# RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

# 1 INTERROGATORY 28:

**Reference**(s): Exhibit 1C, Tab 4, Schedule 2, p.22, Financial Statements 2013 2 3 4 5 With respect to the first reference in note 13, THESL discloses a liability for OPEBs as at December 31, 2013 of \$238,792,000. 6 7 a) Please state how much of this liability has been recovered through rates since 2000. THESL may wish to refer to undertaking TCJ1.19 in the Hydro One proceeding EB-8 9 2013-0416 for a suggestion as to how to complete its response; b) Please provide the actuarial valuations used in the preparation of the year-end 10 financial statements for the years 2010 through 2012. 11 12 13 **RESPONSE:** 14 a) From 2000 to 2013, approximately \$114,542 of the liability for OPEBs has been 15 recovered through rates. 16 17 b) Please refer to Appendices A to C to this Schedule. Please note that the OPEB 18 liabilities associated with Energy Services Incorporated and LDC Unregulated as 19 noted in the appendices are accounted for within the OPEB liability on the balance 20 sheet of THESL. However, the OPEB costs associated with Toronto Hydro 21 Corporation, Energy Services Incorporated and LDC Unregulated are accounted for 22 in the income statements of the subsidiaries and are therefore not taken into account 23 when calculating THESL rates. 24



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TORHYD.4011

January 24, 2011

# CONFIDENTIAL

Ms. Celine Arsenault-Smith Toronto Hydro 14 Carlton Street Toronto, ON M5B 1K5

Dear Celine:

# **RE:** Fiscal 2010 Year-End Disclosure and Expense of the Post-Retirement Benefits for Employees of Toronto Hydro (the "Company") - Final

Further to your request, we have prepared updated year-end financial figures relating to Toronto Hydro's post-retirement benefits for reporting in its 2010 financial statements, including schedules with disclosures required under Section 3461 and accounting appendices G and H. The year-end financial figures presented herein were updated to reflect benefit payments made during Fiscal 2010 in respect of permanent LTD employees. This letter replaces our initial letter dated January 14, 2010.

It is our understanding that the Company has the following non-pension post-employment benefits: a sick leave program, life insurance, OMERS top-up pension, and extended health and dental benefits. There are no other non-pension post-employment benefits that we are aware of that would be subject to accounting treatment under CICA 3461.

We have enclosed the following:

Appendix G:Accounting Schedule for each of the four companies and ConsolidatedAppendix H:CICA 3461 Disclosures for each of the four companies and Consolidated

# **Assumptions and Methods**

All figures have been calculated using the same assumptions as those used in the valuation performed as at January 1, 2010 (and described in Appendix A of our report dated August 2010). Based on our discussions with the Company, we understand these assumptions still represent management's best estimates of future experience. The 2010 expense is based upon a 6.0% discount rate and the accrued benefit obligations ("ABO") at December 31, 2010 are based on a 5.75% discount rate, as instructed by the Company.

To determine the ABO at December 31, 2010, we re-ran our valuation at January 1, 2010 at a 5.75% discount rate, and projected forward the ABO and service cost figures with interest at 5.75% per annum, reflecting the actual benefit payments in Fiscal 2010.

# **Changes in Plan Provisions**

We understand that there have not been any changes to the post-retirement non-pension benefits as outlined in Appendix D of our actuarial valuation report.

# **Expense Results Summary**

A summary of the Fiscal 2010 expense, the balance sheet accrued benefit liability and the accrued benefit obligation as at December 31, 2010 is as follows:

	Fiscal 2010 Expense (\$)	Accrued Benefit Liability at December 31, 2010 (\$)	Accrued Benefit Obligation at December 31, 2010 (\$)
Toronto Hydro-Electric System Limited	15,346,000	164,229,000	195,753,000
Toronto Hydro Corporation	133,000	3,107,000	1,397,000
Toronto Hydro-Energy Service Incorporation	184,000	1,841,000	2,080,000
Toronto Hydro – LDC Unregulated	83,000	720,000	797,000
Toronto Hydro-Consolidated	15,746,000	169,897,000	200,027,000

## Representation

1. The most recent actuarial valuation of the Plan for accounting purposes was performed as at January 1, 2010. Extrapolations to December 31, 2010 have been performed in accordance with Section 3461 of the CICA Handbook.

We have not been asked to provide an opinion nor have we provided an opinion regarding the actuarial assumptions. Emerging experience, differing from assumptions, will result in gains or losses that will be revealed in future actuarial valuations.

- 2. As is commonly the case in Canada for benefits other than pensions, there are no assets associated with the Company's Plans.
- 3. The expense figures for the year ending December 31, 2010 have been determined using the projected benefits method pro-rated on service, applied in conformity with Section 3461 of the CICA Handbook. These figures were extrapolated from the results of the valuation.
- 4. We understand that the Company elected the retroactive approach in adopting CICA Handbook Section 3461. The Company has adopted the Corridor Method for recognizing experience gains and losses. Under this accounting policy, the portion of the experience gains and losses that exceeds 10% of the accrued benefit obligation is amortized over the average remaining service period of active employees and recognized in future years' expense.
- 5. The plan provisions are unchanged from those described in our actuarial valuation report dated August 2010. Please see Appendix D of that report for more details.

- 6. The results of the actuarial valuation and extrapolation have been based on the membership data as of January 1, 2010. Please refer to Appendix C of our report dated August 2010 for a summary of the membership data.
- 7. We are not aware of any matters or events between the date of our August 2010 valuation report and the date of this letter which would have a significant effect on the figures contained herein.
- 8. This letter has been prepared, and our opinions given, in accordance with accepted actuarial practice.
- 9. I am a member in good standing of the Canadian Institute of Actuaries. I understand that this letter will be used for audit evidence.

Should you have any questions or need further clarification, please call me.

Yours truly. E. Att

Gary E. Stoller, F.C.I.A. (416) 383-6440

c.c. Nelsha Nanji, Morneau Sobeco

This letter and enclosures have been peer-reviewed by Philip Fosu, F.C.I.A.

#### Toronto Hydro - Consolidated Post Retirement Benefits APPENDIX G Historial Expense Summary

	Estimated Fiscal 2012	<i>Estimated</i> Fiscal 2011	Fiscal 2010	Fiscal 2009
Starting values at BOY				
Accrued benefits	207,817,000	200,027,000	177,144,000	137,451,000
Experience (gain) loss			8,013,000	
Adjustment due to January 1, 2010 district changes Adjusted Accrued benefits at BOY	207 817 000	200 027 000	185,157,000	
Plan assets	207,817,000 0	200,027,000 0	185,157,000	0
Assumed discount rate on liabilities at BOY	5.75%	5.75%	6.00%	7.50%
Assumed discount rate on liabilities at EOY	5.75%	5.75%	5.75%	6.00%
Assumed salary increase	4.00%	4.00%	4.00%	4.00%
Accrual for service (normal cost) (employer)	4,133,000	3,908,000	3,485,000	2,539,000
Expected contributions (employer)	8,101,000	7,625,000	7,197,000	6,891,000
Contributions (employee)			0	0
Benefit payments	8,101,000	7,625,000	7,197,000	6,891,000
Average Remaining Service Period (ARSP) Average Remaining Service Period to full eligibility	13.0 9.0	13.0 9.0	13.0 9.0	16.0 10.0
Exhibit I - Interest on accrued benefits				
Opening balance	207,817,000	200,027,000	185,157,000	137,451,000
Accrual for service	4,133,000	3,908,000	3,485,000	2,539,000
Benefit payments (mid-year)	(4,052,000)	(3,813,000)	(3,600,000)	0
Total	207,898,000	200,122,000	185,042,000	139,990,000
Interest	11,954,000	11,507,000	11,102,000	10,240,000
Exhibit II - Experience gains/ losses - accrued benefits Opening balance	207,817,000	200,027,000	185,157,000	137,451,000
Accrual for service	4,133,000	3,908,000	3,485,000	2,539,000
Interest on accrued benefits	11,954,000	11,507,000	11,102,000	10,240,000
Benefit payments	(8,101,000)	(7,625,000)	(7,197,000)	(6,891,000)
Expected value at EOY	215,803,000	207,817,000	192,547,000	143,339,000
Actual value at EOY	215,803,000	207,817,000	200,027,000	177,144,000
Experience gain (loss)	0	0	7,480,000	(33,805,000)
Exhibit III - Unamortized experience				
Experience gain/(loss) at BOY	(27,319,000)	(27,952,000)	(12,654,000)	21,680,000
Other changes at BOY	0 526 000	622,000	(8,013,000)	0
Amortization amount Changes during year	526,000 0	633,000 0	195,000 (7,480,000)	(529,000) (33,805,000)
Experience gain/(loss) at EOY	(26,793,000)	(27,319,000)	(27,952,000)	(12,654,000)
Exhibit IV - Post employment benefits expense	_			
Accrual for services (total)	4,133,000	3,908,000	3,485,000	2,539,000
Interest on accrued benefits	11,954,000	11,507,000	11,102,000	10,240,000
Interest on plan assets	0	0	0	0
Amortization of July 1, 2000 amendment Amortization of Jan 1, 2001 amendment	(5,000) 5,000	(156,000) 182,000	(296,000) 195,000	(296,000) 195,000
Amortization of Jan 1, 2003 amendment	1,065,000	1,065,000	1.065.000	1,065,000
Amortization of experience (gains)/losses	526,000	633,000	195,000	(529,000)
Net expense	17,678,000	17,139,000	15,746,000	13,214,000
Exhibit V - Calculation of accrual: accrued (prepaid) expense	_			
Opening balance at BOY	179,411,000	169,897,000	161,348,000	155,025,000
Adjustment due to January 1, 2010 district changes	0	0	0	0
Expense (Income) for the year Funding contributions (total)	17,678,000	17,139,000	15,746,000	13,214,000
	(8,101,000)	(7,625,000)	(7,197,000)	(6,891,000)
Closing balance at EOY	188,988,000	179,411,000	169,897,000	161,348,000
Exhibit VI - Reconciliation Accrued benefits at EOY	215,803,000	207,817,000	200,027,000	177,144,000
Plan assets at EOY	0	0	0	0
(Surplus)/Deficit at EOY	215,803,000	207,817,000	200,027,000	177,144,000
Less: Unamortized (gains)/losses				
July 2000 past service cost	(5,000)	(10,000)	(166,000)	(462,000)
Jan 2001 past service cost	0	5,000	187,000	382,000
Jan 2003 past service cost	27,000	1,092,000	2,157,000	3,222,000
Experience (gains)/losses	<u>26,793,000</u> <u>188,988,000</u>	27,319,000	27,952,000	12,654,000
	100,900,000	179,411,000	169,897,000	161,348,000

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#### Toronto Hydro - Electric System Limited Post Retirement Benefits APPENDIX G Historial Expense Summary

Barding values at ROV         203,341,000         195,753,000         172,280,000         134,026,000           Adjuinted dace Namey 1, 201 dimits changes         203,341,000         195,753,000         134,026,000         0		Estimated Fiscal 2012	Estimated Fiscal 2011	Fiscal 2010	Fiscal 2009
Accord branch         203,341,000         195,753,000         134,056,000           Adjurted Accord breafin at BOY         203,341,000         195,753,000         134,056,000           Adjurted Accord breafin at BOY         203,341,000         195,753,000         134,056,000           Adjurted Accord breafin at BOY         5,759	Starting values at BOV				
Adjunct duc to Jamury 1, 2010 durine changes         1.55.000           Adjunct Accords been fait DOY         20,341,000         0 <t< td=""><td>Accrued benefits</td><td>203,341,000</td><td>195,753,000</td><td></td><td>134,026,000</td></t<>	Accrued benefits	203,341,000	195,753,000		134,026,000
Pin state         0				1,518,000	
Assumed lisecout rate of labilities at BOY         5.75%         5.75%         6.00%         7.50%           Assumed lisecout rate on labilities at BOY         5.75%         5.75%         5.75%         6.00%           Assumed lisecout rate on labilities at BOY         5.75%         5.75%         5.75%         6.00%           Assumed lisecout rate on labilities at BOY         5.75%         5.75%         5.75%         6.00%           Contribution (equipser)         19.92,000         7.445,000         7.637,000         6.777,000           Brenefit payments         7.971,000         7.445,000         0.00         0.00         0.00           Average Remaining Service Period (ARSY)         10.3         13.1         14.10         10.375,000         134,000,00         134,025,000           Average Remaining Service Period (MaRSY)         10.975,000         134,025,000         3.357,	Adjusted Accrued benefits at BOY				
Assumd discont rue on liabilitie at DOY         5.75%         5.75%         6.00%           Assumd dainy increase         400%         60% </td <td></td> <td>-</td> <td></td> <td>-</td> <td>-</td>		-		-	-
Assured slarg increase         4,00%         4,00%         4,00%         4,00%         4,00%         4,00%         4,00%         4,00%         4,00%         4,00%         2,400         7,287,000         3,237,000         3,237,000         3,237,000         7,445,000         7,287,000         7,446,000         7,283,000         6,797,000         7,446,000         7,083,000         6,797,000         7,446,000         7,083,000         6,797,000         7,446,000         7,083,000         6,797,000         7,446,000         7,083,000         6,797,000         7,446,000         7,083,000         6,797,000         7,446,000         7,083,000         6,797,000         7,446,000         7,083,000         13,01,000         13,01,000         13,01,000         13,4026,000         3,775,000         18,1,399,000         13,4426,000         3,775,000         18,1,399,000         13,426,000					
Accurat for service (normal cost) (employer)         3.992.000         3.775.000         3.347.000         2.419.000           Contributions (employee)         0         0         0         0         0         0           Contributions (employee)         0         0         0         0         0         0           Average Remaining Service Period (ARSP)         13.0         <					
Expected outprise         7,987,000         7,083,000         6,797,000           Average Remaining Service Veriod (ARSP)         13.0<					
Constitutions (employe)         0					
Tensity symmets         7,987,000         7,446,000         7,283,000         6,797,000           Average Remaining Service Period to full eligibility         9,0         9,0         9,0         9,0         8,0           Exhibit I - Interest on accrued headfite         203,341,000         195,753,000         134,026,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         3,387,000         1,339,4000         10,386,000         9,375,000         1,38,40,000         13,32,46,000         10,386,000         9,375,000         1,38,40,000         13					
Average Remaining Service Period (nRSP)         13.0         13.0         13.0         13.0         13.0         14.0           Average Remaining Service Period to full eligibility         9.0         9.0         9.0         9.0         8.0           Dyneting balance         203.341.000         195.755.000         13.30/0.00         2440.000           Bendit L interest on service to servi					
Average Remaining Service Period to full eligibility         9.0         9.0         9.0         9.0         8.0           Exhibit 1: Interest on service headfits         203,341,000         195,753,000         181,309,000         134,026,000           Average Remaining Service Period to full eligibility         9.0         9.0         9.0         194,026,000           Average Remaining Service Period to full eligibility         10,094,0000         137,25000         134,026,000         3359,0000         135,045,000         3359,0000         135,045,000         3359,0000         135,045,000         135,045,000         135,045,000         135,045,000         135,045,000         135,045,000         134,026,000         135,045,000         134,026,000         134,026,000         135,045,000         134,026,000         135,045,000         134,026,000         13	1 9				
Opening bulance         203,341,000         195,753,000         181,309,000         134,425,000           Benefit payments (mid-year)         (1,994,000)         (3,722,000)         (3,723,000)         (3,354,000)         (3,393,000)           Total         203,339,000         11,692,000         11,652,000         1181,309,010         13,364,000           Exhibit II - Experience gains/ losses - accrued benefits         203,341,000         195,753,000         181,309,000         249,800           Corrent for service         3,992,000         3,775,000         3,877,000         2,419,800           Denefit payments         (1,997,000)         (7,483,000)         6,597,000         12,428,000           Experience gain (loss)         0         7,75,000         3,877,000         2,419,800           Experience gain (loss)         0         7,445,000         13,928,000         13,928,000           Experience gain (loss)         0         0         7,232,000         12,228,000           Experience gain (loss)         0         0         7,232,000         13,422,000           Correl for service         203,341,000         13,422,000         13,422,000         13,422,000           Experience gain (loss)         0         0         7,242,000         12,428,000         13				9.0	8.0
Accord for service         3.992,000         3.775,000         3.367,000         2.419,000           Benefit payments (mid-year)         (3.942,000)         (3.723,000)         3.367,000         2.419,000           Total         (3.99,000)         (3.732,000)         (3.942,000)         (3.99,000)         1.1259,000         1.93,046,000         9.978,000           Eshihi II - Experience gains/loses - accrued benefits         0         1.1259,000         1.98,750,000         3.977,000         3.975,000         1.938,000         6.977,000         1.938,000         6.977,000         1.938,000         6.977,000         1.938,000         6.977,000         1.938,000         1.938,000         1.938,000         1.938,000         1.938,000         1.938,000         1.938,000         1.938,000         1.938,000         1.938,000         1.938,000         1.938,020 <td< td=""><td></td><td></td><td></td><td></td><td></td></td<>					
Benefic payments (mid-year)         (3,994,000)         (3,924,000)         (3,924,000)         (3,924,000)         (3,942,000)         (3,942,000)         (3,942,000)         (3,942,000)         (3,942,000)         (3,942,000)         (3,942,000)         (3,942,000)         (3,944,000)         (3,944					
Total         203,339,000         195,865,000         181,14,000         133,046,000           Interest         11,692,000         11,259,000         113,046,000         9,978,000           Exhibit IT - Experience gains/ lasses - accrated benefits         203,341,000         195,753,000         181,1309,000         134,025,000           Interest on accruice deteefits         3,992,000         3,775,000         3,367,000         2,917,000           Benefit payments         (7,987,000)         (7,446,000)         (7,453,000)         (16,372,000)           Expected value at EOY         211,038,000         203,341,000         195,753,000         172,280,000           Actual value at EOY         211,038,000         203,341,000         155,753,000         172,800,00           Experience gain (fuss)         0         0         (7,521,000)         17,580,000           Other changes at DOY         0         0         (21,038,000)         (23,3700)         4,752,100           Total amount to be amorized         8,687,500         10,323,700         4,752,100         13,462,600           Accrual for services (sins)         11,692,000         12,33,700         4,752,100         13,472,000           Interest on accruced benefits         0         0         (7,251,000)         13,402,600 <td></td> <td></td> <td></td> <td></td> <td></td>					
Interest         11.692,000         11.259,000         10,865,000         9,978,000           Exhibit II - Experience pins/ losses - accrued benefits         203,341,000         13,4025,000         13,4025,000         2,419,000           Accrual for service         3,992,000         3,775,000         3,367,000         2,419,000         2,419,000         2,419,000         1,4425,000         9,978,000         (7,683,000)         0,783,000         2,633,41,000         112,250,000         112,250,000         112,250,000         112,250,000         112,250,000         (7,617,000)         (7,618,000)         112,250,000         122,280,000         122,280,000         122,280,000         122,280,000         122,280,000         122,280,000         122,280,000         122,280,000         122,280,000         122,280,000         11,750,000         0         0         7,252,000         32,654,000         122,280,000         13,40,264,000         13,40,264,000         13,40,264,000         13,40,264,000         13,40,264,000         14,77,400         1,652,000         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00         13,40,260,00					
Exhibit II - Experience gains/ losses - accrued banefits         203,341,000         195,753,000         181,309,000         134,025,000           Accrual for arvice         3,977,000         3,977,000         3,977,000         2,419,000         2,419,000         1,259,000         3,977,000         2,419,000         2,419,000         1,025,000         3,977,000         1,0366,000         2,2419,000         1,0366,000         2,033,41,000         1,038,640,000         1,0					
Opening balance         203,341,000         195,753,000         181,309,000         134,025,000           Accrual for service:         3,959,000         3,775,000         13,4025,000         2,419,000           Benefit payments         (7,987,000)         (7,446,000)         (7,083,000)         (5,977,000)           Expected value at EOY         211,038,000         203,341,000         188,461,000         (139,626,000)           Actual value at EOY         211,038,000         203,341,000         195,753,000         172,280,000           Experience gain (loss)         0         0         (7,511,000)         19,753,000         172,280,000           Other changes at BOY         0         0         (1,737,000)         13,402,600)         0           Total amount to be amortized         8,687,900         10,33,700         18,130,900         13,402,600           Changes during year         0         0         (7,222,000)         (22,800,00)         (23,800,000)         (15,372,000)           Chandi for services (notal)         668,000         787,000         3,467,000         13,402,600           Changes during year         0         0         (22,802,000)         (12,372,000)         12,426,000           Chandi for services (notal)         11,692,000         11,59	Interest	11,692,000	11,259,000	10,868,000	9,978,000
Acrual for service         3.922,000         3.375,000         3.367,000         2.419,000           Interst on accrued benefits         11,692,000         11,259,000         10.868,000         9.978,000           Experience gain (loss)         211,038,000         203,341,000         188,461,000         139,626,000           Experience gain (loss)         0         7.252,000         12,258,000         12,328,000         123,228,000           Experience gain (loss)         0         7.252,000         12,258,000         123,254,000         123,280,000         123,280,000         123,254,000           Exhibit III - Unamerized experience         12,038,000         203,341,000         188,461,000         13,962,000         12,258,000         12,258,000         12,258,000         12,258,000         12,258,000         12,558,000         12,654,000         12,654,000         12,654,000         12,657,000         13,402,600         13,402,600         13,402,600         13,402,600         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,654,000         12,659,000         12,659,000         12,659,0		203.341.000	195.753.000	181.309.000	134.026.000
Interst on accured benefits         11.092,000         11.289,000         10.868,000         9.978,000           Benefit payments         (7.987,000)         (7.446,000)         (7.977,000)         (7.977,000)           Expected value at EOY         211,038,000         203,341,000         105,753,000         (7.27,000)           Actual value at EOY         211,038,000         203,341,000         172,280,000         172,280,000           Experience gain(loss)         0         0         7,292,000         32,254,000         172,280,000           Other changes at BOY         0         0         0         7,722,000         32,254,000           Total amount to be amortized         8,687,900         10,333,700         47,72,000         32,650,000           Changes during year         0         0         0         (7.97,000)         32,670,000           Chapse during year         0         0         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (12,372,000)           Chapse during year         0         (28,050,00)         (17,73,00,00)         (15,73,000)         (15,73,000)         (15,73,000)         (15,73,000)         (15,73,000)         (15,73,000)         (15,73,000)         (15,73,000)         (15,73,000)         (15,73,000)					
Benefit payments         (7,987,000)         (7,483,000)         (7,083,000)         (7,083,000)         (7,083,000)         (7,083,000)         (7,083,000)         (7,083,000)         (7,083,000)         (7,083,000)         (7,083,000)         (7,083,000)         (7,083,000)         (7,083,000)         (7,083,000)         (7,282,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,222,000)         (7,223,000)         (7,232,000)         (7,232,000)         (7,223,000)         (7,223,000)         (7,223,000)         (7,223,000)         (7,223,000)         (7,223,000)         (7,232,000)					-
Actual value at EOY         211,038,000         203,341,000         195,753,000         172,280,000           Experience gain (loss)         0         0         0         0         7,292,000         32,654,000           Exhibit III - Unamortized experience         Experience gain (loss)         0         0         0         7,292,000         32,654,000           Propertience gain(loss)         BOY         0         0         0         (7,511,000)         10         13402,600           Total amount to be amorized         8,687,900         10,233,700         4,752,100         4,147,400           Change during year         0         0         (7,292,000)         (22,809,000)         (15,372,000)           Exhibit IV - Post employment benefits expense         0         0         (22,809,000)         (15,372,000)           Accrual for services (total)         11,692,000         11,259,000         3,367,000         2,419,000           Interest on plan assets on accrued benefits         11,692,000         11,259,000         18,000         180,000           Interest on flan assets on of Jul 1, 200 amendment         0         (135,000)         (275,000)         (275,000)           Interest on flan assets on flan assets on flan assets on flan assets on flan asset o			(7,446,000)	(7,083,000)	(6,797,000)
Experience gain (loss)         0         0         0         7,292,000         332,554,000           Experience gain/(loss) at BOY         (29,022,000)         (29,029,000)         (15,372,000)         17,580,000           Orher changes at BOY         0         0         (7,511,000)         0         (7,511,000)         0           Total amount to be amorized         8,687,900         10,233,770         4,773,100         4,177,400         365,000         (29,022,000)         (22,82,000)         (22,82,000)         (22,82,000)         (22,82,000)         (22,80,000)         (15,372,000)         1,402,600         4,177,400         1,4177,400         (25,350,000)         (22,800,000)         (15,372,000)         (23,684,000)         (28,000)         (23,690,000)         (15,372,000)         (23,684,000)         (23,690,000)         (15,372,000)         (23,690,000)         (15,372,000)	Expected value at EOY	211,038,000	203,341,000	188,461,000	139,626,000
	Actual value at EOY	211,038,000			
Experience gain(loss) at BOY         (29,022,000)         (29,839,000)         (15,372,000)         (17,580,000)           Other changes at BOY         0         (7,511,000)         0         (7,511,000)         0           Ito% Corridor         20,334,100         19,575,300         18,130,900         13,402,600         78,71,000         4,177,400           Amotization anount         6668,000         787,000         366,600         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (29,022,000)         (21,572,000)         (15,546,000)	Experience gain (loss)	0	0	7,292,000	32,654,000
Other charges at BOY         0         0         (7,511,000)         0           10% Corridor         20,334,100         19,575,300         18,130,900         13,402,600           Total amount to be amortized         8,687,900         10,233,700         4,772,100         4,177,400           Charges during year         0         0         (7,29,000)         (32,254,000)         (29,022,000)         (29,809,000)         (15,372,000)           Experience gain/(loss) at EOY         (28,354,000)         (29,022,000)         (29,022,000)         (29,809,000)         (15,372,000)           Exhibit IV - Post employment benefits expense         3,992,000         3,775,000         3,367,000         2,419,000           Interest on plan assets         0         0         0         0         0         0           Amortization of Jun 1, 2001 amendment         0         (18,000)         180,000         180,000         180,000         180,000           Amortization of experience (gains)/losses         668,000         787,000         15,448,000         128,44,000           Amortization of Jan 1, 2001 amendment         0         166,90,000         15,346,000         128,44,000           Amortization of accrual: accrued (prepaid) expense         17,192,000         16,4229,000         15,448,000			(20.200.000)	(15 272 000)	17 590 000
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Total amount to be amortized         8,687,900         10,233,700         4,752,100         4,177,400           Amortization amount         668,000         787,000         366,000         (29,80,00)           Experience gain/(loss) at EOY         (28,354,000)         (29,022,000)         (29,899,000)         (15,372,000)           Exbibit IV - Post employment benefits expense         (28,354,000)         (29,022,000)         (29,809,000)         (15,372,000)           Exbibit IV - Post employment benefits expense         3,992,000         3,775,000         3,367,000         2,419,000           Interest on plan assets         0         0         0         0         0         0           Amorization of Jun 1, 2003 amendment         0         (135,000)         (275,000)         180,000         840,000         840,000         840,000         840,000         840,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         0         12,844,000         14,84,01,000         0         12,844,000         148,401,000         148,401,000         148,401,000         0         12,844,000         148,401,000         15,18,000         148,401,000         12,844,000         148,401,000         15,18,000         16,694,000         15,18,000         12,844,000<					13.402.600
Amortization amount $668,000$ $787,000$ $366,000$ $(229,000)$ Changes during year         0         0         0         (2,292,000)         (32,654,000)           Exhibit IV - Post employment benefits expense         (28,354,000)         (29,022,000)         (32,654,000)         (15,372,000)           Exhibit IV - Post employment benefits expense         3,992,000         3,775,000         3,367,000         2,419,000           Interest on plan assets         0         0         0         0         0         0           Amortization of July 1, 2000 amendment         0         (135,000)         (275,000)         (28,000)         (28,000)           Amortization of Lan 1, 2003 amendment         0         0         0         0         0         0           Amortization of experience (gains)/losses         668,000         787,000         366,000         (28,000)         128,000         128,000         128,000         128,000         128,000         128,4000         2840,000         840,000         840,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,229,000         124,448					
Changes during year         0         0         (7,292,000)         (32,654,000)           Experience gain/(loss) at EOY         (28,354,000)         (29,022,000)         (29,020,000)         (15,372,000)           Exhibit IV - Post employment benefits expense         3,992,000         3,775,000         3,367,000         2,419,000           Interest on plan assets         0         0         0         0         0         0           Amorization of July 1, 2000 amendment         0         (135,000)         (275,000)         (28,000)         (275,000)         (275,000)           Amorization of Jan 1, 2003 amendment         0         1668,000         180,000         840,000         840,000         840,000         840,000         12,844,000         (28,000)         (28,000)         (28,000)         (28,000)         (28,000)         (28,000)         (29,000)         (29,000)         (275,000)         0 <t< td=""><td></td><td></td><td></td><td></td><td></td></t<>					
Experience gain/(loss) at EOY         (28,354,000)         (29,022,000)         (29,809,000)         (15,372,000)           Exhibit IV - Post employment benefits expense         3,992,000         3,775,000         3,367,000         2,419,000           Interest on plan assets         0         0         0         0         0           Amontization of July 1, 2000 amendment         0         (135,000)         (275,000)         (275,000)         (275,000)           Amontization of Jan 1, 2001 amendment         0         1180,000         840,000         840,000         840,000         840,000         840,000         840,000         840,000         12,844,000         (298,000)         (298,000)         (298,000)         12,844,000         12,9,000         15,3,470,00					
Accrual for services (total)         3,992,000         3,775,000         3,367,000         2,419,000           Interest on accrued benefits         11,692,000         11,253,000         10,868,000         9,978,000           Interest on plan assets         0         0         0         0         0           Amortization of July 1, 2000 amendment         0         (135,000)         (275,000)         (275,000)           Amortization of Jan 1, 2001 amendment         0         166,000         180,000         840,000         840,000           Amortization of experience (gains)/losses         668,000         787,000         366,000         (298,000)           Net expense         17,192,000         16,694,000         15,346,000         12,844,000           Adjustment due to January 1, 2010 district changes         0         0         1,518,000         0           Exhibit V - Calculation of accrual: accrued (prepaid) expense         0         0         1,518,000         0           Closing balance at BOY         17,192,000         16,694,000         15,346,000         12,844,000           Closing balance at EOY         182,682,000         173,477,000         164,229,000         154,448,000         164,229,000         154,448,000           Closing balance at EOY         182,682,000 <td></td> <td>(28,354,000)</td> <td>(29,022,000)</td> <td>(29,809,000)</td> <td>(15,372,000)</td>		(28,354,000)	(29,022,000)	(29,809,000)	(15,372,000)
Interest on accrued benefits         11,692,000         11,259,000         10,868,000         9,978,000           Interest on plan assets         0         0         0         0         0         0           Amortization of Jul J, 2000 amendment         0         (135,000)         (275,000)         (275,000)         (275,000)           Amortization of Jan 1, 2003 amendment         0         168,000         840,000         840,000         840,000         840,000           Amortization of Jan 1, 2003 amendment         840,000         15,346,000         12,844,000         12,844,000         12,844,000         12,844,000         0         1,518,000         0         1,518,000         0         1,518,000         12,844,000         148,401,000         15,346,000         12,844,000         12,844,000         148,401,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000 <td< td=""><td></td><td></td><td></td><td></td><td></td></td<>					
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Amortization of July 1, 2000 amendment         0         (135,000)         (275,000)         (275,000)           Amortization of Jun 1, 2001 amendment         0         168,000         180,000         180,000           Amortization of Jun 1, 2003 amendment         0         168,000         840,000         840,000           Amortization of experience (gains)/losses         668,000         787,000         366,000         (298,000)           Net expense         17,192,000         16,694,000         15,346,000         12,844,000           Exhibit V - Calculation of accrual: accrued (prepaid) expense         0         0         15,346,000         12,844,000           Adjustment due to January 1, 2010 district changes         0         0         15,346,000         12,844,000           Expense (Income) for the year         17,192,000         16,694,000         15,346,000         12,844,000           Funding contributions (total)         (7,987,000)         (7,485,000)         (7,083,000)         (6,797,000)           Closing balance at EOY         182,682,000         173,477,000         164,229,000         154,448,000           Exhibit VI - Reconciliation					
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Amortization of Jan 1, 2003 amendment         840,000				• • •	
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Net expense         17,192,000         16,694,000         15,346,000         12,844,000           Exhibit V - Calculation of accrual: accrued (prepaid) expense         0         173,477,000         164,229,000         154,448,000         148,401,000           Opening balance at BOY         0         0         1,518,000         0         1,518,000         0           Adjustment due to January 1, 2010 district changes         0         0         15,346,000         12,844,000         0           Expense (Income) for the year         171,192,000         16,694,000         15,346,000         12,844,000         0         0         0         12,844,000         0         0         12,844,000         0         0         0         12,844,000         0         0         12,844,000         0         0         0,73,83,000         0         0,73,83,000         12,844,000         148,401,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,000         12,844,8000         12,844,8000         12,844,8000         12,844,8000         12,844,8000         12,844,8000         12,844,8000         12,844,8000         12,844,8000         12,844,8000         12,844,8000         12,844,					
	· · ·			15,346,000	12,844,000
	Exhibit V - Calculation of accrual: accrued (prepaid) expense	_			
Adjustment due to January 1, 2010 district changes       0       0       1,518,000       0         Expense (Income) for the year       17,192,000       16,694,000       15,346,000       12,844,000         Funding contributions (total)       (7,987,000)       (7,446,000)       (7,083,000)       (6,797,000)         Closing balance at EOY       182,682,000       173,347,000       164,229,000       154,448,000         Exhibit VI - Reconciliation       0       0       0       0       0       0         Plan assets at EOY       211,038,000       203,341,000       195,753,000       172,280,000       0 <td></td> <td>173,477,000</td> <td>164,229,000</td> <td>154,448,000</td> <td>148,401,000</td>		173,477,000	164,229,000	154,448,000	148,401,000
Funding contributions (total) $(7,987,000)$ $(7,446,000)$ $(7,083,000)$ $(6,797,000)$ Closing balance at EOY         182,682,000         173,477,000         164,229,000         154,448,000           Exhibit VI - Reconciliation         0         103,417,000         195,753,000         172,280,000           Plan assets at EOY         0         0         0         0         0         0           (Surplus)/Deficit at EOY         211,038,000         203,341,000         195,753,000         172,280,000         192,753,000         172,280,000           Less: Unamortized (gains)/losses         0         0         0         0         0         0         0         0         0         172,280,000         192,753,000         172,280,000         195,753,000         172,280,000         182,682,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         195,753,000		0	0	1,518,000	
Closing balance at EOY         182,682,000         173,477,000         164,229,000         154,448,000           Exhibit VI - Reconciliation         Accrued benefits at EOY         211,038,000         203,341,000         195,753,000         172,280,000           Plan assets at EOY         0         0         0         0         0         0           (Surplus)/Deficit at EOY         211,038,000         203,341,000         195,753,000         172,280,000           Less: Unamortized (gains)/losses         0         0         0         0         0           July 2000 past service cost         0         0         0         (410,000)         Ja8,000         Ja9,000         J.53,72,000         Ja9,020,000         J5,372,000         J5,372,000 <td></td> <td></td> <td></td> <td></td> <td></td>					
Exhibit VI - Reconciliation           Accrued benefits at EOY         211,038,000         203,341,000         195,753,000         172,280,000           Plan assets at EOY         0         0         0         0         0         0           (Surplus)/Deficit at EOY         211,038,000         203,341,000         195,753,000         172,280,000           Less: Unamortized (gains)/losses         0         0         0         172,280,000           July 2000 past service cost         0         0         (135,000)         (410,000)           Jan 2001 past service cost         0         0         1680,000         348,000           Jan 2003 past service cost         2,000         842,000         1,682,000         2,522,000           Experience (gains)/losses         28,354,000         29,022,000         29,889,000         15,372,000	e				
Accrued benefits at EOY         211,038,000         203,341,000         195,753,000         172,280,000           Plan assets at EOY         0         195,753,000         172,280,000         126,800         195,753,000         172,280,000         126,800         195,753,000         172,280,000         126,800         195,753,000         172,280,000         126,800         195,753,000         172,280,000         126,800         195,753,000         172,280,000         126,800         195,753,000         172,280,000         140,000)         195,753,000         172,280,000         140,000)         195,753,000         172,280,000         140,000)         195,753,000         140,000)         195,753,000         140,000)         195,753,000         140,000)         195,753,000         140,000)         195,753,000         140,000)         140,000)         140,000         148,000	Closing balance at EOY	182,682,000	173,477,000	164,229,000	154,448,000
Plan assets at EOY         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         172,280,000         172,280,000         182,380,000         195,753,000         172,280,000         182,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         172,280,000         195,753,000         195,752,000         195,752,000         195,752,000         195,752,000         195,752,000         195,752,000         195,752,000         1			003 341 000	105 753 000	173 190 000
(Surplus)/Deficit at EOY         211,038,000         203,341,000         195,753,000         172,280,000           Less: Unamortized (gains)/losses         0         0         (410,000)           July 2000 past service cost         0         0         (410,000)           Jan 2001 past service cost         0         0         348,000           Jan 2003 past service cost         2,000         842,000         1.682,000         2,522,000           Experience (gains)/losses         28,354,000         29,022,000         29,809,000         15,372,000		211,038,000		0,000,551,551	172,200,000
Less: Unamortized (gains)/losses         0         0         (135,000)         (410,000)           July 2000 past service cost         0         0         168,000         348,000           Jan 2001 past service cost         2,000         842,000         1.682,000         2,522,000           Experience (gains)/losses         28,354,000         29,022,000         29,889,000         15,372,000		211 038 000		195,753,000	172,280,000
July 2000 past service cost         0         0         (135,000)         (410,000)           Jan 2001 past service cost         0         0         168,000         348,000           Jan 2003 past service cost         2,000         842,000         1,682,000         2,522,000           Experience (gains)/losses         28,354,000         29,022,000         29,809,000         15,372,000		T110301000	20292119000	1201100000	172,200,000
Jan 2001 past service cost         0         0         168,000         348,000           Jan 2003 past service cost         2,000         842,000         1,682,000         2,522,000           Experience (gains)/losses         28,354,000         29,022,000         29,809,000         15,372,000		0	0	(135.000)	(410.000)
Jan 2003 past service cost         2,000         842,000         1,682,000         2,522,000           Experience (gains)/losses         28,354,000         29,022,000         29,809,000         15,372,000					
Experience (gains)/lossos 28,354,000 29,022,000 29,809,000 15,372,000					
			29,022,000	29,809,000	15,372,000
		182,682,000	173,477,000	164,229,000	154,448,000

Assumed health and dental care cost trend rates have a significant effect on the amounts reported for the health and dental care plans. A one-percentage-point change in assumed health and dental care cost trend rates would have the following impact for 2010:

#### 1% Increase

Total of service and interest cost Accrued benefit obligation as at December 31, 2010

#### 1% Decrease

Total of service and interest cost Accrued benefit obligation as at December 31, 2010 **\$ Change** (1,720,000) (22,645,000)

· .,

\$ Change 2,493,000

29,415,000

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#### Toronto Hydro Corporation Post Retirement Benefits APPENDIX G Historial Expense Summary

	<i>Estimated</i> Fiscal 2012	<i>Estimated</i> Fiscal 2011	Fiscal 2010	Fiscal 2009
Starting values at BOY				
Accrued benefits Experience (gain) loss	1,416,000	1,397,000	2,347,000 300,000	1,738,000
Adjustment due to January 1, 2010 district changes			(1,285,000)	
Adjusted Accrued benefits at BOY Plan assets	1,416,000 0	1,397,000 0	1,362,000 0	0
Assumed discount rate on liabilities at BOY	5.75%	5.75%	6.00%	7.50%
Assumed discount rate on liabilities at EOY	5.75%	5.75%	5.75%	6.00%
Assumed salary increase	4.00%	4.00%	4.00%	4,00%
Accrual for service (normal cost) (employer)	17,000	16,000	14,000	40,000
Expected contributions (employer)	79,000	76,000	109,000	92,000
Contributions (employee)	0	0	0 10 <b>9,0</b> 00	0
Benefit payments Average Remaining Service Period (ARSP)	79,000 13,0	76,000 13.0	13.0	92,000 16.0
Average Remaining Service Period to full cligibility	9.0	9,0	9.0	11.0
Exhibit I - Interest on accrued benefits				
Opening balance	1,416,000	1,397,000	1,362,000	1,738,000
Accrual for service	17,000 (40,000)	16,000 (38,000)	14,000 (55,000)	40,000 (46,000)
Benefit payments (mid-year) Total	1,393,000	1,375,000	1,321,000	1,732,000
Interest	80,000	79,000	79,000	130,000
Exhibit 11 - Experience gains/ losses - accrued benefits	_			
Opening balance	1,416,000	1,397,000	1,362,000	1,738,000
Accrual for service	17,000	16,000	14,000	40,000
Interest on accrued benefits	80,000	79,000	79,000	130,000
Benefit payments	(79,000)	(76,000)	(109,000) 1.346.000	(92,000) 1,816,000
Expected value at EOY Actual value at EOY	1,434,000 1,434,000	1,416,000	1,346,000	2,347,000
Experience gain (loss)	0	0	51,000	531,000
Exhibit III - Unamortized experience	_		,	
Experience gain/(loss) at BOY	1,988,000	2,142,000	2,664,000	3,396,000
Other changes at BOY	0	0	(300,000)	0
10% Corridor	141,600	139,700	136,200	173,800
Total amount to be amortized Amortization amount	1,846,400 (142,000)	2,002,300 (154,000)	2,227,800 (171,000)	3,222,200 (201,000)
Changes during year	(142,000)	(134,000)	(51,000)	(531,000)
Experience gain/(loss) at EOY	1,846,000	1,988,000	2,142,000	2,664,000
Exhibit IV - Post employment benefits expense	_			
Accrual for services (total)	17,000	16,000	14,000	40,000
Interest on accrued benefits	80,000	79,000	79,000	130,000
Interest on plan assets Amortization of July 1, 2000 amendment	0 (2,000)	0 (18,000)	0 (18,000)	0 (18,000)
Amortization of Jan 1, 2001 amendment	5,000	12,000	12,000	12,000
Amortization of Jan 1, 2003 amendment	217,000	217,000	217,000	217,000
Amortization of experience (gains)/losses	(142,000)	(154,000)	(171,000)	(201,000)
Net expense	175,000	152,000	133,000	180,000
Exhibit V - Calculation of accrual: accrued (prepaid) expense	_			
Opening balance at BOY	3,183,000	3,107,000	4,368,000	4,280,000 0
Adjustment due to January 1, 2010 district changes	0	0 152,000	(1,285,000) 133,000	180,000
Expense (Income) for the year Funding contributions (total)	(79,000)	(76,000)	(109,000)	(92,000)
Closing balance at EOY	3,279,000	3,183,000	3,107,000	4,368,000
Exhibit VI - Reconciliation				
Accrued benefits at EOY	1,434,000	1,416,000	1,397,000	2,347,000
Plan assets at EOY		1,416,000	1 207 000	0
(Surplus)/Deficit at EOY	1,434,000	1,410,000	1,397,000	2,347,000
Less: Unamortized (gains)/losses July 2000 past service cost	0	(2,000)	(20,000)	(38,000)
Jan 2001 past service cost	0	5,000	17,000	29,000
Jan 2003 past service cost	1,000	218,000	435,000	652,000
Experience (gains)/losses	(1,846,000)	(1,988,000)	(2,142,000)	(2,664,000)
	3,279,000	3,183,000	3,107,000	4,368,000

Assumed health and dental care cost trend rates have a significant effect on the amounts reported for the health and dental care plans. A one-percentage-point change in assumed health and dental care cost trend rates would have the following impact for 2010:

#### 1% Increase

Total of service and interest cost Accrued benefit obligation as at December 31, 2010

1%	Decrease
----	----------

Total of service and interest cost Accrued benefit obligation as at December 31, 2010 201,000 \$ Change

\$ Change 15,000

(12,000) (159,000)

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#### Toronto Hydro - Energy Services Incorporated Post Retirement Benefits APPENDIX G Historial Expense Summary

	Estimated Fiscal 2012	Estimated Fiscal 2011	Fiscal 2010	Fiscal 2009
Starting values at BOY				
Accrued benefits Experience (gain) loss	2,176,000	2,080,000	2,517,000 166,000	1,687,000
Adjustment due to January 1, 2010 district changes Adjusted Accrued benefits at BOY Plan assets	2,176,000 0	2,080,000 0	(870,000) 1,813,000 0	0
Assumed discount rate on liabilities at BOY	5.75%	5.75%	6.00%	7.50%
Assumed discount rate on liabilities at EOY	5,75%	5.75%	5.75%	6.00%
Assumed salary increase	4.00%	4.00%	4.00%	4.00%
Accrual for service (normal cost) (employer) Expected contributions (employer)	76,000 22,000	72,000 97,000	64,000 5,000	80,000 2,000
Contributions (employee)	22,000	97,000	0	2,000
Benefit payments	22,000	97,000	5,000	2,000
Average Remaining Service Period (ARSP) Average Remaining Service Period to full eligibility	13.0 9.0	13.0 9.0	13.0 9.0	18.0 12.0
Exhibit I - Interest on accrued benefits	_			
Opening balance Accrual for service	2,176,000 76,000	2,080,000 72,000	1,813,000 64,000	1,687,000 80,000
Benefit payments (mid-year)	(11,000)	(49,000)	(3,000)	(1,000)
Total	2,241,000	2,103,000	1,874,000	1,766,000
Interest	129,000	121.000	112,000	132,000
Exhibit II - Experience gains/ losses - accrued benefits Opening balance	2,176,000	2.080.000	1,813,000	1,687,000
Accrual for service	76,000	72,000	64,000	80,000
Interest on accrued benefits	129,000	121,000	112,000	132,000
Benefit payments Expected value at EOY	(22,000)	(97,000) 2,176,000	(5,000)	(2,000)
Actual value at EOY	2,359,000	2,176,000	2,080,000	1,897,000 2,517,000
Experience gain (loss)	0	0	(96,000)	(620,000)
Exhibit III - Unamortized experience	_			
Experience gain/(loss) at BOY	(208,000)	(208,000)	54,000	704,000
Other changes at BOY	0	0	(166,000)	0
10% Corridor Total amount to be amortized	0	208,000	181,300	<u>168,700</u> 535,300
Amortization amount	Ő	Ő	0	(30,000)
Changes during year	0	0	(96,000)	(620,000)
Experience gain/(loss) at EOY	(208,000)	(208,000)	(208,000)	54,000
Exhibit IV - Post employment benefits expense				
Accrual for services (total) Interest on accrued benefits	76,000 129,000	72,000 121,000	64,000 112,000	80,000 132,000
Interest on plan assets	125,000	121,000	0	152,000
Amortization of July 1, 2000 amendment	(3,000)	(3,000)	(3,000)	(3,000)
Amortization of Jan 1, 2001 amendment	0	2,000	3,000	3,000
Amortization of Jan 1, 2003 amendment	8,000 0	8,000 0	8,000 0	8,000
Amortization of experience (gains)/losses Nct expense	210,000	200,000	184,000	(30,000) 190,000
Exhibit V - Calculation of accrual: accrued (prepaid) expense				
Opening balance at BOY Adjustment due to January 1, 2010 district changes	1,944,000 0	1,841,000 0	2,532,000 (870,000)	2,344,000 0
Expense (Income) for the year	210,000	200,000	184,000	190,000
Funding contributions (total)	(22,000)	(97,000)	(5,000)	(2,000)
Closing balance at EOY	2,132,000	1,944,000	1,841,000	2,532,000
Exhibit VI - Reconciliation				
Accrued benefits at EOY	2,359,000	2,176,000	2,080,000	2,517,000
Plan assets at EOY (Surplus)/Deficit at EOY	2,359,000	2,176,000	2,080,000	2,517,000
Less: Unamortized (gains)/losses	-12231000	=,	-,020,000	=,217,000
July 2000 past service cost	(5,000)	(8,000)	(11,000)	(14,000)
Jan 2001 past service cost	0	0	2,000	5,000
Jan 2003 past service cost Experience (gains)/losses	24,000	32,000 208,000	40,000	48,000
INDERING (Build)100000	208,000	1,944,000	208,000	(54,000) 2,532,000
			10-11000	-12041000

Assumed health and dental care cost trend rates have a significant effect on the amounts reported for the health and dental care plans. A one-percentage-point change in assumed health and dental care cost trend rates would have the following impact for 2010:

#### 1% Increase

Total of service and interest cost Accrued benefit obligation as at December 31, 2010

#### 1% Decrease

Total of service and interest cost Accrued benefit obligation as at December 31, 2010 429,000 **\$ Change** 

\$ Change 39,000

(29,000) (318,000)

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#### Toronto Hydro - LDC Unregulated Post Retirement Benefits APPENDIX G Historial Expense Summary

	Estimated Fiscal 2012	Estimated Fiscal 2011	Fiscal 2010	Fiscal 2009
Starting values at BOY				
Accrued benefits	884,000	797,000	0	0
Experience (gain) loss			36,000	
Adjustment due to January 1, 2010 district changes		<b>5</b> 05 000	637,000	0
Adjusted Accrued benefits at BOY	884,000 0	797,000 0	673,000	0
Plan assets Assumed discount rate on liabilities at BOY	5.75%	5.75%	0 6.00%	7.50%
Assumed discount rate on liabilities at BOY	5.75%	5.75%	5.75%	6.00%
Assumed alary increase	4.00%	4.00%	4.00%	4.00%
Accrual for service (normal cost) (employer)	48,000	45,000	40,000	0
Expected contributions (employer)	13.000	6,000	0	0
Contributions (employee)	0	0	0	0
Benefit payments	13,000	6,000	0	0
Average Remaining Service Period (ARSP)	13.0	13.0	13.0	14,0
Average Remaining Service Period to full eligibility	9.0	9.0	9.0	8.0
Exhibit I - Interest on accrued benefits		707 000	674.000	
Opening balance	884,000	797,000	673,000 40,000	0
Accrual for service	48,000	45,000 (3,000)	40,000	0
Benefit payments (mid-year) Total	(7,000)	839,000	713,000	0
Interest	53,000	48,000	43,000	0
interest		48,000	40,000	
Exhibit II - Experience gains/ losses - accrued benefits Opening balance	884,000	797,000	673,000	0
Accrual for service	48,000	45,000	40,000	Ő
Interest on accrued benefits	53,000	48,000	43,000	Ō
Benefit payments	(13,000)	(6,000)	0	0
Expected value at EOY	972,000	884,000	756,000	0
Actual value at EOY	972,000	884,000	797.000	0
Experience gain (loss)	0	0	41,000	0
Exhibit III - Unamortized experience	- (75,000)	(777.606)	0	0
Experience gain/(loss) at BOY	(77,000)	(77,000)	0	0
Other changes at BOY 10% Corridor	0 88,400	0 79,700	(36,000) 67,300	0
Total amount to be amortized	0	0	0	0
Amortization amount	0	ő	ŏ	0
Changes during year	Ő	õ	(41,000)	Ő
Experience gain/(loss) at EOY	(77,000)	(77,000)	(77,000)	0
Exhibit IV - Post employment benefits expense	_			
Accrual for services (total)	48,000	45,000	40,000	0
Interest on accrued benefits	53,000	48,000	43,000	0
Interest on plan assets	0	0	0	0
Amortization of July 1, 2000 amendment	0	0	0	0
Amortization of Jan 1, 2001 amendment	0	0	0	0 0
Amortization of Jan 1, 2003 amendment	0	0	0	0
Amortization of experience (gains)/losses				
Net expense	101,000	93,000	83,000	0
Exhibit V - Calculation of accrual: accrued (prepaid) expense	807,000	720,000	0	0
Opening balance at BOY Adjustment due to January 1, 2010 district changes	807,000	720,000	637,000	0
	101,000	93,000	83,000	0
Expense (Income) for the year Funding contributions (total)	(13,000)	(6,000)	0	0
Closing balance at EOY	895,000	807,000	720,000	0
Exhibit VI - Reconciliation				
Accrued benefits at EOY	972,000	884,000	797,000	0
Plan assets at EOY	0	0	0	0
(Surplus)/Deficit at EOY	972,000	884,000	797,000	0
Less: Unamortized (gains)/losses				
July 2000 past service cost	0	0	0	0
Jan 2001 past service cost	0	0	0	0
Jan 2003 past service cost	0	0	0	0
Experience (gains)/losses	77,000	77,000	77,000	0
	895,000	807,000	720,000	0

Assumed health and dental care cost trend rates have a significant effect on the amounts reported for the health and dental care plans. A one-percentage-point change in assumed health and dental care cost trend rates would have the following impact for 2010:

1% Inc	rease
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Total of service and interest cost Accrued benefit obligation as at December 31, 2010

#### 1% Decrease

Total of service and interest cost Accrued benefit obligation as at December 31, 2010

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**\$ Change** 21,000 186,000

# Post-Retirement Benefits other than Pension for Toronto Hydro - Consolidated CiCA 3461 Disclosures

	Estimate <u>2011</u>	<u>2010</u>	<u>2009</u>	<u>200</u>
Accrued benefit obligation:				
Balance at beginning of year	200,027,000	177,144,000	137,451,000	176,269,00
Experience (gain) loss at beginning of year	0	8,013,000	0	(40.1.0.0)
Reduction in ABO due to sale of Telecom July 31, 2008	0	0	0	(294,000
Current service cost	3,908,000	3,485,000	2,539,000	3,613,00
Past Service Cost	0 11,507,000	0 11,102,000	0 10,240,000	9,721,00
Interest cost Benefits paid	(7,625,000)	(7,197,000)	(6,891,000)	(5.671.00
Actuarial (gains)/losses	(7,025,000)	7,480,000	33,805,000	(46,187,00
Plan amendments	ů 0	0	0	(/0101,00
Balance at end of year	207,817,000	200,027,000	177,144,000	137,451,00
Reconciliation of accrued benefit obligation to accrued benefits liability:				
Accrued benefit obligation	207,817,000	200,027,000	177,144,000	137,451,00
ess: Unamortized net actuarial (gain)/loss	27,319,000	27,952,000	12,654,000	(21,680,00
Unamortized past service costs	1,087,000	2,178,000	3,142,000	4,106,00
Post-employment benefits liability	179,411,000	169,897,000	161,348,000	155,025,00
Components for net periodic defined benefit costs:				
Current service cost	3,908,000	3,485,000	2,539,000	3,613,00
Interest cost	11,507,000	11,102,000	10,240,000	9,721,00
Actuarial (gains)/ losses	0	15,493,000	33,805,000	(46,187,00
Plan amendments	0	0	0	
Elements of defined benefit costs before adjustment recognized in: Adjustments to recognize the long-term nature of employee future benefit costs:	15,415,000	30,080,000	46,584,000	(32,853,00
Difference between actuarial (gain) loss recognized for period and				
actuarial (gain) loss on accrued benefits obligation for the period	633,000	(15,298,000)	(34,334,000)	46,787,00
Difference between amortization of past service costs for the period	1,091,000	964,000	964,000	964,00
and the actual plan amendments for the period				
Defined benefit costs recognized	17,139,000	15,746,000	13,214,000	14,898,00
ignificant assumptions				
Accrued benefit obligation as of December 31:				
- Discount rate	5.75%	5.75%	6.00%	7.50
- Rate of compensation increase	4.00%	4.00%	4.00%	4,00
Benefit costs for the years ended December 31: - Discount rate	5.75%	6.00%	7.50%	5.50
- Rate of compensation increase	4.00%	4.00%	4.00%	4.00
Assumed health care cost trend rates at December 31:				
- Rate of increase in dental costs	4.00%	4.00%	4.00%	4.00
- Rate of increase in health costs (pre July 2000 retirements)	7.00%	7.50%	8.00%	8.50
- Ultimate rate in health costs (pre July 2000 retirements)	5.00%	5.00%	5.00%	5.00
- Ultimate year (pre July 2000 retirements)	2016	2016	2016	20
Rate of increase in health costs (other members)	8.50%	9.00% 5.00%	8.00% 5.00%	8.50 5.00
- Ultimate rate in health costs (other members)	5.00% 2019	2019	2016	20
- Uhimate year (other members)	2017	2017	2010	201
ensitivity Analysis - Extended Health & Dental Care				

Assumed health and dental care cost trend rates have a significant effect on the amounts reported for the health and dental care A one-percentage-point change in assumed health and dental care cost trend rates would have the following effects for 2010:

	Increase \$	Decrease \$
Total of current service and interest cost (at 6.00%)	2,568,000	(1,777,000)
Accrued benefit obligation as at December 31, 2010 (at 5.75%)	30,231,000	(23,262,000)

#### Sensitivity Analysis - Discount Rate for Disclosure Purposes

Assumed interest rates have a significant effect on the amounts reported for the total accrued benefit obligation and expense. A one-percentage-point change in assumed interest rates would have the following effects for 2010:

A one-percentage-point change in assumed interest rates would have the following effects for 2010.	Increase	Decrease
	\$	\$
Accrued benefit obligation as at December 31, 2010	(27,096,000)	35,140,000
Estimated expense for Fiscal 2011	(1,449,000)	3,197,000

#### Post-Retirement Benefits other than Pension for Toronto Hydro Electric System Limited CICA 3461 Disclosures

	Estimate <u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Accrued benefit obligation:				
Balance at beginning of year	195,753,000	172,280,000	134,026,000	171,382,000
Experience (gain) loss at beginning of year	0	7,511,000	0	0
Adjustment due to January 1 district changes	0	1,518,000	0	0
Current service cost	3,775,000	3,367,000	2,419,000	3,433,000
Interest cost	11,259,000	10,868,000	9,978,000	9,461,000
Benefits paid	(7,446,000)	(7,083,000)	(6,797,000)	(5,592,000) (44,658,000)
Actuarial (gains)/losses	0	7,292,000 0	32,654,000 0	(44,038,000)
Plan amendments	203,341,000	195,753,000	172,280,000	134,026,000
Balance at end of year	203,341,000	195,755,000	172,280,000	15 ((0.0)000
Reconciliation of accrued benefit obligation to accrued benefits liability:				
Accrued benefit obligation	203,341,000	195,753,000	172,280,000	134,026,000
Less: Unamortized net actuarial (gain)/loss	29,022,000	29,809,000	15,372,000	(17,580,000)
Unamortized past service costs	842,000	1.715,000	2,460,000	3,205,000
Post-employment benefits liability	173,477,000	164,229,000	154,448,000	148,401,000
Components for net periodic defined benefit costs:				
				a 400.000
Corrent service cost	164,229,000	3,367,000	2,419,000	3,433,000 9,461,000
Interest cost	104,220,000	10,868,000	9,978,000	(44,658,000)
Actuarial (gains)/ losses	+1,841,000	14,803,000	32,654,000	(44,038,000) A
Plan amendments	+720,000 =	29.038.000	45,051,000	(31,764,000)
Elements of defined benefit costs before adjustment recognized in:	+720,000 =	29,038,000	45,651,600	(51)101(000)
Adjustments to recognize the long-term nature of employee future benefit costs:	166,790,000			
Difference between actuarial (gain) loss recognized for period and actuarial (gain) loss on accrued benefits obligation for the period	100,700,000	(14,437,000)	(32,952,000)	45,423,000
Difference between amortization of past service costs for the period				746,000
and the actual plan amendments for the period	873,000	745,000	745,000	745,000
Defined benefit costs recognized	16,694,000	15,346,000	12,844,000	14,404,000
Significant assumptions				
Accrued benefit obligation as of December 31:			r 00 <i>0</i>	7.50%
- Discount rate	5.75%	5.75%	6.00%	4.00%
- Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
Benefit costs for the years ended December 31:	5.75%	6.00%	7.50%	5.50%
- Discount rate	5.75% 4.00%	4.00%	4.00%	4.00%
- Rate of compensation increase	4.00%	4.0070	10012	
Assumed health care cost trend rates at December 31:		1.000	1.00%	4.00%
- Rate of increase in dental costs	4.00%	4.00% 7.50%	4.00% 8.00%	4,00%
- Rate of increase in health costs (pre July 2000 retirements)	7.00% 5.00%	7.50%	5.00%	5.00%
- Ultimate rate in health costs (pre July 2000 retirements)	5.00% 2016	2016	2016	2016
- Ultimate year (pre July 2000 retirements)	8.50%	9.00%	8.00%	8.50%
- Rate of increase in health costs (other members)	5.00%	5.00%	5.00%	5.00%
- Ultimate rate in health costs (other members)	2019	2019	2016	2016
- Ultimate year (other members)	2017			

#### Sensitivity analysis

Assumed health and dental care cost trend rates have a significant effect on the amounts reported for the health and dental care plans. A one-percentage-point change in assumed health and dental care cost trend rates would have the following effects for 2010:

in the provide point that of a	-	Increase	Decrease
		\$	\$
Total of current service and interest cost (at 6.00%) Accrued benefit obligation as at December 31, 2009 (at 5.75%)		2,493,000 29,415,000	(1,720,000) (22,646,000)

#### Post-Retirement Benefits other than Pension for Toronto Hydro Corporation CICA 3461 Disclosures

		Estimate 2011	2010	2009	2008
		<u>2011</u>	<u>2010</u>	2009	2008
Accr	ned benefit obligation:				
	Balance at beginning of year	1,397,000	2,347,000	1,738,000	2,299,000
	Experience (gain) loss at beginning of year	0	300,000	0	0
	Adjustment due to January 1 district changes	0	(1,285,000)	0	0
	Current service cost	16,000	14,000	40,000	59,000
	Interest cost	79,000	79,000	130,000	128,000
	Benefits paid	(76,000)	(109,000)	(92,000)	(60,000) (688,000)
	Actuarial (gains)/losses	0	51,000 0	531,000 0	(000,000) 0
	Plan amendments	1,416,000	1,397,000	2,347,000	1,738,000
	patanee as the of year	-,,			
Reco	nciliation of accrued benefit obligation to accrued benefits liability:				
	Accrued benefit obligation	1,416,000	1,397,000	2,347,000	1,738,000
Less	Unamortized net actuarial (gain)/loss	(1,988,000)	(2,142,000)	(2,664,000)	(3,396,000)
	Unamortized past service costs	221,000	432,000	643,000	854,000
	Post-employment benefits liability	3,183,000	3,107,000	4,368,000	4,280,000
Com	ponents for net periodic defined benefit costs:				
	Current service cost	16,000	14,000	40,000	59,000
	Interest cost	79,000	79,000	130,000	128,000
	Actuarial (gains)/ losses	0	351,000	531,000	(688,000)
	Plan amendments	0	0	0	0
	Elements of defined benefit costs before adjustment recognized in:	95,000	444,000	701,000	(501,000)
	Adjustments to recognize the long-term nature of employee future benefit costs:				
	Difference between actuarial (gain) loss recognized for period and	(154,000)	(522,000)	(732,000)	523,000
	actuarial (gain) loss on accrued benefits obligation for the period				
	Difference between amortization of past service costs for the period and the actual plan amendments for the period	211,000	211,000	211,000	211,000
	Defined benefit costs recognized	152,000	133,000	180,000	233,000
Signi	ficant assumptions				
	Accrued benefit obligation as of December 31:				
	- Discount rate	5.75%	5.75%	6.00%	7.50%
	- Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
	Benefit costs for the years ended December 31:				
	- Discount rate	5.75%	6.00%	7.50%	5.50%
	- Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
	Assumed health care cost trend rates at December 31:				
	- Rate of increase in dental costs	4.00%	4.00%	4.00%	4.00%
	- Rate of increase in health costs (pre July 2000 retirements)	7.00%	7.50%	8.00%	8.50%
	- Ultimate rate in health costs (pre July 2000 retirements)	5.00%	5.00%	5.00%	5.00%
	- Ultimate year (pre July 2000 retirements)	2016	2016	2016	2016
	- Rate of increase in health costs (other members)	8.50%	9.00%	8.00% 5.00%	8.50% 5.00%
	- Ultimate rate in health costs (other members)	5.00%	5.00% 2019	5.00% 2016	5.00% 2016
	- Ultimate year (other members)	2019	2019	2010	2010

#### Sensitivity analysis

Assumed health and dental care cost trend rates have a significant effect on the amounts reported for the health and dental care plans. A one-percentage-point change in assumed health and dental care cost trend rates would have the following effects for 2010:

A one-percentage-point change in assumed nearly and dental care cost dent faces would have the following checks for 2010.	Increase \$	Decrease
Total of current service and interest cost (at 6.00%)	15,000	(12,000)
Accrued benefit obligation as at December 31, 2009 (at 5.75%)	201,000	(159,000)

#### Post-Retirement Benefits other than Pension for Toronto Hydro-Energy Service Incorporation CICA 3461 Disclosures

	Estimate <u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Accrued benefit obligation:				
Balance at beginning of year	2,080,000	2,517,000	1,687,000	2,294,000
Experience (gain) loss at beginning of year	0	166,000	0	0
Adjustment due to January 1 district changes	0	(870,000)	0	0
Current service cost	72,000	64,000	80,000	121,000
Interest cost	121,000	112,000	132,000	132,000
Benefits paid	(97,000)	(5,000)	(2,000)	(19,000)
Actuarial (gains)/losses	0	96,000 0	620,000 0	(841,000) 0
Plan amendments Balance at end of year	2,176,000	2,080,000	2,517,000	1,687,000
Reconciliation of accrued benefit obligation to accrued benefits liability:				
Accrued benefit obligation				
Less: Unamortized net actuarial (gain)/loss	2,176,000	2,080,000	2,517,000	1,687,000
Unamortized past service costs	208,000	208,000 31,000	(54,000) 39,000	(704,000) 47,000
Post-employment benefits liability	24,000	1,841,000	2,532,000	2,344,000
	<i>r i</i>			
Components for net periodic defined benefit costs:				
Current service cost	72,000	64,000	80,000	121,000
Interest cost	121,000	112,000	132,000	132,000
Actuarial (gains)/ losses	0	262,000	620,000	(841,000)
Plan amendments	0	0	0	<u>0</u> (588,000)
Elements of defined benefit costs before adjustment recognized in: Adjustments to recognize the long-term nature of employee future benefit costs:	193,000	438,000	832,000	(388,000)
Difference between actuarial (gain) loss recognized for period and				
actuarial (gain) loss on accrued benefits obligation for the period	0	(262,000)	(650,000)	841,000
Difference between amortization of past service costs for the period				
and the actual plan amendments for the period	7,000	8,000	8,000	8,000
Defined benefit costs recognized	200,000	184,000	190,000	261,000
Significant assumptions				
Accrued benefit obligation as of December 31:				
- Discount rate	5.75%	5.75%	6.00%	7.50%
- Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
Benefit costs for the years ended December 31:				
- Discount rate	5.75%	6.00%	7.50%	5.50%
- Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
Assumed health care cost trend rates at December 31:				
- Rate of increase in dental costs	4.00%	4.00%	4.00%	4.00%
- Rate of increase in health costs (pre July 2000 retirements)	7.00%	7.50%	8.00%	8.50%
- Ultimate rate in health costs (pre July 2000 retirements)	5.00%	5.00% 2016	5.00% 2016	5.00% 2016
- Ultimate year (pre July 2000 retirements)	2016 8,50%	9.00%	8.00%	8.50%
<ul> <li>Rate of increase in health costs (other members)</li> <li>Ultimate rate in health costs (other members)</li> </ul>	8.50% 5.00%	5.00%	5.00%	5.00%
- Ultimate rate in health costs (other members) - Ultimate year (other members)	2019	2019	2016	2016
Childred Jone (States Inclusion)		2012		

#### Sensitivity analysis

Assumed health and dental care cost trend rates have a significant effect on the amounts reported for the health and dental care plans. A one-percentage-point change in assumed health and dental care cost trend rates would have the following effects for 2010:

	Increase	Decrease
	\$	\$
Total of current service and interest cost (at 6.00%)	39,000	(29,000)
Accrued benefit obligation as at December 31, 2009 (at 5.75%)	429,000	(318,000)

# Post-Retirement Benefits other than Pension for LDC Unregulated CICA 3461 Disclosures

	Estimate 2011	2010	
	- 2011	2010	
Accrued benefit obligation:			
Balance at beginning of year	797,000	0	
Experience (gain) loss at beginning of year	0	36,000	
Adjustment due to January 1 district changes	0	637,000	
Current service cost	45,000	40,000	
Interest cost	48,000	43,000	
Benefits paid	(6,000)	0	
Actuarial (gains)/losses	0	41,000	
Plan amendments	0	0	
Balance at end of year	884,000	797,000	
Reconciliation of accrued benefit obligation to accrued benefits liability:			
Accrued benefit obligation	884,000	797,000	
Less: Unamortized net actuarial (gain)/loss	77,000	77,000	
Unamortized past service costs	0	0	. <u></u>
Post-employment benefits liability	807,000	720,000	
Components for net periodic defined benefit costs:			
Components for her periodic defined benefit costs.			
Current service cost	45,000	40,000	
Interest cost	48,000	43,000	
Actuarial (gains)/ losses	0	77,000	
Plan amendments	0	0	
Elements of defined benefit costs before adjustment recognized in:	93,000	160,000	
Adjustments to recognize the long-term nature of employee future benefit costs:			
Difference between actuarial (gain) loss recognized for period and	0	(77,000)	
actuarial (gain) loss on accrued benefits obligation for the period	Ŭ	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Difference between amortization of past service costs for the period	0	0	
and the actual plan amendments for the period	-		
Defined benefit costs recognized	93,000	83,000	
Significant assumptions			
Accrued benefit obligation as of December 31:			
- Discount rate	5.75%	5,75%	
- Rate of compensation increase	4.00%	4.00%	
Benefit costs for the years ended December 31:			
- Discount rate	5.75%	6.00%	
- Rate of compensation increase	4.00%	4.00%	
Assumed health care cost trend rates at December 31:			
- Rate of increase in dental costs	4.00%	4.00%	
- Rate of increase in health costs (pre July 2000 retirements)	7.00%	7.50%	
	5.00%	5.00%	
- Ultimate rate in health costs (pre July 2000 retirements)		001/	
<ul> <li>Ultimate rate in health costs (pre July 2000 retirements)</li> </ul>	2016	2016	
<ul> <li>Ultimate rate in health costs (pre July 2000 retirements)</li> <li>Ultimate year (pre July 2000 retirements)</li> </ul>	2016 8.50%	9.00%	
<ul> <li>Ultimate rate in health costs (pre July 2000 retirements)</li> </ul>	2016		

#### Sensitivity analysis

Assumed health and dental care cost trend rates have a significant effect on the amounts reported for the health and dental care plans. A one-percentage-point change in assumed health and dental care cost trend rates would have the following effects for 2010:

One-percentage-point change in assumed nearly and dental care out how there include a to here the second and the	Increase	Decrease
	\$	\$
stal of current service and interest cost (at 6.00%) crued benefit obligation as at December 31, 2009 (at 5.75%)	21,000 186,000	(16,000) (139,000)

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Toronto Hydro-Electric System Limited EB-2014-0116 Interrogatory Responses 1C-OEBStaff-28 Appendix B Filed: 2014 Nov 5 (5 pages)

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February 5, 2012

Ms. Celine Arsenault-Smith Toronto Hydro 14 Carlton Street Toronto, ON M5B 1K5

Dear Celine:

# POST-RETIREMENT BENEFITS FOR EMPLOYEES OF TORONTO HYDRO 2011 YEAR END DISCLOSURES AND ESTIMATED 2012 AND 2013 NET PERIODIC COST

As requested, this letter and appendices have been prepared for Toronto Hydro Corporation ("the Company", or "Toronto Hydro") and present the Company's liabilities and costs in respect of the following post-retirement and post-employment benefits:

- Extended health benefits for retirees and members on long-term disability;
- Dental benefits for retirees and members on long-term disability;
- Life insurance benefits for retirees;
- Sick leave benefits; and
- OMERS top up pension.

This letter and appendices have been prepared for the Company for the following purposes:

- Determining the final calculation of the 2011 net periodic expense to be reported in the Company's 2011 financial statements;
- Providing the required information for year-end disclosure purposes as of December 31, 2011 to be reported in the Company's 2011 financial statements; and
- Determining an estimate of 2012 and 2013 net periodic benefit cost.

The information contained in this letter and appendices is presented in thousands of Canadian dollars and is in respect of the benefits mentioned above only.

All valuation results and accounting calculations presented in this letter and appendices were prepared in accordance with the following accounting standards:

- 2011 net periodic expense and year-end disclosures in accordance with Canadian GAAP (Canadian Institute of Chartered Accountants Handbook Section 3461)
- Estimated net period benefit cost for 2012 and 2013 in accordance with US GAAP (FASB Accounting Standards Codification 715)

The year-end disclosure obligations are based on the January 1, 2010 actuarial valuation conducted by Morneau Shepell.

The balance of this letter sets out comments and notes to our calculations. Appendix A provides details of the relevant accounting results. Please refer to the January 1, 2010 actuarial valuation report prepared



by Morneau Shepell (dated August 2010) for the summaries of the plan provisions, the membership data and the actuarial basis used in the valuation.

# ACTUARIAL ASSUMPTIONS AND METHODS

- Results are based on the most recent valuation of the post-retirement and post-employment benefit programs. The valuation was performed as at January 1, 2010 by the previous actuarial consultants, Morneau Shepell, and we have relied on all the data and information including plan provisions and membership data, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information used for the January 1, 2010 actuarial valuation.
- The measurement date used for fiscal 2011 year-end disclosure is December 31, 2011.
- The 2011 benefit cost is based upon discount rate of 5.75% per annum and the accrued benefit obligation ("ABO") at December 31, 2011 is based upon discount rate of 4.75% per annum, as instructed by the Company. The discount rates are based on long-term high-quality Canadian corporate bond yields at December 31, 2010 and at December 31, 2011, respectively.
- With the exception of the discount rate, the actuarial methods and assumptions used for the determination of the 2011 net periodic benefit cost and December 31, 2011 obligation are consistent with those used for the 2010 disclosures.
- Service costs and ABO as of December 31, 2011 were extrapolated from the full January 1, 2010 valuation results assuming that there are no experience gains and losses other than from actual benefit payments being different from expected and from changes in the assumptions during the extrapolation period such as changes in the discount rate.

# DISCLOSURE RESULTS SUMMARY

The summary of Fiscal 2011 net periodic benefit costs, the balance sheet accrued benefit liability and the ABO as at December 31, 2011, under Canadian GAAP are as follows (in \$000s):

		al 2011 Net odic Benefit Costs			ABO at December 31, 2011	
Toronto Hydro-Electric System Limited	\$	16,694	\$	(173,542)	\$	239,064
Toronto Hydro Corporation		152		(3,171)		1,665
Toronto Hydro-Energy Service Incorporation		200		(2,017)		2,558
Toronto Hydro-LDC Unregulated		93		(811)		1,039
Toronto Hydro – Consolidated		17,139		(179,541)		244,326

Actual benefit payments for 2011 of \$7,495,000 are based on information provided by the Company on January 26, 2012. We have projected 2012 and 2013 benefit payments based on the valuation assumptions.



# TRANSITION TO US GAAP

- We understand that the transition to US GAAP will result in all actuarial gains and losses and prior service costs to be fully recognized immediately in other comprehensive income as at the transition date, January 1, 2011. We understand that US GAAP will be adopted for financial reporting effective January 1, 2012 (with a provision of Fiscal 2011 comparative figures).
- On an ongoing basis, actuarial gains and losses will be reflected in the statement of comprehensive income. To the extent that they exceed 10% of the accumulated benefit obligation, these gains and losses will be recognized over the expected average remaining service period of active employees participating in the plans.
- On an ongoing basis, prior service costs will be reflected in the statement of comprehensive income, and recognized through expense over a straight line basis over the average service period (to full eligibility) of employees active at the date of amendment.
- As instructed by Toronto Hydro, we have assumed that all accounting methods and policies under US GAAP will be consistent with those applied under current Canadian GAAP. Additional disclosure items under US GAAP include a split of current and non-current liability.

# OTHER COMMENTS

- We understand that the post-retirement benefit plan is not pre-funded, and therefore our accounting results do not consider any expected investment income on plan assets.
- Other than those described in this letter and appendices, the Company's management has confirmed that there have been no significant events, changes to the plan provisions or changes to plan membership since January 1, 2010 that would materially affect the results of our valuations.

\* \* \* \* \*

# ACTUARIAL CERTIFICATION

The consulting actuaries are members of the Canadian Institute of Actuaries and Society of Actuaries and other professional actuarial organizations and meets their "General Qualification Standard for Statements of Actuarial Opinions" relating to pension and other postretirement benefit plans.

The figures provided in this letter reflect, to the best of our knowledge, all of the Company's substantive commitments and obligations, as described herein. Furthermore, to the best of our knowledge, there are not other subsequent events, the occurrence of which is probable and the effects of which are reasonably estimable, which have not been reflected in the figures provided as of the date of our letter.

The calculations for the 2011 disclosures have been made in accordance with Section 3461 of the CICA Handbook, with which we are familiar. This report has been prepared in accordance with the reporting requirements of the CIA/CICA Joint Policy Statement.

In preparing the results presented in this letter (including the attached appendices), we have relied upon information provided to us regarding plan provisions, postretirement welfare plan costs, plan participants, plan assets and actuarial results prepared by Morneau Shepell. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. The accuracy of the results presented in this letter is dependent upon the accuracy and completeness of the underlying information.



Ms. Celine Arsenault-Smith February 5, 2012

The actuarial assumptions and the accounting policies and methods employed in the development of the pension cost have been selected by the Toronto Hydro management as representing their best estimates of future contingent events. As is required under the CICA accounting standards, the assumptions are not intended to include any provision for adverse deviations and we do not express any opinion on them. FASB ASC 715 requires that each significant assumption "individually represent the best estimate of a particular future event."

The results shown in this letter have been developed based on actuarial assumptions that are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

The information contained in this report was prepared for Toronto Hydro, for its internal use and for the preparation of its periodic financial disclosures, and its auditors, for the preparation of its periodic financial disclosures. It is neither intended nor necessarily suitable for other purposes. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited with Towers Watson's prior written consent.

We are pleased to provide you with this year-end disclosure report. Please contact us if you need any additional information.

Towers Watson

Harindra Sebastian, FCIA, FSA Direct Dial: (416) 960-2765

Enclosures

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Rosario Cristiano, FCIA, FSA Direct Dial: (416) 960-2837

cc: Diane Low, Shirley Powell, Alex Park — Toronto Hydro Olga Baliakina, Ken Chapman — Towers Watson

#### Post-Employment Benefits Plans 2011 CICA 3461 Disclosures (\$ 000's)

	Electric System Limited	Toronto Hydro Corporation	Energy Services Incorporated	LDC Unregulated	Consolidated
Reconciliation of Funded Status to Accrued Benefit Asset (Liability)		De	cember 31, 2010		
Funded status	(195,753)	(1,397)	) (2,080)	(797)	(200,027)
Unamortized prior service costs July 2000 past service costs	(135)	(20)	) (11)	_	(166)
Jan 2001 past service costs	168	17	2	-	187
Jan 2003 past service costs	1,682	435	40	-	2,157
Unamortized net actuarial (gains)/losses Accrued benefit asset (liability)	29,809 (164,229)	(2,142) (3,107)		77 (720)	27,952 (169,897)
Change in accrued benefit obligation			2011		
Accrued benefit obligation at beginning of year	195,753	1,397	2,080	797	200,027
Service cost	3,775	16		45	3,908
Interest cost Actuarial (gain) loss	11,259 35,658	79 261	121 309	48 151	11,507 36,379
Benefits paid	(7,381)	(88)		(2)	(7,495)
Accrued benefit obligation at end of year	239,064	1,665	2,558	1,039	244,326
Change in plan assets			2011		
Fair value of plan assets at beginning of year	-	-	-	-	-
Actual return on plan assets Employer contribution	- 7,381	- 88	- 24	- 2	- 7,495
Plan participants' contributions	-	-	-	-	-
Benefits paid	(7,381)	(88)	) (24)	(2)	(7,495)
Fair value of plan assets at end of year		-	-	-	-
Net Periodic Benefit Cost	3,775	16	<b>2011</b> 72	45	3,908
Interest cost	11,259	79	121	43	11,507
Actuarial (gain)/loss during current period	35,658	261	309	151	36,379
Other adjustments to Allocate Costs to Period in which Service is Rendered: - Amortization of net (gain) loss	(34,871)	(415)	) (309)	(151)	(35,746)
<ul> <li>Amortization of prior service cost</li> <li>July 2000 past service costs</li> </ul>	(135)	(18	) (3)		- (156)
Jan 2001 past service costs	168	12		-	182
Jan 2003 past service costs	840	217	8	-	1,065
Total Net periodic benefit cost	16,694	152	200	93	17,139
Reconciliation of Funded Status to Accrued Benefit Asset (Liability)	(000.001)		cember 31, 2011	(1.000)	(0.1.1.00.0)
Funded status Unamortized prior service costs	(239,064)	(1,665)	) (2,558)	(1,039)	(244,326)
July 2000 past service costs	-	(2)		-	(10)
Jan 2001 past service costs Jan 2003 past service costs	- 842	5 218		-	5 1,092
Unamortized net actuarial (gains)/losses	64,680	(1,727)		- 228	63,698
Accrued benefit asset (liability)	(173,542)	(3,171		(811)	(179,541)
Additional information at December 31, 2011					
Average future working lifetime	13.0	13.0	13.0	13.0	13.0
Expected benefit payments for 2012 $SUM = (176, 370)$	7,987	79	22	13	8,101
Key Asumptions Discount rate as at December 31, 2011 (for Dec 31, 2011 ABO)	4.75%	4.75%	4.75%	4.75%	4.75%
Discount rate as at December 31, 2011 (for Dec 31, 2011 ABO) Discount rate as at December 31, 2010 (for 2011 Benefit Cost)	5.75%	5.75%		5.75%	5.75%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%	4.00%
Assumed medical and dental cost trend rate at December 31, 2011					
Dental care cost trend rate assumed for next year For pre July 2000 retirements:	4.00%	4.00%	4.00%	4.00%	4.00%
Health care cost trend rate assumed for next year	7.00%	7.00%	5 7.00%	7.00%	7.00%
Rate that the cost trend gradually declines to	5.00%	5.00%			5.00%
Year that the rate reaches the ultimate rate For other retirements:	2016	2016	5 2016	2016	2016
Health care cost trend rate assumed for next year	8.50%	8.50%	8.50%	8.50%	8.50%
Rate that the cost trend gradually declines to	5.00%	5.00%			5.00%
Year that the rate reaches the ultimate rate	2019	2019	2019	2019	2019
Sensitivity to Changes in Medical and Dental Trend Rate Assumption					
Effect on total of service and interest cost for 2011 1% point increase	2,651	15	43	24	2,733
1% point increase 1% point decrease	2,651 (1,818)	(12)		(17)	2,733 (1,880)
Effect on accrued benefit obligation at December 31, 2011	()		()	( )	( ))
1% point increase	35,923	240 (190		242	36,933 (28,417)
1% point decrease	(27,655)	(190)	) (391)	(181)	(28,417)
Sensitivity to Changes in Discount Rate Assumption Effect on estimated 2012 Net Periodic Benefit Cost					
1% point increase	(2,950)	(21)	) (37)	(22)	(3,030)
1% point decrease	3,355	25		23	3,449
Effect on accrued benefit obligation at December 31, 2011	(22.20.4)	1220	(247)	(4.44)	(22.000)
1% point increase 1% point decrease	(32,384) 41,998	(226) 293		(141) 183	(33,098) 42,923
	,: 50	200	. 15		,: 10



Toronto Hydro-Electric System Limited EB-2014-0116 Interrogatory Responses 1C-OEBStaff-28 Appendix C Filed: 2014 Nov 5 (5 pages)

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January 13, 2013

Ms. Aida Cipolla Toronto Hydro 14 Carlton Street Toronto, ON M5B 1K5

Dear Aida:

## POST-EMPLOYMENT BENEFITS FOR EMPLOYEES OF TORONTO HYDRO 2012 YEAR END DISCLOSURES AND ESTIMATED 2013 AND 2014 NET PERIODIC COST UNDER US GAAP

As requested, this letter and appendices have been prepared for Toronto Hydro Corporation ("the Company", or "Toronto Hydro") and present the Company's liabilities and costs in respect of the following post-employment benefits plans ("the Plans"):

- Extended health benefits for retirees and members on long-term disability;
- Dental benefits for retirees and members on long-term disability;
- Life insurance benefits for retirees;
- Sick leave benefits; and
- OMERS top up pension.

This letter and appendices have been prepared for the Company for the following purposes:

- Determining the final calculation of the 2012 net periodic benefit cost to be reported in the Company's 2012 financial statements;
- Providing the required information for year-end disclosure purposes as of December 31, 2012 to be reported in the Company's 2012 financial statements; and
- Determining an estimate of 2013 and 2014 net periodic benefit cost.

The information contained in this letter and appendices is presented in thousands of Canadian dollars and is in respect of the benefits mentioned above only.

All valuation results and accounting calculations presented in this letter and appendices were prepared in accordance with US GAAP (FASB Accounting Standards Codification 715).

The 2012 net periodic benefit cost is consistent with the 2012 net periodic benefit cost provided in our 2011 disclosure letter dated February 5, 2012. The 2012 year-end disclosure obligations and extrapolations for 2013 and 2014 are based on the January 1, 2012 actuarial valuation conducted by Towers Watson.



In 2012, the Company implemented exit programs resulting in the termination of employees in 2012 and 2013. As directed by the company, the impact of the programs was treated as actuarial gains/losses as at December 31, 2012 in the financial accounting for the Plans under US GAAP.

The balance of this letter sets out comments and notes to our calculations. Appendix A provides details of the relevant accounting results. Please refer to the January 1, 2012 actuarial valuation report prepared by Towers Watson for the summaries of the plan provisions, the membership data and the actuarial basis used in the valuation.

# ACTUARIAL ASSUMPTIONS AND METHODS

- The measurement date used for fiscal 2012 year-end disclosure is December 31, 2012.
- The 2012 benefit cost is based on a discount rate of 4.75% per annum and the accrued benefit obligation ("ABO") at December 31, 2012 is based on a discount rate of 4.25% per annum, as instructed by the Company. The discount rates are based on long-term high-quality Canadian corporate bond yields at December 31, 2011 and at December 31, 2012, respectively.
- The actuarial methods and assumptions used for the determination of the 2012 net periodic benefit cost are consistent with those used for the 2011 disclosures.
- With the exception of the discount rate, the actuarial methods and assumptions used to determine the December 31, 2012 obligation are consistent with those used for the January 1, 2012 valuation presented on December 12, 2012.
- The obligation as of December 31, 2012 and the 2013 and 2014 expense estimates are based on extrapolations from the January 1, 2012 valuation results, assuming that there are no experience gains and losses other than from actual benefit payments being different from expected, and reflecting changes in the assumptions during the extrapolation period such as changes in the discount rate.

# DISCLOSURE RESULTS SUMMARY

The summary of Fiscal 2012 net periodic benefit costs, the ABO and accumulated other comprehensive income ("AOCI") as at December 31, 2012, under US GAAP are as follows (in \$000s):

	Fiscal 2012 Net Periodic Benefit Costs		 at December 31, 2012	 l at December 31, 2012
Toronto Hydro-Electric System Limited	\$	20,354	\$ 247,777	\$ 61,823
Toronto Hydro Corporation		199	2,076	(1,194)
Toronto Hydro-Energy Service Incorporation		245	2,928	675
Toronto Hydro-LDC Unregulated		121	1,109	195
Toronto Hydro – Consolidated		20,919	253,890	61,499

Actual benefit payments for 2012 of \$8,069,000 are based on information provided by the Company on January 8, 2013. We have projected 2013 and 2014 benefit payments based on the valuation assumptions.



# **ACCOUNTING METHODS**

- Actuarial gains and losses will be reflected in the statement of comprehensive income. To the extent that they exceed 10% of the accumulated benefit obligation, these gains and losses will be recognized over the expected average remaining service period of active employees participating in the plans.
- Prior service costs will be reflected in the statement of comprehensive income, and recognized through expense over a straight line basis over the average service period (to full eligibility) of employees active at the date of amendment.

# **OTHER COMMENTS**

- The Company transitioned to US GAAP from Canadian GAAP for financial reporting effective January 1, 2012. Please refer to the 2011 disclosure letter dated February 5, 2012 for additional details.
- We understand that the post-retirement benefit plan is not pre-funded, and therefore our accounting results do not consider any expected investment income on plan assets.
- Other than those described in this letter and appendices, the Company's management has confirmed that there have been no significant events, changes to the plan provisions or changes to plan membership since January 1, 2012 that would materially affect the results of our valuations.

\* \* \* \* \*

# ACTUARIAL CERTIFICATION

The consulting actuaries are members of the Canadian Institute of Actuaries and Society of Actuaries and other professional actuarial organizations and meets their "General Qualification Standard for Statements of Actuarial Opinions" relating to pension and other postretirement benefit plans.

In preparing the results presented in this letter (including attached exhibits), we have relied upon information provided to us regarding plan provisions, actual benefit payments, historical plan costs and plan participants. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. The accuracy of the results presented in this letter is dependent upon the accuracy and completeness of the underlying information.

The figures provided in this letter reflect, to the best of our knowledge, all of the Company's substantive commitments and obligations, as described herein. Furthermore, to the best of our knowledge, there are no other subsequent events, the occurrence of which is probable and the effects of which are reasonably estimable, which have not been reflected in the figures provided as of the date of our letter.

The actuarial assumptions and the accounting policies and methods employed in the development of the pension and postretirement plan costs have been selected by the Toronto Hydro management as representing their best estimates of future contingent events. The assumptions are not intended to include any provision for adverse deviations, and we do not express any opinion of them. FASB ASC 715 requires that each significant assumption "individually represent the best estimate of a particular future event."



Ms. Aida Cipolla January 13, 2013

The results shown in this letter have been developed based on actuarial assumptions that are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

\* \* \* \* \*

The information contained in this report was prepared for Toronto Hydro, for its internal use and for the preparation of its periodic financial disclosures, and its auditors, for the preparation of its periodic financial disclosures. It is neither intended nor necessarily suitable for other purposes. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited with Towers Watson's prior written consent.

We are pleased to provide you with this year-end disclosure report. Please contact us if you need any additional information.

**Towers Watson** 

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Enclosures

Koni

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cc: Lance Lugsdin, Shirley Powell, Helen Macdonald — Toronto Hydro Olga Baliakina, Mitchell Coviensky — Towers Watson

	Electric System Limited	Toronto Hydro Corporation	Energy Services Incorporated	LDC Unregulated	Consolidated
Funded status			January 1, 2012		
Funded status	(239,064)	(1,665)	(2,558)	(1,039)	(244,326)
Current vs. Non-Current OPEB Liability Current	(7,804)	(77)	January 1, 2012 (21)	(13)	(7,915)
Non-Current Liability	(231,260)	(1,588)	(2,537)	(1,026)	(236,411)
Total	(239,064)	(1,665)	(2,558)	(1,039)	(244,326)
Amounts Recognized in Accumulated Other Comprehensive Income Prior service (credit)/cost			January 1, 2012		
July 2000 past service costs	-	(2)	(8)	-	(10)
Jan 2001 past service costs Jan 2003 past service costs	- 842	5 218	- 32	-	5 1,092
Net actuarial (gain)/loss	64,680	(1,727)	517	228	63,698
Total	65,522	(1,506)	541	228	64,785
Change in Accumulated Benefit Obligation (ABO) Accumulated benefit obligation at beginning of year	239,064	1,665	2012 2,558	1,039	244,326
Service cost	4,976	21	2,558	1,039	5,151
Interest cost Actuarial (gain) loss	11,402 277	78 412	125 159	52 (23)	11,657 825
Benefits paid	(7,942)	(100)	(9)		(8,069)
Accumulated benefit obligation at end of year	247,777	2,076	2,928	1,109	253,890
Change in Plan Assets			2012		
Fair value of plan assets at beginning of year Actual return on plan assets	-	-	-	-	-
Employer contribution	7,942	100	9	18	8,069
Plan participants' contributions Benefits paid	(7,942)	- (100)	- (9)	- (18)	(8,069)
Fair value of plan assets at end of year		-	-	-	-
Net Periodic Benefit Cost	4.07*	**	2012		E 454
Service cost Interest cost	4,976 11,402	21 78	95 125	59 52	5,151 11,657
Amortization of prior service cost		(2)	(2)		-
July 2000 past service costs Jan 2001 past service costs	-	(2) 5	(3)	-	(5) 5
Jan 2003 past service costs	840	217	8	-	1,065
Amortization of net (gain) loss Net periodic benefit cost	3,136 20,354	(120)	20 245	10	3,046 20,919
Funded status		D	ecember 31, 2012		
Funded status	(247,777)	(2,076)	(2,928)	(1,109)	(253,890)
Current vs. Non-Current OPEB Liability	(0		ecember 31, 2012		
Current Non-Current Liability	(9,790) (237,987)	(79) (1,997)	(37) (2,891)		(9,925) (243,965)
Total	(247,777)	(2,076)	(2,928)		(253,890)
Amounts Recognized in Accumulated Other Comprehensive Income		D	ecember 31, 2012		
Prior service (credit)/cost July 2000 past service costs	-	-	(5)	-	(5)
Jan 2001 past service costs	-		-	-	-
Jan 2003 past service costs Net actuarial (gain)/loss	2 61,821	1 (1,195)	24 656	- 195	27 61,477
Total	61,823	(1,194)	675	195	61,499
Additional information					
Average future working lifetime as at December 31, 2012 Average future working lifetime as at December 31, 2011	18 13	15 13	13 13	15 13	
Key Asumptions					
Discount rate as at December 31, 2012 (used for Dec 31/12 ABO)	4.25%	4.25%	4.25%		4.25%
Discount rate as at December 31, 2011 (used for 2012 Benefit Costs) Rate of compensation increase	4.75% 4.0%	4.75% 4.0%	4.75% 4.0%		4.75% 4.0%
Assumed medical and dental cost trend rate at December 31, 2012					
Dental care cost trend rate assumed for next year	4.0%	4.0%	4.0%	4.0%	4.0%
For pre July 2000 retirements: Medical cost trend rate assumed for next year	6.5%	6.5%	6.5%	6.5%	6.5%
Rate that the cost trend gradually declines to	5.0%	5.0%	5.0%		5.0%
Year that the rate reaches the ultimate rate For other retirements:	2016	2016	2016	2016	2016
Medical cost trend rate assumed for next year	8.0% 5.0%	8.0% 5.0%	8.0%		8.0% 5.0%
Rate that the cost trend gradually declines to Year that the rate reaches the ultimate rate	2019	2019	5.0% 2019		2019
Sensitivity to Changes in Medical and Dental Trend Rate Assumption					
Effect on total of service and interest cost for 2012 1% point increase	2,461	12	39	22	2,534
1% point decrease	(2,164)	(9)	(33)		(2,223)
Effect on accrued benefit obligation at December 31, 2012 1% point increase	31,479	221	477	170	32,347
1% point decrease	(27,614)	(198)	(417)		(28,380)
Sensitivity to Changes in Discount Rate Assumption					
Effect on estimated 2013 Net Periodic Benefit Cost 1% point increase	(2,546)	(39)	(51)	(17)	(2,653)
1% point decrease	(2,546) 4,595	(39)	(51)	34	4,719
Effect on accrued benefit obligation at December 31, 2012 1% point increase	(38,334)	(307)	(545)	(196)	(39,382)
1% point increase 1% point decrease	(38,334) 47,039	(307) 372	(545) 682	251	(39,382) 48,344
Projection of Benefit Payments					
2013 2014	9,996	81 82	38 40	19 22	10,134
2014 2015	8,039 8,238	82	40 44	22 25	8,183 8,392
2016	8,912	85 83	51 57	28 30	9,076
2017 2018-2022	9,354 54,821	83 450	57 461	30 180	9,524 55,912

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# RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

# 1 INTERROGATORY 10:

Reference(s): Exhibit 1C, Tab 2, Schedule 1, p.2
Please provide the Applicant's internal organizational chart.

# 8 **RESPONSE:**

9 Please refer to Toronto Hydro's response to interrogatory 4A-CCC-29.