purposes
For the Period December 31, 2005**

HEALTH AND DENTAL TREND SENSITIVITY ANALYSIS

A one-percentage point change in the assumed health care and dental care trend rates would have the following effects on the Plan for fiscal 2005.

ENWIN Utilities Ltd.	<u>Increase</u>	<u>Decrease</u>
Total of service cost and interest cost	██████████	██████████
Accrued benefit obligation	██████████	██████████
ENWIN Powerlines Ltd.	<u>Increase</u>	<u>Decrease</u>
Total of service cost and interest cost	\$113,800	(\$101,800)
Accrued benefit obligation	\$1,451,000	(\$1,277,500)
Total	<u>Increase</u>	<u>Decrease</u>
Total of service cost and interest cost	██████████	██████████
Accrued benefit obligation	██████████	██████████

**Windsor Canada Utilities Ltd.
Employee Future Benefits**

**Actuarial Report for Accounting Purposes
For the Period December 31, 2005**

RECONCILIATION OF THE FUNDED STATUS OF THE PLAN
AS OF DECEMBER 31, 2005

	<u>ENWIN Utilities</u>	<u>ENWIN Powerlines</u>	<u>Total</u>
1. Fair value of plan assets	██████████	\$0	██████████
2. Accrued benefit obligation	██████████	(15,620,713)	██████████
3. Funded status of plan as of December 31, 2005 – surplus (deficit)	██████████	(15,620,713)	██████████
4. Unamortized net actuarial (gain) loss	██████████	3,139,870	██████████
5. Unamortized past service costs	██████████	0	██████████
6. Unamortized transitional obligation (asset)	██████████	0	██████████
7. Accrued benefit asset (liability) = (3) + (4) + (5) + (6)	██████████	(12,480,843)	██████████
8. Valuation allowance	██████████	0	██████████
9. Accrued benefit asset (liability), net of valuation allowance	██████████	(\$12,480,843)	██████████

**Windsor Canada Utilities Ltd.
Employee Future Benefits**

**Actuarial Report for Accounting Purposes
For the Period ending December 31, 2005**

ACCRUED BENEFIT ASSET (LIABILITY) AS OF DECEMBER 31, 2005

	<u>ENWIN Utilities</u>	<u>ENWIN Powerlines</u>	<u>Total</u>
1. Accrued benefit asset (liability) as of January 1, 2005	██████████	(\$11,955,417)	██████████
2. Benefit cost (income)	██████████	1,023,655	██████████
3. Benefit payments	██████████	<u>498,229</u>	██████████
4. Accrued benefit asset (liability) as of December 31, 2005 = (1) – (2) + (3)	██████████	(\$12,480,843)	██████████

**Windsor Canada Utilities Ltd.
Employee Future Benefits**

**Actuarial Report for Accounting Purposes
For the Period ending December 31, 2005**

ACCRUED BENEFIT OBLIGATIONS AS OF DECEMBER 31, 2005

	<u>ENWIN Utilities</u>	<u>ENWIN Powerlines</u>	<u>Total</u>
1. Accrued benefit obligation - Balance at beginning of year	██████████	\$12,206,680	██████████
2. Current service cost	██████████	288,869	██████████
3. Employee contributions	██████████	0	██████████
4. Interest cost	██████████	734,786	██████████
5. Benefits Paid	██████████	(498,229)	██████████
6. Actuarial (gains) losses	██████████	2,888,607	██████████
7. Foreign exchange rate changes	██████████	0	██████████
8. Plan amendments	██████████	0	██████████
9. Acquisitions	██████████	0	██████████
10. Divestitures	██████████	0	██████████
11. Corporate restructuring giving rise to:	██████████	0	██████████
(a) Settlements	██████████	0	██████████
(b) Curtailments	██████████	0	██████████
12. Balance at end of year	██████████	\$15,620,713	██████████

**Windsor Canada Utilities Ltd.
Employee Future Benefits**

**Actuarial Report for Accounting Purposes
For the Period ending December 31, 2005**

ACCRUED BENEFIT OBLIGATIONS AS OF DECEMBER 31, 2005 BY BENEFIT PLAN

	<u>ENWIN Utilities</u>	<u>ENWIN Powerlines</u>	<u>Total</u>
Health			
Actives fully eligible	██████████	\$533,097	██████████
Actives Not fully eligible	██████████	5,002,879	██████████
Retiree & Spouses	██████████	6,419,993	██████████
Total Health	██████████	\$11,955,969	██████████
Dental			
Actives fully eligible	██████████	\$86,086	██████████
Actives Not fully eligible	██████████	801,002	██████████
Retiree & Spouses	██████████	1,039,849	██████████
Total Dental	██████████	1,926,937	██████████
Life			
Actives fully eligible	██████████	\$33,574	██████████
Actives Not fully eligible	██████████	253,830	██████████
Retiree & Spouses	██████████	1,450,403	██████████
Total Life	██████████	1,737,807	██████████
Total All Benefits	██████████	\$15,620,713	██████████

**Windsor Canada Utilities Ltd.
Employee Future Benefits**

**Actuarial Report for Accounting Purposes
For the Period ending December 31, 2005**

PROJECTED ELEMENTS OF BENEFIT COST (INCOME) FOR FISCAL 2006

	<u>ENWIN Utilities</u>	<u>ENWIN Powerlines</u>	<u>Total</u>
Current service cost	██████████	\$413,696	██████████
Interest cost	██████████	788,477	██████████
Actual return on plan assets	██████████	0	██████████
Actuarial (gains) losses	██████████	0	██████████
Plan amendments	██████████	0	██████████
Curtailement gain	██████████	0	██████████
Settlement gain	██████████	0	██████████
Contractual termination benefits	██████████	0	██████████
Elements of future benefit costs before adjustments to recognize long-term nature	██████████	\$1,202,173	██████████
Adjustments to recognize long-term nature of future benefit costs			
(a) Difference between expected and actual return on plan assets	██████████	0	██████████
(b) Difference between recognized and actual actuarial (gain) loss	██████████	197,224	██████████
(c) Difference between amortization of past service costs and actual plan amendments	██████████	0	██████████
(d) Amortization of transitional obligation (asset)	██████████	0	██████████
	██████████	197,224	██████████
Valuation allowance provided against accrued benefit asset	██████████	0	██████████
Benefit cost (income) recognized	██████████	\$1,399,397	██████████

SECTION III

SUMMARY OF EMPLOYEE FUTURE BENEFITS

**Windsor Canada Utilities Ltd.
Employee Future Benefits**

**Actuarial Report for Accounting Purposes
For the Period ending December 31, 2005**

SUMMARY OF POST-RETIREMENT BENEFITS

The following is a summary of the plan provisions that are pertinent to this valuation.

Effective Date of the Program

The program is governed by the collective agreements in effect until March 31, 2006.

Eligibility

All employees who retire from ENWIN Utilities Ltd. with a minimum of 10 years of active are eligible for post-retirement life, health and dental benefits.

Participants Contributions

The Corporation shall pay 100% of the cost of the life, health and dental benefits.

Past Service

Past service is defined as continuous service prior to joining the plan if the participant was employed with another electrical distribution company/utility prior to joining ENWIN Utilities Ltd.

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

All employees who retire from ENWIN Utilities Ltd. are eligible for 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 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.

Benefits Specific to ENWIN Utilities Employees

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Benefits Specific to ENWIN Powerlines Employees

Employees hired prior to April 1, 2002 who retire from the service of ENWIN Powerlines with a minimum of 10 years of active service receive lifetime joint survivor health and dental benefits.

Employees hired on or after April 1, 2002 who retire from the service of ENWIN Powerlines with a minimum of 10 years of active service receive joint survivor health and dental benefits to age 65.

For purposes of this valuation we have not taken into account the changes to the health and dental benefits for employees hired after April 1, 2002 as it is not material as of the valuation date.

SECTION IV

SUMMARY OF ACTUARIAL ASSUMPTIONS

**Windsor Canada Utilities Ltd.
Employee Future Benefits**

**Actuarial Report for Accounting Purposes
For the Period ending December 31, 2005**

SUMMARY OF ACTUARIAL ASSUMPTIONS

Economic Assumptions

Discount rate: - at January 1, 2005 6.00% per annum
 - at December 31, 2005 5.00% per annum

Salary Escalation: 3.00% per annum

Health cost trend:

2006	8.00%
2007	7.00%
2008	6.00%
2009	5.00%
2010 and thereafter	4.00%

The previous valuation assumed 5.50% for 2006 and 4.50% thereafter.

Dental cost trend: - at January 1, 2005 4.5% per annum
 - at December 31, 2005 4.0% per annum

Demographic Assumptions

Retirement Age: - at January 1, 2005 60
 - at December 31, 2005 59

Mortality: - at January 1, 2005 1994 GAM, Projection A to 2002
 - at December 31, 2005 UP1994, Projected to 2015

Termination of service: Ontario medium termination scale, but adjusted so there are no terminations from age 55. Selected rates are displayed below.

<u>Age</u>	
20	0.300
25	0.200
30	0.112
35	0.063
40	0.034
45	0.018
50	0.012
55 and over	0.000

The previous valuation assumed termination prior to age 55 occurred at a rate of 2.00% per annum.

Family/Single Coverage: It is assumed that the current coverage type for active employees will remain into retirement.

Cost Assumptions

Developing the Average Claim

Health and Dental Claims experience from 2003, 2004 and 2005 was provided by Windsor Canada Utilities Ltd. In developing the average claims we combined the experience for Enwin Utilities Ltd. and Enwin Powerlines Ltd. First, we increased the per capita claims using the trend factors (8% for health and 5% for dental). We trended the 2003 claims for two years and 2004 claims for one year. Then we averaged the three amounts to produce the average claim and adjusted the amount for taxes (8% sales tax and 2% premium tax).

Health claims per retiree:	\$2,528 per annum for single
	\$5,056 per annum for family

Dental claims per retiree:	\$445 per annum for single
	\$890 per annum for family

The previous valuation used premiums to estimate the claims to be incurred.

Actuarial Cost Method

The actuarial liability of the Plan was determined using the Projected Unit Credit Method. Under this method, the projected post-retirement benefit is deemed to be earned on a pro-rata basis over the years of service to date of full eligibility. The actuarial liability for each member is equal to the present value of the projected benefits up to the valuation date. The annual current service cost for a member is equal to the value of the benefits expected to be earned in each of the years following the valuation date, up to the next valuation date. The total actuarial liability and the total current service cost are determined by summing these amounts for all individuals.

Annual Benefit Cost

The annual benefit cost is the sum of the service cost, one year's interest cost and any amortizations of gains and losses. Any future gains or losses in excess of the 10% corridor (10% of the greater of the Obligations or Assets at the beginning of the year) will be amortized over EARSL (Expected Average Remaining Service Lifetime) of the employees. The EARSL at January 1, 2005 is 9.0 years and the EARSL at December 31, 2005 is 8.0 years.

SECTION V

DATA SUMMARIES

**Windsor Canada Utilities Ltd.
Employee Future Benefits**

**Actuarial Report for Accounting Purposes
For the Period ending December 31, 2005**

DATA SUMMARIES

	<u>Enwin Utilities Ltd.</u>	<u>Enwin Powerlines Ltd.</u>
<u>Actives</u>		
Number of Employees		
- Male	██████████	99
- Female	██████████	7
- Total Number	██████████	106
Average Age	██████████	42.97
Average Service	██████████	14.60
Average Salary	██████████	62,828
No. Fully Eligible	██████████	4
<u>Retirees</u>		
Number of Retirees	██████████	72
Number of Surviving Spouses	██████████	25
Total Number	██████████	97
Average Age	██████████	72.26
Number with Family Coverage	██████████	61