

# Exhibit 4:

# Operating Expenses

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## 4.1 OVERVIEW

### 4.1.1 BACKGROUND

The operating costs presented in this Exhibit reflect the required expenditures necessary to maintain and operate Entegrus Powerlines Inc.'s ("EPI's") distribution system assets; the costs associated with metering, billing and collecting from its customers; the expenditures associated with ensuring the safety of all stakeholders (public, employees, etc.); and the costs to maintain distribution business service quality and reliability standards in compliance with the Distribution System Code ("DSC") and the requirements of other regulatory bodies (e.g., Independent Electricity System Operator ("IESO"), Ministry of Energy, Electrical Safety Authority ("ESA"), etc.). In summary, these are the on-going costs associated with providing distribution services in alignment with regulation and customers' expectations.

EPI forecasts Operations, Maintenance and Administration ("OM&A") expenditures of \$21.4M in the 2026 Test Year, inclusive of Low-Income Energy Assistance Program ("LEAP") and property tax expenditures. This represents an increase of 51.3% relative to the 2016 OEB Approved Proxy figure presented in Section 4.1.2 below, or a compound annual growth rate ("CAGR") of 4.2. Other relevant metrics, including OM&A per customer for the Historical Period, 2025 Bridge Year and 2026 Test Year are shown in Table 4-10 below, with drivers also described below.

EPI's OM&A requirements are directly aligned with the business environment changes outlined in Section 4.1.6 of this Exhibit and are necessary to respond to the evolving needs of its customers and system. The primary drivers of increases to EPI's OM&A are summarized below, discussed in this section, and addressed in detail in Exhibit 1, Section 1.4.5, as well as referenced throughout this Exhibit:

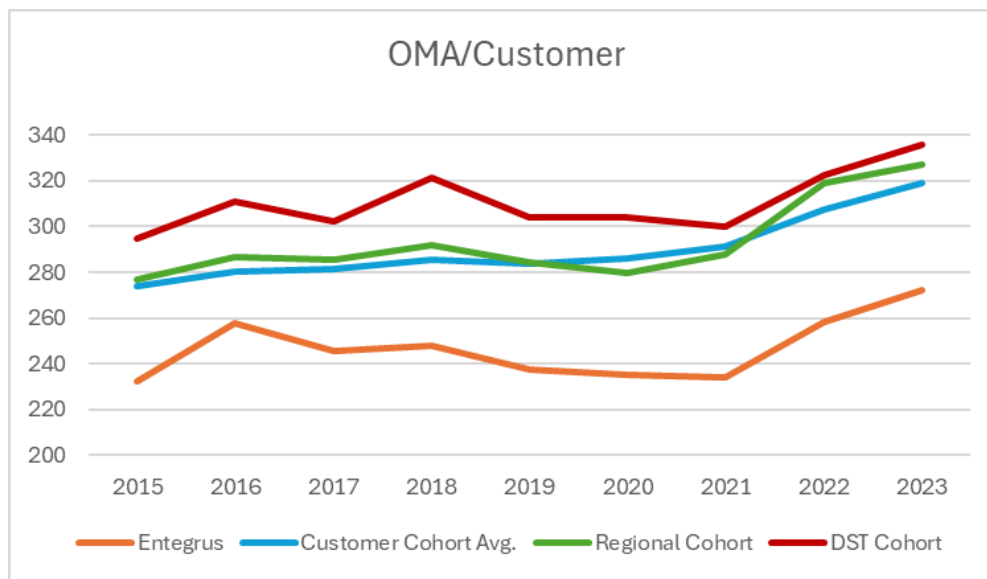
- Staffing increases to address customer growth, changes in the business environment and modernization;
- Inflationary cost increases;
- Enhanced cybersecurity and information technology requirements;
- Evolving customer expectations and service delivery requirements; and,
- Transition of material expenditures to distribution rates from deferral account treatment.

The OM&A expenditures presented in this Exhibit reflect EPI's prudent management of its distribution business in an increasingly complex operating environment characterized by customer growth, an aging distribution system, technology advancements, heightened customer expectations, a more rigorous and complex regulatory framework, and the resurgence of higher inflation following an extended period of price stability. EPI's approach to managing these cost pressures over the historical period, 2025 Bridge Year, and 2026 Test Year demonstrates its continued commitment to delivering safe and reliable service at an affordable cost.

Notwithstanding the drivers described above, EPI's total costs have remained significantly below those predicted by the OEB consultant's econometric model, and EPI forecasts sustaining the first Total Cost Benchmarking efficiency cohort in the 2026 Test Year (see Exhibit 1, Section 1.8.2). This performance has enabled EPI to balance the modernization of its operations and distribution system with the delivery of affordable distribution rates.

EPI's historical cost performance is demonstrated in Figure 4-1, which shows that its OM&A cost per customer has consistently remained well below that of the peer groups shown below over the 2016 to 2023 period:

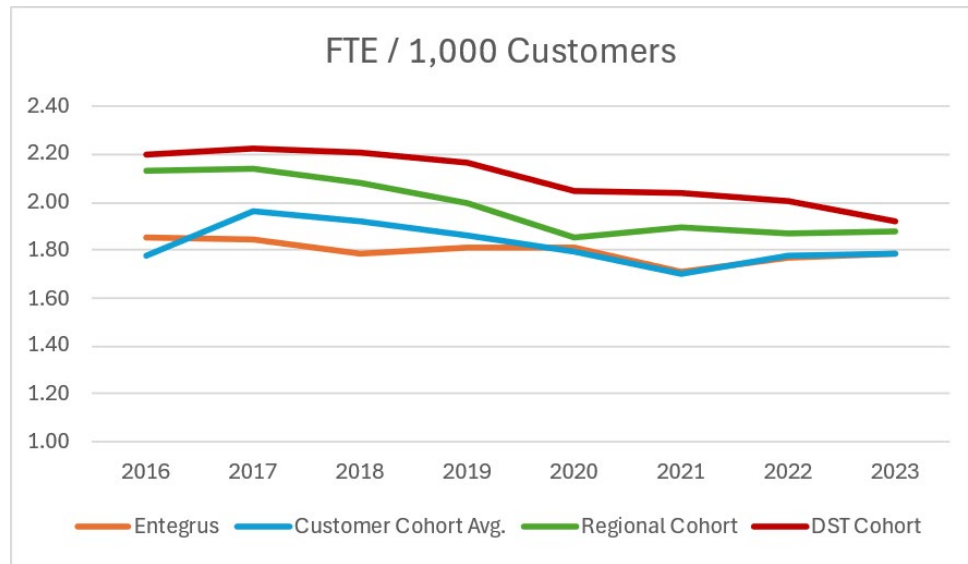
**FIGURE 4-1: OM&A PER CUSTOMER**





EPI's historical cost performance has been supported by a lean yet highly capable workforce, as illustrated in Figure 4-2. EPI's Full-Time Equivalents ("FTEs") per 1,000 customers have been approximately at, or below, those of the peer groups shown below over the 2016 to 2023 period:

**FIGURE 4-2: FTE PER 1,000 CUSTOMERS**



Despite the cost pressures outlined in this Exhibit, EPI intends to maintain its position as a strong cost performer. In preparing its OM&A budget, EPI has exercised prudent judgment by rigorously challenging itself to balance the needs of its customers and distribution system against reasonable bill impacts.

EPI notes that the cost pressures it faces are consistent with broader trends affecting the electricity distribution sector in Ontario. An analysis of the currently available 2026 cost-based applications from OEB-regulated distributors shows gross revenue deficiencies of 21%, 24%, and 26%.<sup>1</sup> In comparison, EPI's overall revenue deficiency is 17%,<sup>2</sup> EPI submits its proposed revenue requirement and OM&A budget reflect the outcomes of its disciplined, results-driven planning and execution.

<sup>1</sup> 2026 Revenue Requirement Workform, Tab 8, Gross Revenue Deficiency divided by Distribution Revenue at Current Rates for EB-2025-0014, EB-2024-0115, and EB-2025-0051.

<sup>2</sup> EPI 2026 Revenue Requirement Workform, Tab 8, Gross Revenue Deficiency divided by Distribution Revenue at Current Rates.

The following sub-sections summarize the primary drivers of EPI's 2026 OM&A budget, as further described in detail in this Exhibit.

### **STAFFING INCREASES IN RESPONSE TO GROWTH AND A CHANGING BUSINESS ENVIRONMENT**

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As noted above, EPI has evolved its operations in response to an increasingly complex operating environment characterized by customer growth, aging infrastructure, rapid technology advancements, heightened customer expectations, and an evolving regulatory and legislative framework. This has included implementing digital tools and integrating processes for new technologies, all with strong focus on cybersecurity.

To address rising service expectations and sector transformation, EPI has modernized its workforce by expanding FTEs and attracting high-caliber talent with specialized expertise. These actions strengthen the organization's capacity to manage evolving operational and regulatory requirements, support the delivery of safe and reliable service, and ensure customers benefit from responsive, skilled staff. At the same time, EPI experienced heightened levels of staff retirement from 2016 to present and has provided evidence in Section 4.4.2 about the continuation of this dynamic. To manage this challenge, EPI has invested, and continues to invest, in prudent succession planning to sustain a skilled and engaged workforce that can adapt to changing industry demands.

Consistent with the EB-2017-0212 MAADs Application Decision, EPI has operated under a deferred rebasing period since 2018. This period has coincided with significant growth and transformation in Ontario's electricity sector. To address these developments, EPI has added 25 incremental Full-Time equivalents ("FTEs") since the 2016 OEB Approved Proxy year. The distribution and drivers of these incremental FTEs are summarized below:

- **Control & GIS (+4 FTEs):** Since 2016, EPI has undergone a substantial Control & GIS transformation, improving EPI's ability to plan investments, maintain its system, share its visualization, and respond to customer outages. To facilitate these improvements, a GIS Supervisor was added to oversee GIS operations and the transition of GIS infrastructure and its integration into Control operations. Two GIS Technicians were hired to address growth in

1 service connections and maintain data accuracy and integrity, digitization of records and provide  
2 reporting related to site specific needs and requirements. Finally, an additional System  
3 Operator was hired to support the extension of the Control Room to the St. Thomas service area  
4 and growth. See Section 4.4.7 (Control & GIS) for additional details.

- 5
- 6 • Engineering & Locates (+6 FTEs): In response to increasing system complexity, technology  
7 developments, growth and evolving compliance requirements, EPI has increased its engineering  
8 and locates capabilities. Additions include an Engineering Supervisor to ensure design  
9 consistency, compliance with Ontario Regulation 22/04, and strengthened technical oversight;  
10 two Engineers-in-Training to support modernization, including new technology integration and  
11 processes, system modelling, technical studies, SCADA development for DER monitoring and  
12 reliability analytics, an Engineering Technologist to meet design and planning activity; and a  
13 Supervisor of Locates and a Locator to ensure compliance with the legislated five-business-day  
14 locate timelines under Bill 93. See Section 4.4.7 (Engineering & Locates) for additional details.

- 15
- 16 • Finance & Regulatory (+2 FTEs): Evolving and expanded regulatory and legislative requirements  
17 have necessitated the expansion of EPI's regulatory capabilities over the historical period. Two  
18 Senior Regulatory Specialists were added to address new reporting obligations, consultation  
19 participation and to ensure sufficient capacity for regulatory accounting. These roles ensure  
20 ongoing compliance, support planning processes, and enable the preparation of accurate and  
21 timely regulatory submissions amid a rapidly evolving regulatory framework. See Section 4.4.7  
22 (Finance & Regulatory) for additional details.

- 23
- 24 • HR & Administration (+3 FTEs): Human Resource management has evolved in line with  
25 increasing organizational complexity, growth, and modernization. An HR Generalist and HR  
26 Coordinator were added to address expanded legislative compliance obligations, employee  
27 relations needs, HR initiatives, and recruitment and onboarding activities. These roles provide  
28 essential capacity to sustain EPI's skilled and engaged workforce by ensuring employees have  
29 the guidance and resources necessary to deliver on utility objectives. In addition, a Corporate  
30 Communications Analyst has been added to support a significantly evolved communications

environment, including digital communications, public outreach, and customer engagement across multiple platforms. See Section 4.4.7 (HR & Administration) for additional details.

- Information Technology (+4 FTEs): Since EPI's last rebasing, both the tools within information technology and the associated risks have evolved significantly. To address these changes, EPI has added two Network & Systems Administrators and a Systems Analyst & Database Administrator to manage increased information/operational systems complexity, strengthen cybersecurity and security compliance, coordinate with vendors, troubleshoot technical issues, and maintain secure and reliable systems. A Data Scientist has also been added to lead advanced analytics initiatives, enabling predictive insights for asset management and operational decision-making. See Section 4.4.7 (Information Technology) for additional details.

- Lines (+3 FTEs): To manage a larger and more complex system, while prudently retaining core field staff, EPI has added a Powerline Maintainer to support system reliability and safety. In addition, two Apprentice Powerline Maintainers were hired as part of succession planning and to maintain operational capacity for capital, maintenance, and emergency response work. See Section 4.4.7 (Lines) for additional details.

- Operational Support & Stores (+3 FTEs) – To meet evolving utility best practice, EPI's Enterprise Transformation group was added to lead and provide hands-on support for the Project Management Office ("PMO"), delivering structured project oversight, managing complex cross-functional modernization initiatives, and supporting organizational change management, process mapping, and documentation. The group plays a central role in project coordination and delivery, reducing the project burden on operational resources and enabling them to remain focused on core day-to-day activities while projects are delivered. See Section 4.4.7 (Operational Support & Stores) for additional details.

## INFLATIONARY INCREASES

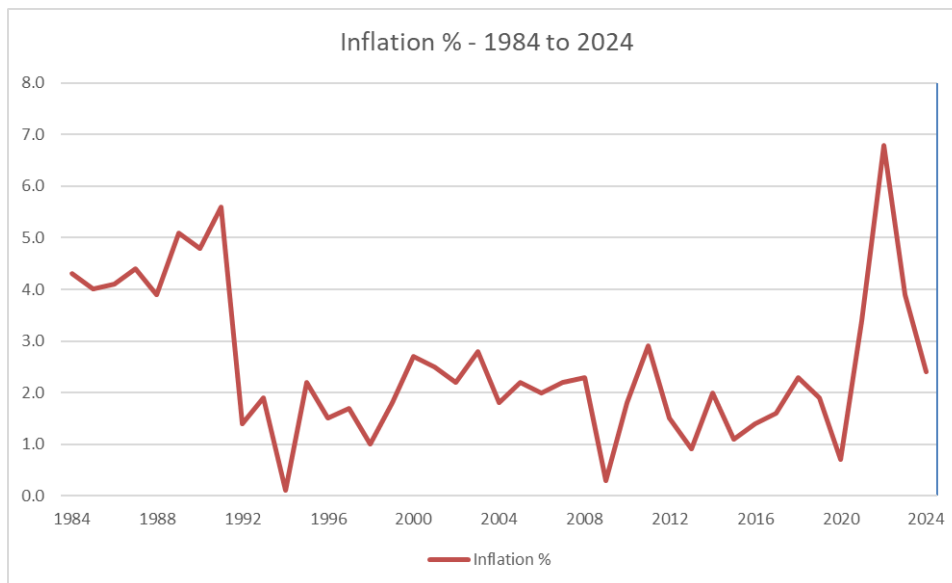
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Inflation levels, as measured by the Consumer Price Index and reflected in Figure 4-3 below, have been significantly higher in recent years compared to the historical average. While inflation remained

relatively stable and modest through much of the past three decades, the period from 2021 to 2023 experienced a sharp and sustained increase, with 2022 reaching the highest rate in the last forty years. These elevated inflationary conditions have increased the costs of goods, materials, and contracted services, which in turn have directly affected EPI's cost structure.

Although inflation has moderated from its 2022 peak, current levels remain above the historical norm since EPI's formation. As a result, the higher cost base established in recent years continues to influence EPI's operating expenses through the 2026 Test Year and beyond.

**FIGURE 4-3: HISTORICAL CONSUMER PRICE INDEX – YEAR-OVER-YEAR CHANGE**



## ENHANCED CYBERSECURITY AND INFORMATION TECHNOLOGY REQUIREMENTS

The rapid pace of technological advancement in the utility sector is transforming grid operations and driving the integration of new market participants, including microgrids, battery storage, and other distributed energy resources ("DERs"). Customers now have greater access to behind-the-meter solutions and increasingly expect real-time information to support decision-making. To meet these evolving expectations, utilities must modernize systems and processes, shifting from paper-based workflows to digital, paperless solutions. These improvements enhance operational efficiency, reduce environmental impacts, and improve accessibility, particularly for remote service delivery.

Cybersecurity has become a critical and regulated aspect of utility operations, with utilities facing increasingly sophisticated threats. For Ontario LDCs, compliance with the Ontario Cyber Security Framework (“OCSF”) is mandatory, requiring utilities to maintain rigorous standards for protecting critical infrastructure and customer data. EPI’s robust cybersecurity program is aligned with these requirements. These initiatives directly benefit customers by safeguarding sensitive information, maintaining the reliability and integrity of utility services, and supporting a secure, modernized energy system that is responsive to customer needs.

## **EVOLVING CUSTOMER EXPECTATIONS AND CUSTOMER SERVICE REQUIREMENTS**

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For the 2026 Test Year, a higher cost level is partly attributable to initiatives driven by feedback from EPI’s Customer Engagement surveys, which identified evolving customer expectations for enhanced reliability, convenience, and service responsiveness. Customers expressed support for incremental investment in vegetation control, including the use of advanced technology such as satellite imaging to create a 3D model of EPI’s service territory and distribution lines, improving maintenance efficiency and system reliability. In addition, the introduction of a new customer mobile application will provide convenient, self-service capabilities such as bill viewing and payment, usage monitoring, outage reporting, real-time notifications, and access to important service updates. The application will also enable direct communication with EPI’s customer service team for faster resolution of inquiries. Both initiatives reflect a commitment to aligning operational priorities with customer feedback and delivering tangible improvements in service quality and accessibility.

## **THE TRANSITION OF MATERIAL EXPENDITURES TO DISTRIBUTION RATES FROM DEFERRAL ACCOUNT TREATMENT**

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The 2026 Test Year expense includes the forecasted impacts of three OEB-approved deferral accounts: the Getting Ontario Connected Act (“GOCA”) Variance Account, the enhanced LEAP deferral account, and the OEB Cost Assessment Variance subaccount. All three deferral account forecasts, totaling approximately \$758k, have been integrated into the 2026 Test Year to ensure recovery of prudently incurred, regulated costs.

#### 4.1.2 CALCULATION OF 2016 OEB APPROVED PROXY

As described in Exhibit 1, EPI's last Cost of Service ("COS") application (EB-2015-0061) was filed for 2016 rates, while former St. Thomas Energy Inc.'s ("STEI") last COS application (EB-2014-0113) was for 2015 rates. EPI and STEI subsequently merged on April 1, 2018, with the amalgamated utility continuing as EPI.

As a result, EPI's 2016 OEB Approved Proxy amount reflects the combined OM&A figures of both predecessor utilities. The 2016 OEB Approved Proxy figures were calculated as the aggregate of the following components:

- The legacy EPI 2016 OEB Approved OM&A amounts, as approved in EB-2015-0061; and,
- The STEI 2015 OEB Approved OM&A amounts, as approved in EB-2014-0113, inflated to 2016 amounts by STEI's 2016 OEB Approved Incentive Rate Mechanism ("IRM") net price cap index adjustment of 1.8%.

Table 4-1 below shows the calculation of the 2016 OEB Approved Proxy Figures using the above-described methodology.

**TABLE 4-1: CALCULATION OF 2016 OEB APPROVED PROXY**

Description	EPI	STEI	TOTAL
	2016 OEB Approved (EB-2015-0061)	2015 OEB Approved Escalated (EB-2014-0113)	2016 OEB Approved Proxy
	A	B	C = A + B
Operations	\$1,202,705	\$1,092,121	\$2,294,826
Maintenance	\$1,802,735	\$228,146	\$2,030,881
<b>SubTotal</b>	<b>\$3,005,440</b>	<b>\$1,320,267</b>	<b>\$4,325,707</b>
Billing and Collecting	\$2,476,279	\$1,074,351	\$3,550,630
Community Relations	\$237,844	\$0	\$237,844
Administrative and General	\$3,776,415	\$2,072,263	\$5,848,678
<b>SubTotal</b>	<b>\$6,490,538</b>	<b>\$3,146,614</b>	<b>\$9,637,152</b>
<b>Total OM&amp;A</b>	<b>\$9,495,978</b>	<b>\$4,466,881</b>	<b>\$13,962,859</b>

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#### 4.1.3 OM&A BUDGETING PROCESS

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EPI typically initiates the preparation of its annual budget in the third quarter of each year, targeting final approval by the Board of Directors in early December. However, for the purposes of this Application, the budgetary component of the EPI 2026 Business Plan was completed during the summer of 2025.

The budget development process is a critical element of EPI's financial planning framework. It outlines future initiatives and establishes financial projections for both capital and operating costs. EPI's budgeting process is structured to align with its core business objectives, while ensuring prudence, financial sustainability, and rate stability for customers.

EPI employs a rigorous bottom-up budgeting approach, which involves detailed input and accountability at the departmental level. This approach ensures that budget proposals are developed from operational realities rather than imposed from the top down, thereby improving accuracy and operational alignment.

EPI follows the process outlined below to guide its budgeting process:

1. Management initiates the process by reviewing key high-level factors, including revenue trends, strategic and industry-driven initiatives, cost pressures, performance considerations, and customer needs and preferences as identified through the most recent customer engagement survey. This step defines overall expectations for cost control and efficiency improvements. Throughout this stage, senior management carefully weighs service delivery costs against potential customer rate impacts.
2. Each department manager or supervisor prepares comprehensive, bottom-up capital and operating plans, guided by the following directives:
  - External expenses are based on current year actuals, forecasts, and anticipated future changes. Each third-party cost is assessed for necessity, efficiency, and overall service value.
  - Significant variances from current spending levels must be explained and justified.



- 
- 1                   • Staffing levels are reviewed to assess current requirements and any proposed changes.
  - 2                   • Labour budgets are developed collaboratively with Finance, incorporating projected
  - 3                   wages, benefits, and controlled overtime based on historical data.
  - 4                   • Vehicle costs are forecasted using a per-hour rate based on estimated truck usage, and
  - 5                   costs are distributed across operations, capital, and recoverable work based on
  - 6                   budgeted labour hours.
  - 7                   • Stores department overhead is calculated based on materials issued, items purchased,
  - 8                   and contracted services, and applied proportionally to both operating and capital
  - 9                   budgets.
  - 10           3. The Finance department consolidates departmental submissions into business plan financial
  - 11           statements, incorporating proposed funding sources, projected debt covenant calculations, and
  - 12           an assessment of budgeted results against established performance metrics (e.g., return on
  - 13           equity). The bottom-up submissions are carefully reviewed to validate accuracy and alignment
  - 14           with corporate objectives.
  - 15           4. Senior management reviews the business plan financial statements to ensure alignment with
  - 16           strategic goals while maintaining cost discipline. During this step:
  - 17                   • Discretionary costs are evaluated; and,
  - 18                   • Cost-saving opportunities and alternative solutions are identified.
  - 19           The primary objective is to ensure that operating and capital expenditures support the delivery
  - 20           of safe and reliable service at an optimal cost.
  - 21           5. The finalized business plan financial proposal is submitted to EPI's Board of Directors for formal
  - 22           approval.

23

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#### 4.1.4 2026 TEST YEAR OM&A EXPENSE SUMMARY

EPI's 2026 Test Year OM&A expenses are \$21,127,866, excluding expenditures relating to property taxes. Table 4-2 and Table 4-3 below present OM&A expenses from the 2016 OEB Approved Proxy to 2020 and from 2021 to the 2026 Test Year, respectively.

**TABLE 4-2: SUMMARY OF OM&A EXPENSES - 2016 OEB APPROVED PROXY TO 2020**

	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Operations	\$2,294,826	\$2,304,444	\$1,580,202	\$1,650,977	\$1,687,121	\$1,796,606
Maintenance	\$2,030,881	\$2,026,086	\$1,521,538	\$1,631,316	\$1,931,792	\$1,664,920
Billing and Collecting	\$3,550,630	\$3,322,650	\$3,317,066	\$3,626,118	\$3,322,270	\$3,428,904
Community Relations	\$237,844	\$179,030	\$208,267	\$152,854	\$230,341	\$243,999
Administrative and General	\$5,848,678	\$6,780,261	\$6,765,550	\$6,905,539	\$6,403,511	\$6,473,790
<b>Total</b>	<b>\$13,962,859</b>	<b>\$14,612,472</b>	<b>\$13,392,623</b>	<b>\$13,966,805</b>	<b>\$13,575,036</b>	<b>\$13,608,220</b>
%Change (year over year)		4.7%	-8.3%	4.3%	-2.8%	0.2%

**TABLE 4-3: SUMMARY OF OM&A EXPENSES - 2021 TO 2026 TEST YEAR**

	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Operations	\$1,840,264	\$1,949,926	\$2,269,855	\$2,400,933	\$2,560,509	\$2,749,051
Maintenance	\$2,093,729	\$2,713,434	\$2,867,273	\$2,914,806	\$3,107,613	\$3,435,303
Billing and Collecting	\$3,166,900	\$3,528,878	\$3,440,237	\$3,724,282	\$3,810,356	\$4,374,049
Community Relations	\$278,310	\$215,383	\$231,097	\$209,385	\$221,118	\$511,154
Administrative and General	\$6,438,596	\$7,284,933	\$7,663,670	\$8,395,274	\$9,343,720	\$10,058,309
<b>Total</b>	<b>\$13,817,800</b>	<b>\$15,692,554</b>	<b>\$16,472,131</b>	<b>\$17,644,679</b>	<b>\$19,043,316</b>	<b>\$21,127,866</b>
%Change (year over year)	1.5%	13.6%	5.0%	7.1%	7.9%	10.9%

#### 4.1.5 INFLATION RATE ASSUMED

EPI has calculated the inflation on non-labour items based on the OEB's Approved Inflation Factor (adjusted downward to account for anticipated efficiencies) for 2016-2026 as reflected in Table 4-4 below.

**TABLE 4-4: ANNUAL ADJUSTED INFLATION FACTORS**

Year	IPI/Estimate	Stretch <sup>1</sup>	Net Inflation
2016	2.1%	0.30%	1.8%
2017	1.9%	0.15%	1.75%
2018	1.2%	0.15%	1.05%
2019	1.5%	0.15%	1.35%
2020	2.0%	0.15%	1.85%
2021	2.2%	0.15%	2.05%
2022	3.3%	0.15%	3.15%
2023	3.7%	0.0%	3.7%
2024	4.8%	0.0%	4.8%
2025	3.6%	0.0%	3.6%
2026	3.7%	0.0%	3.7%

<sup>1</sup> - For 2016, former STEI's stretch factor of 0.3% has been used.

Labour cost escalation for unionized and non-unionized employees of 2.25% and 3.00%, respectively, were used in the preparation of the 2026 operating and capital budgets. The escalator for unionized staff is aligned with the Collective Bargaining Agreements (“CBAs”) for the period January 1, 2025 to December 31, 2027 and progressions are also included.

#### **4.1.6 BUSINESS ENVIRONMENT CHANGES**

The business landscape and environment in which EPI operates continues to evolve and change. Since EPI’s last rebasing in 2016, there have been several significant business environment changes that impact operating costs.

#### **SHIFTING LABOUR DEMOGRAPHICS**

Over the past decade, the utility sector has seen a consistent trend of retirements. At EPI, the effects of an aging workforce have been apparent since 2016, with retirement rates peaking during the pandemic as many Baby Boomers left the workforce. Although retirements have spanned multiple departments, they have been particularly concentrated in Lines, Engineering, Metering, and Customer Service. Looking ahead, additional retirements are anticipated between 2026 and 2030, which will continue to impact the organization. Coupled with natural attrition, these shifts have resulted in more than half of EPI’s current workforce being hired since 2016. For additional details, please see Section 4.4.1.

1 In light of EPI’s workforce demographics, training has emerged as a critical area of focus. EPI is  
2 dedicated to offering robust training opportunities for its employees. Considering the current workforce  
3 demographics—alongside accelerating retirements, advancing technologies, and shifting customer  
4 expectations—continued investment in training and development is vital to maintain continuity, build  
5 capacity, and prepare for the future.

6 Beginning in 2026, EPI will introduce a behaviour-based leadership development program aimed at  
7 strengthening management coaching capabilities, improving employee engagement, and enhancing  
8 performance management. Grounded in a scientific model of behavior, the training emphasizes targeted  
9 leadership strategies and practical skill development. Participants will learn to assess performance,  
10 conduct structured coaching “touchpoints,” and reinforce specific behaviors that drive both individual  
11 growth and organizational success. The program also includes follow-up sessions and structured  
12 debriefs to promote accountability, reinforce core competencies, and ensure consistent leadership  
13 practices across departments. For additional details on training, please see Section 4.4.4.

#### 14 **DIGITAL TRANSFORMATION AND CYBERSECURITY**

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15 The pace of technological advancement and innovation in the utility industry is accelerating rapidly,  
16 transforming grid operations, enabling the rise of new market entrants such as microgrids, battery  
17 storage, and other DERs. At the same time, customers now have more behind-the-meter options and  
18 increasingly expect real-time information to support informed decision-making.

19 To remain responsive to evolving customer expectations, utilities must adopt new technologies and  
20 build strategic partnerships with emerging market participants to create long-term value. This includes  
21 modernizing internal systems and workflows – moving away from traditional paper-based processes  
22 toward digital, paperless solutions that improve efficiency, reduce environmental impact, and support  
23 remote accessibility.

24 With ongoing advancements, the importance of cybersecurity has intensified. Utilities are increasingly  
25 targeted by complex threats that aim to breach systems and compromise sensitive data. Addressing  
26 these risks demands constant adaptation of security protocols to protect system integrity and ensure  
27 continued reliability and accessibility.

Cybersecurity has become an increasingly critical, integrated and regulated component of utility operations. Collaboration across the industry is essential to effectively counter the growing array of cyber threats. EPI's cybersecurity practices are aligned with OEB-mandated compliance requirements under the OCSF, which establishes rigorous standards to safeguard critical infrastructure and protect customer information. In accordance with the OCSF, EPI's cybersecurity program includes regular penetration testing and tabletop exercises to ensure readiness and resilience in the event of an attack.

## **ADOPTION OF AI-ENABLED TECHNOLOGIES**

The rapid advancement of artificial intelligence ("AI") technologies is transforming the utility sector by offering powerful tools to optimize grid management, forecast energy demand, enhance outage response, and improve customer service. From predictive maintenance powered by machine learning to AI-enabled chatbots that streamline customer interactions, these innovations are redefining how utilities operate and engage with stakeholders. As energy systems grow more complex and customers seek more personalized and real-time information, the adoption of AI has become critical to ensuring responsiveness, agility, and operational efficiency.

To meet evolving customer expectations and remain competitive, utilities must integrate AI-based solutions across their operations – ranging from asset management and energy forecasting to administrative workflows and customer analytics. This transformation also supports the transition away from manual, paper-based processes and enabling data-driven decision-making; this will allow staff in the future to dedicate less time to routine administrative tasks and focus more on higher-value, strategic initiatives that drive long-term organizational performance.

To support this transformation, EPI hired a Data Scientist in 2024, as detailed in Section 4.4.9 (for 2024). One of the Data Scientist's first initiatives involved the development of an AI-enabled load pattern detection tool designed to identify transformers at elevated risk of failure. This targeted approach to asset renewal, which was informed by customer engagement feedback emphasizing the importance of proactive investment in transformer replacements, is further discussed in Exhibit 1, Section 1.7.

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## REGULATORY ENVIRONMENT CHANGES

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The regulatory environment in which LDCs operate is constantly evolving, and the past 20 years have brought significant transformation. This period has seen the rollout of Smart Meters, the introduction of Ontario Regulation 22/04, the enactment and subsequent repeal of the Green Energy Act, the enactment of Bill 93, Getting Ontario Connected Act, 2022, which amended the Ontario Underground Infrastructure Notification System Act, 2012, and numerous billing adjustments including credits, tax removals, rebates, and other rate modifications. It also included the launch and cancellation of the Conservation First Framework, the implementation of the Renewed Regulatory Framework for Electricity (“RRFE”), and an increased emphasis by the OEB on customer engagement – all of which LDCs have been responsible for implementing and delivering.

The volume of regulatory and public policy initiatives has grown substantially, while the timelines for compliance have become increasingly compressed. This has placed additional strain on staff and on EPI as an organization, requiring diligent effort to remain compliant and to fulfill customer commitments.

Since EPI’s last rebasing in 2016, several mandated initiatives have been introduced, many of which have contributed to upward pressure on operational costs:

- Implementation of the Fair Hydro Plan Act (2017)
- Introduction of the Winter Disconnection Moratorium (2017)
- Implementation of the OEB Cyber Security Framework (2018)
- Expanded reporting under the Activity and Program-Based Benchmarking Initiative (2019)
- Cancellation and centralization of Conservation and Demand Management (“CDM”) programs (2019–2020)
- Implementation of the Ontario Rebate for Electricity Consumers Act (“OREC”) (2019)
- Changes to Customer Service Rules (2019 & 2020)
- Ongoing connection of renewable generation sources

- Adoption of standardized accounting for Regulated Price Plan (“RPP”) settlement (2019)
  - Elimination of the Collection of Account charge (2019)
  - Installation of Metering Inside the Settlement Timeframe (“MIST”) meters for GS>50kW customers (2020)
  - Implementation of COVID-19 billing-related changes (2020)
  - Introduction of Time-of-Use (“TOU”) opt-out options (2020)
  - Green Button data access implementation (2023)
  - Introduction of the Ultra-Low Overnight (“ULO”) TOU Price Plan (2023)
  - Establishment of a deferral account to record incremental cloud computing arrangement implementation costs (2023)
  - Establishment of a generic, sector-wide variance account to specifically track incremental costs of locates arising from the implementation of Bill 93 (the *Getting Ontario Connected Act*, 2022) (2023)
  - Extension of the residential development revenue horizon from 25 to 40 years and extension of the connection horizon from 5 to 15 years for qualifying projects (2024)
  - Establishment of a new Capacity Allocation Model (“CAM”) to apply when allocating costs between developers and distributors in designated high growth residential areas, such that developers will fund their proportional share of associated new electricity infrastructure developments (2025)
- Additional recent examples of ongoing regulatory initiatives are described in Section 4.4.7 (under “Senior Regulatory Specialists”).

## 4.2 SUMMARY AND COST DRIVERS

### 4.2.1 SUMMARY OF RECOVERABLE OM&A EXPENSES

EPI follows the OEB's Accounting Procedures Handbook ("APH") in distinguishing work performed between operations and maintenance. Table 4-5 and Table 4-6 below present a summary of recoverable OM&A expenses from the 2016 OEB Approved Proxy to 2020 and from 2021 to the 2026 Test Year, respectively. These tables are consistent with the OEB's Appendix 2-JA. EPI is proposing to receive the 2026 Test Year costs through distribution rates for the 2026 Test Year.

**TABLE 4-5: SUMMARY OF RECOVERABLE OM&A EXPENSES – 2016 OEB APPROVED PROXY TO 2020**

	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
<i>Reporting Basis</i>	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Operations	\$2,294,826	\$2,304,444	\$1,580,202	\$1,650,977	\$1,687,121	\$1,796,606
Maintenance	\$2,030,881	\$2,026,086	\$1,521,538	\$1,631,316	\$1,931,792	\$1,664,920
<b>SubTotal</b>	<b>\$4,325,707</b>	<b>\$4,330,531</b>	<b>\$3,101,740</b>	<b>\$3,282,293</b>	<b>\$3,618,914</b>	<b>\$3,461,526</b>
%Variance		0.1%	-28.4%	5.8%	10.3%	-4.3%
%Change (Test Year vs Last Rebasing Year - Actual)						
Billing and Collecting	\$3,550,630	\$3,322,650	\$3,317,066	\$3,626,118	\$3,322,270	\$3,428,904
Community Relations	\$237,844	\$179,030	\$208,267	\$152,854	\$230,341	\$243,999
Administrative and General	\$5,848,678	\$6,780,261	\$6,765,550	\$6,905,539	\$6,403,511	\$6,473,790
<b>SubTotal</b>	<b>\$9,637,153</b>	<b>\$10,281,941</b>	<b>\$10,290,884</b>	<b>\$10,684,512</b>	<b>\$9,956,123</b>	<b>\$10,146,693</b>
%Variance		6.7%	0.1%	3.8%	-6.8%	1.9%
%Change (Test Year vs Last Rebasing Year - Actual)						
<b>Total</b>	<b>\$13,962,859</b>	<b>\$14,612,472</b>	<b>\$13,392,623</b>	<b>\$13,966,805</b>	<b>\$13,575,036</b>	<b>\$13,608,220</b>
%Variance		4.7%	-8.3%	4.3%	-2.8%	0.2%



**TABLE 4-6: SUMMARY OF RECOVERABLE OM&A EXPENSES – 2021 TO 2026 TEST YEAR**

	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
<i>Reporting Basis</i>	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Operations	\$1,840,264	\$1,949,926	\$2,269,855	\$2,400,933	\$2,560,509	\$2,749,051
Maintenance	\$2,093,729	\$2,713,434	\$2,867,273	\$2,914,806	\$3,107,613	\$3,435,303
<b>SubTotal</b>	<b>\$3,933,993</b>	<b>\$4,663,360</b>	<b>\$5,137,128</b>	<b>\$5,315,738</b>	<b>\$5,668,122</b>	<b>\$6,184,354</b>
%Change (year over year)	13.6%	18.5%	10.2%	3.5%	6.6%	9.1%
%Change (Test Year vs Last Rebasing Year - Actual)						
Billing and Collecting	\$3,166,900	\$3,528,878	\$3,440,237	\$3,724,282	\$3,810,356	\$4,374,049
Community Relations	\$278,310	\$215,383	\$231,097	\$209,385	\$221,118	\$511,154
Administrative and General	\$6,438,596	\$7,284,933	\$7,663,670	\$8,395,274	\$9,343,720	\$10,058,309
<b>SubTotal</b>	<b>\$9,883,806</b>	<b>\$11,029,194</b>	<b>\$11,335,003</b>	<b>\$12,328,941</b>	<b>\$13,375,194</b>	<b>\$14,943,512</b>
%Change (year over year)	-2.6%	11.6%	2.8%	8.8%	8.5%	11.7%
%Change (Test Year vs Last Rebasing Year - Actual)						
<b>Total</b>	<b>\$13,817,800</b>	<b>\$15,692,554</b>	<b>\$16,472,131</b>	<b>\$17,644,679</b>	<b>\$19,043,316</b>	<b>\$21,127,866</b>
%Change (year over year)	1.5%	13.6%	5.0%	7.1%	7.9%	10.9%

## 4.2.2 COST DRIVER TABLES

Throughout the 2016 to 2026 period, costs associated with each primary driver have fluctuated year over year, reflecting variations in work execution timing, shifting priorities, the launch of new initiatives, and general cost escalation. These dynamics are explained in greater detail in Section 4.3.1, OM&A Program Delivery and Variance Analysis. Table 4-7 below outlines the key drivers and significant changes in the 2026 Test Year relative to the 2016 OEB Approved Proxy levels.

**TABLE 4-7: PRIMARY OM&A COST DRIVERS**

Item	Amount	Reference
<b>2016 OEB Approved Proxy OM&amp;A</b>	<b>\$13,962,859</b>	
Cost Drivers:		
Change in Operating Portion of Salaries, Wages, and Benefits	\$5,620,649	Exhibit 4 - 4.4
Merger Synergies	(\$1,817,597)	Exhibit 1 - 1.11.4
Inflation on Non-Labour Items	\$2,124,397	Exhibit 4 - 4.1.5
Enhanced LEAP Funding	\$276,180	Exhibit 4 - 4.3.3
Cybersecurity and Licensing Costs	\$520,440	Exhibit 4 - 4.3
Bad Debt Expense	\$257,552	Exhibit 4 - 4.3.4
Other Immaterial Items	\$183,387	
<b>2026 Test Year OM&amp;A</b>	<b>\$21,127,866</b>	

OM&A expenditures for the 2026 Test Year are 51.3% higher than the 2016 OEB Approved proxy levels, representing a CAGR of 4.2%. This increase is primarily driven by inflationary pressures on both labour

- 1 and non-labour costs, strategic investments in workforce growth and development, and rising
- 2 cybersecurity expenses aligned with EPI's digital transformation initiatives.
- 3 Consistent with the OEB's Appendix 2-JB, Table 4-8 and Table 4-9 below outline the cost drivers that
- 4 contributed to year-over-year changes in OM&A spending, as well as recurring or common drivers that
- 5 have influenced expenditures across multiple years.

6 **TABLE 4-8: PRIMARY OM&A COST DRIVERS – 2016 OEB APPROVED PROXY TO 2020**

OM&A	Last Rebasing Year (2016 Actuals) to OEB Approved Proxy	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
<i>Reporting Basis</i>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>
<b>Opening Balance</b>	\$13,962,859	\$14,612,472	\$13,392,623	\$13,966,805	\$13,575,036
<b>Salaries, Wages and Benefits</b>					
Change in Operating Portion of Salaries, Wages, and Benefits	\$280,431	(\$30,726)	\$297,445	\$297,266	\$533,057
Change in Operating Portion of Employee Future Benefits	\$36,471	\$18,891	(\$13,833)	\$17,636	\$9,779
<b>Customer and Employee Focus</b>					
My Account Upgrade					
Enhanced Leadership Training					
Enhanced LEAP Funding					
<b>Operational Effectiveness</b>					
Overhead/Underground Inspections	\$237,604	(\$804,491)	(\$105,212)		
Transformer Maintenance	(\$129,413)	(\$51,545)			
Smart Meter Maintenance and Reverification	(\$74,204)	(\$237,234)			
Increased IT Cybersecurity and Licensing Costs					
Preventative Vegetation Management Re-Timing					(\$142,561)
Change in Locate Volumes					
Establishment of Enterprise Transformation Department					
Adoption of AI-Enabled Technologies					
Increased OEB assessment costs					
<b>Miscellaneous</b>					
STEI Merger Transaction Costs		\$107,325			
Merger Synergies			(\$307,119)	(\$490,760)	(\$199,677)
Preventative Building Maintenance Timing			\$94,703		
Storm Relief Assistance		(\$404,620)	\$404,620		
Pandemic Cost Cutting and Return to Normal Operations					(\$334,969)
Bad Debt Expense	\$33,266	(\$51,283)	\$161,951	(\$149,028)	\$158,051
Inflation on Non-Labour Items	\$144,050	\$119,239	\$74,449	\$86,419	\$109,178
Other immaterial items	\$121,408	\$114,596	(\$32,823)	(\$153,302)	(\$99,674)
<b>Closing Balance</b>	\$14,612,472	\$13,392,623	\$13,966,805	\$13,575,036	\$13,608,220

7

1 **TABLE 4-9: PRIMARY OM&A COST DRIVERS – 2021 TO 2026 TEST YEAR**

OM&A	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
<b>Reporting Basis</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>
Opening Balance	\$13,608,220	\$13,817,800	\$15,692,554	\$16,472,131	\$17,644,679	\$19,043,316
<b>Salaries, Wages and Benefits</b>						
Change in Operating Portion of Salaries, Wages, and Benefits	\$169,892	\$537,347	\$756,564	\$1,080,995	\$1,215,126	\$412,607
Change in Operating Portion of Employee Future Benefits	(\$17,155)	(\$13,894)	\$10,533	\$6,378	\$7,726	\$8,113
<b>Customer and Employee Focus</b>						
My Account Upgrade						\$50,000
Enhanced Leadership Training						\$100,000
Enhanced LEAP Funding						\$276,180
<b>Operational Effectiveness</b>						
Overhead/Underground Inspections	\$280,149	\$277,596				\$100,000
Transformer Maintenance						
Smart Meter Maintenance						
Cybersecurity and Licensing Costs	\$63,038	\$232,402				\$225,000
Preventative Vegetation Management		\$257,939				\$100,000
Change in Locate Volumes				(\$114,979)		
Establishment of Enterprise Transformation Department	\$32,365	\$160,368				
Adoption of AI-Enabled Technologies						\$50,000
Increased OEB assessment costs						\$180,302
<b>Miscellaneous</b>						
STEI Merger Transaction Costs						
Merger Synergies	(\$210,761)	(\$360,125)	(\$71,259)	(\$69,346)	(\$55,611)	(\$52,940)
Preventative Building Maintenance Timing						
Storm Relief Assistance						
Pandemic Cost Cutting and Return to Normal Operations	(\$112,872)	\$536,961				
Bad Debt Expense	(\$42,480)	(\$99,562)	(\$69,242)	\$24,138	\$88,755	\$202,987
Inflation on Non-Labour Items	\$121,794	\$229,276	\$270,160	\$354,872	\$272,760	\$342,199
Other immaterial items	(\$74,391)	\$116,446	(\$117,178)	(\$109,510)	(\$130,119)	\$90,102
<b>Closing Balance</b>	<b>\$13,817,800</b>	<b>\$15,692,554</b>	<b>\$16,472,131</b>	<b>\$17,644,679</b>	<b>\$19,043,316</b>	<b>\$21,127,866</b>

2

3 The following are descriptions of the primary drivers contributing to the increase in EPI's OM&A

4 expenditures since 2016 – the date of the last COS application – through to the 2026 Test Year. Each

5 driver is summarized by its year-over-year net change. EPI has provided explanations for variances

6 exceeding its materiality threshold of \$195,000.

7 **CHANGE IN OPERATING PORTION OF SALARIES, WAGES, AND BENEFITS**

8 *2016 OEB APPROVED PROXY TO 2016 ACTUALS - \$280K*

9 *2017 ACTUALS TO 2018 ACTUALS - \$297K*

10 *2018 ACTUALS TO 2019 ACTUALS - \$297K*

11 *2019 ACTUALS TO 2020 ACTUALS - \$533K*

12 *2021 ACTUALS TO 2022 ACTUALS - \$537K*

1    *2022 ACTUALS TO 2023 ACTUALS - \$757K*

2    *2023 ACTUALS TO 2024 ACTUALS - \$1.1M*

3    *2024 ACTUALS TO 2025 BRIDGE - \$1.2M*

4    *2025 BRIDGE TO 2026 TEST - \$413K*

5    Year-over-year variations in employee compensation within OM&A are largely attributed to strategic  
6    investments in building a modernized workforce capable of meeting evolving customer expectations,  
7    addressing legislative and regulatory demands, and managing growing operational complexity. These  
8    increases are further influenced by inflationary pressures and contractual wage and benefit  
9    adjustments.

10   A detailed breakdown of these year-over-year changes is provided in Section 4.4.

11   To calculate the change in the operating portion of salaries, wages, and benefits, EPI applied the  
12   Operating Percentage of Total Labour for each year to the corresponding Total Compensation figures, as  
13   presented in Table 4-43 and in accordance with the OEB's Appendix 2-K. EPI then compared the  
14   resulting operating compensation figures to those of the previous year to determine the annual change.

15   **ENHANCED LEAP FUNDING**

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16   *2025 BRIDGE TO 2026 TEST - \$276K*

17   The difference between the 2026 Test Year and the 2025 Bridge Year is primarily due to the inclusion of  
18   enhanced LEAP funding in base rates. Following the OEB's EB-2023-0135 order effective March 1, 2024,  
19   EPI has provided higher levels of assistance to more vulnerable customers through its social agency  
20   partners. Incremental contributions beyond base rates have been tracked in a dedicated sub-account of  
21   Account 1508, which EPI proposes to dispose of in this Application (please see Exhibit 9, Section 9.5.1).  
22   Given the materiality of these amounts and the ongoing need for enhanced assistance, EPI has included  
23   \$276k in additional LEAP funding in its 2026 Test Year. For more information, please see Section 4.8 of  
24   this exhibit.

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**OVERHEAD/UNDERGROUND INSPECTIONS**

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*2016 OEB APPROVED PROXY TO 2016 ACTUALS - \$238K*

The increase in actual costs relative to the 2016 OEB Approved Proxy is attributable to higher than anticipated inspection activity. During 2016, EPI expanded its inspection efforts conducted as part of a system map modernization initiative. Through this project, field staff engaged in a coordinated effort to update geospatial mapping data while simultaneously performing comprehensive inspections across the distribution system. This full-system review included infrared imaging, visual assessments, drill-based pole testing, transformer evaluations, and underground cable verification. These enhanced inspection activities identified portions of the systems that were exhibiting deterioration beyond the expectations outlined in the previous Distribution System Plan ("DSP"). Subsequent engineering inspections confirmed the findings and supported the need for timely corrective action to uphold system reliability and safety.

*2016 ACTUALS TO 2017 ACTUALS - (\$804K)*

The significant decrease in inspection costs from 2016 to 2017 primarily reflects a normalization of activity following the heightened inspection efforts in 2016. With the system-wide inspection backlog reduced and key circuits already assessed, EPI returned to a standard inspection cadence.

*2020 ACTUALS TO 2021 ACTUALS - \$280K*

This year-over-year increase is largely attributable to the reinstatement of deferred or reduced inspection work from 2020. Due to pandemic-related operational constraints and resource reallocation in 2020, some inspection activities were postponed. These activities resumed in 2021, resulting in a cost rebound. Increased costs in 2021 also reflect inflationary pressures on contractor rates and a strategic focus on proactive asset management.

*2021 ACTUALS TO 2022 ACTUALS - \$278K*

The continued upward trend from 2021 to 2022 reflects ongoing enhancements to inspection protocols, including the adoption of more comprehensive underground inspections and the incorporation of advanced diagnostic tools. Cost pressures due to labour and fuel inflation also contributed to the increase.

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## **SMART METER MAINTENANCE**

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### *2016 ACTUALS TO 2017 ACTUALS - (\$237K)*

EPI was an early adopter of smart meter technology, with initial installations beginning in 2006. Replacement of the aging smart meter infrastructure commenced in 2016 and accelerated in 2017, resulting in a shift of metering-related costs from OM&A to capital expenditures. Some of the replacements were necessitated by equipment failures that occurred earlier than anticipated. EPI maintained a concentrated effort on meter replacements through 2022, after which meter maintenance OM&A began to normalize and trend back toward pre-replacement levels.

## **CYBERSECURITY AND LICENSING COSTS**

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### *2021 ACTUALS TO 2022 ACTUALS - \$232K*

Beginning in 2022, EPI undertook critical enhancements to its cybersecurity posture, including the deployment of advanced system monitoring tools, upgraded firewall technologies, and comprehensive threat detection and response capabilities. These proactive measures were essential to safeguarding the company's digital infrastructure, ensuring the confidentiality, integrity, and availability of customer information, operational systems, and corporate networks.

### *2025 BRIDGE TO 2026 TEST - \$225K*

Software licensing costs are anticipated to rise in 2026 as the industry continues transitioning from perpetual on-premises licensing to subscription-based cloud solutions. In 2025, EPI initiated a major project to identify new work order and service order management platforms, both of which are expected to be cloud-based solutions. Additionally, cybersecurity expenditures are projected to increase due to the third-party audit requirements under the OCSF.

## **PREVENTATIVE VEGETATION MANAGEMENT**

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### *2021 ACTUALS TO 2022 ACTUALS - \$258K*

During the 2020 and 2021 pandemic years, EPI adjusted its vegetation management strategy to prioritize areas within its service territory that required less resource-intensive tree trimming. This

temporary shift allowed the utility to manage costs during a period of operational uncertainty. In 2022, EPI resumed work in more complex and labour-intensive zones, resulting in a year-over-year cost increase of \$258k compared to 2021. For the 2026 Test Year, a higher cost level has persisted as a direct result of feedback from Customer Engagement surveys. Through this process, customers expressed support for incremental investment in the vegetation control program, which includes the adoption of technology such as satellite imaging to build a 3D model of EPI's service territory and distribution lines.

## **MERGER SYNERGIES**

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*2017 ACTUALS TO 2018 ACTUALS - (\$307K)*

*2018 ACTUALS TO 2019 ACTUALS - (\$491K)*

*2019 ACTUALS TO 2020 ACTUALS - (\$200K)*

*2020 ACTUALS TO 2021 ACTUALS - (\$211K)*

*2021 ACTUALS TO 2022 ACTUALS - (\$360K)*

Synergies resulting from the EPI/STEL merger were largely driven by reductions in administrative costs, including the consolidation of regulatory and finance functions, as well as the internalization of billing operations.

A detailed year-over-year breakdown of merger synergies is provided in Section 1.11.4 of Exhibit 1.

## **STORM RELIEF ASSISTANCE**

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*2016 ACTUALS TO 2017 ACTUALS - (\$405K)*

*2017 ACTUALS TO 2018 ACTUALS - \$405K*

Following Hurricane Irma in September 2017, EPI deployed a team of powerline maintainers and operations managers – along with bucket trucks and other equipment – to Florida to assist Florida Power & Light and Tampa Electric with power restoration efforts. All associated labour and vehicle costs for the duration of the deployment, including travel to and from Florida, were fully reimbursed by the host utilities. This resulted in one-time OM&A cost savings of \$404,620 in 2017 for EPI. These savings did

not recur in 2018, contributing to a year-over-year increase when comparing 2017 actuals to 2018 actuals.

### **PANDEMIC COST CUTTING AND RETURN TO NORMAL OPERATIONS**

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#### *2019 ACTUALS TO 2020 ACTUALS - (\$335K)*

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. Shortly thereafter, Ontario declared a State of Emergency on March 17, 2020, mandating the closure of non-essential businesses.

Following the declaration of the State of Emergency, EPI transitioned all non-trades staff to remote work, leading to temporary reductions in on-site operational costs such as utilities, supplies, and office services. See Exhibit 1, Section 1.12 for additional COVID-19 response details. In parallel, a wave of retirements beginning in the summer of 2020 resulted in temporary staffing vacancies, which further contributed to short-term cost savings in both labour and associated overhead.

#### *2021 ACTUALS TO 2022 ACTUALS - \$537K*

In March 2022, as provincial mandates were relaxed, EPI began a phased return to office, culminating in full reintegration by April 2022. See Exhibit 1, Section 1.12 for additional details. This transition led to increased OM&A costs associated with reinstating on-site operations. These included reversing remote work accommodations, reconfiguring workspaces, and maintaining office safety infrastructure (e.g., signage, sanitization, and ventilation). The re-entry process, combined with decades-high inflation and ongoing supply chain adjustments, contributed to increased expenditures in 2022.

Please note that EPI is not requesting recovery of any pandemic-related Deferral and Variance Account (“DVA”) balances. EPI cost levels were effectively managed during and following the pandemic period.

### **BAD DEBT EXPENSE**

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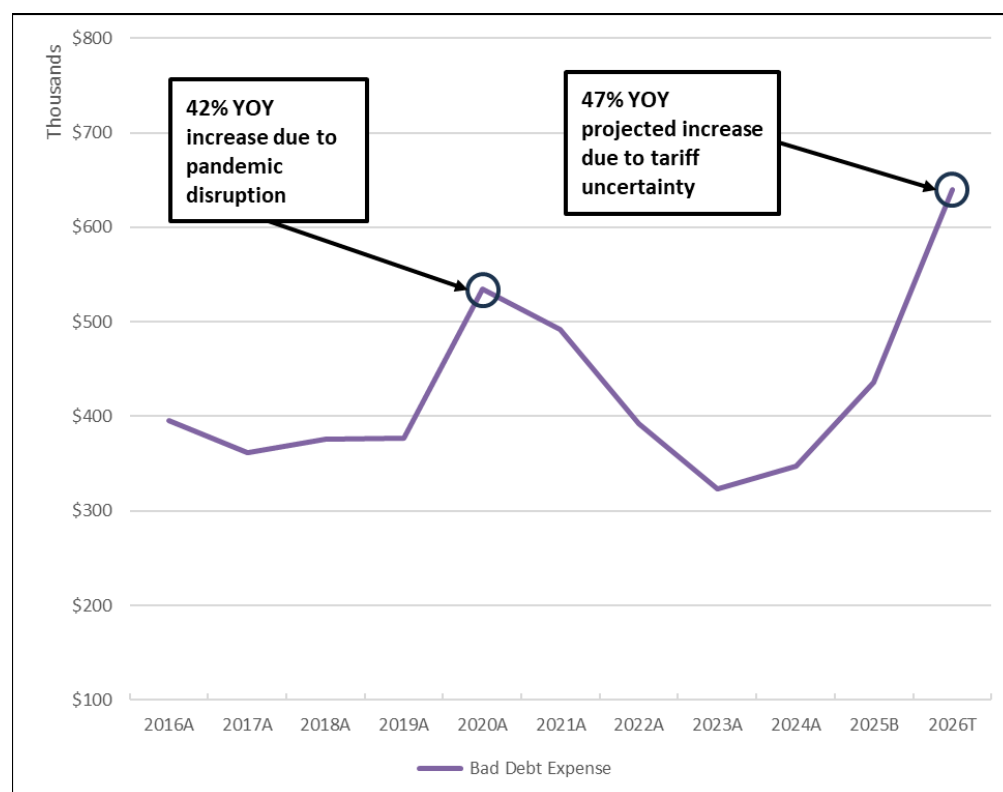
#### *2025 BRIDGE TO 2026 TEST - \$203K*

The projection of \$639k in bad debt expense for 2026 reflects a continuation of upward trends observed in recent years, as well as broader economic conditions that are expected to exert pressure on customer payment behavior. Since 2023, EPI has seen a steady increase in bad debts—from \$323k in 2023 to



\$348k in 2024, with a further rise to \$436k projected for 2025. As noted in Figure 4-4 below, this trajectory is consistent with past patterns, such as the 42% increase in bad debts from 2019 to 2020, which coincided with widespread pandemic-related unemployment and economic disruption. Importantly, bad debt recognition often lags the onset of economic downturns, meaning the full financial impact of current conditions will likely not materialize until subsequent years. With unemployment rates in southern Ontario continuing to trend upward, financial stress among customers is expected to grow, leading to higher arrears and eventual write-offs. Accordingly, the 2026 projection incorporates both the recent upward trend and the anticipated lagging impact of current macroeconomic pressures.

**FIGURE 4-4: BAD DEBT EXPENSE – 2016 ACTUALS TO 2026 TEST YEAR**



## INFLATION ON NON-LABOUR ITEMS

2021 ACTUALS TO 2022 ACTUALS - \$229K

2022 ACTUALS TO 2023 ACTUALS - \$270K

1     2023 ACTUALS TO 2024 ACTUALS - \$355K

2     2024 ACTUALS TO 2025 BRIDGE - \$273K

3     2025 BRIDGE TO 2026 TEST - \$342K

4     Inflation has had a sustained impact on EPI's non-labour OM&A expenditures from 2016 through to the  
5     2026 Test Year. Over this period, EPI has experienced steady increases in the cost of materials,  
6     contracted services, fuel, and other non-labour inputs essential to the delivery of safe and reliable  
7     electricity distribution service. These inflationary pressures reflect broader macroeconomic trends,  
8     including supply chain constraints, commodity price volatility, and rising service rates from third-party  
9     vendors.

10    To quantify the annual inflationary impact on non-labour OM&A, EPI has applied the inflation factors set  
11    out in Table 4-4 above to its non-labour expenditures on a year-by-year basis.

#### 12    **4.2.3 OM&A COST PER CUSTOMER AND FULL-TIME EQUIVALENT**

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13    Table 4-10 and Table 4-11 below provide a summary of the OM&A cost per customer and per FTE. These  
14    tables are consistent with the OEB's Appendix 2-L. The FTE figures below are the annual FTEs shown in  
15    Table 4-43. The number of customers is based on the annual average for each metered rate class.

**TABLE 4-10: OM&A COST PER CUSTOMER AND PER FTE – 2016 OEB APPROVED PROXY TO 2020**

	Last Rebasings Year (2016 OEB Approved Proxy)	Last Rebasings Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
<b>Reporting Basis</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>
OM&A Costs						
O&M	\$ 4,325,707	\$ 4,330,531	\$ 3,101,740	\$ 3,282,293	\$ 3,618,914	\$ 3,461,526
Admin	\$ 9,637,153	\$ 10,281,941	\$ 10,290,884	\$ 10,684,512	\$ 9,956,123	\$ 10,146,693
Total Recoverable OM&A	\$ 13,962,859	\$ 14,612,472	\$ 13,392,623	\$ 13,966,805	\$ 13,575,036	\$ 13,608,220
Number of Customers	57,636	57,904	58,368	58,923	59,497	60,198
Number of FTEs	105.2	107.6	108.3	105.8	108.2	109.5
Customers/FTEs	547.9	538.3	539.0	556.9	549.8	549.7
OM&A cost per customer						
O&M per customer	\$ 75.05	\$ 74.79	\$ 53.14	\$ 55.70	\$ 60.83	\$ 57.50
Admin per customer	\$ 167.21	\$ 177.57	\$ 176.31	\$ 181.33	\$ 167.34	\$ 168.56
Total OM&A per customer	\$ 242.26	\$ 252.36	\$ 229.45	\$ 237.03	\$ 228.16	\$ 226.06
OM&A Cost per FTE						
O&M per FTE	\$ 41,122.79	\$ 40,256.55	\$ 28,645.55	\$ 31,019.82	\$ 33,442.14	\$ 31,606.34
Admin per FTE	\$ 91,616.62	\$ 95,580.76	\$ 95,039.56	\$ 100,975.63	\$ 92,003.87	\$ 92,646.95
Total OM&A per FTE	\$ 132,739.42	\$ 135,837.31	\$ 123,685.11	\$ 131,995.45	\$ 125,446.02	\$ 124,253.28

**TABLE 4-11: OM&A COST PER CUSTOMER AND PER FTE – 2021 TO 2026 TEST YEAR**

	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge	2026 Test
<b>Reporting Basis</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>
OM&A Costs						
O&M	\$ 3,933,993	\$ 4,663,360	\$ 5,137,128	\$ 5,315,738	\$ 5,668,122	\$ 6,184,354
Admin	\$ 9,883,806	\$ 11,029,194	\$ 11,335,003	\$ 12,328,941	\$ 13,375,194	\$ 14,943,512
Total Recoverable OM&A	\$ 13,817,800	\$ 15,692,554	\$ 16,472,131	\$ 17,644,679	\$ 19,043,316	\$ 21,127,866
Number of Customers	61,046	61,975	62,678	63,199	63,976	64,764
Number of FTEs	105.3	110.3	112.4	121.4	127.6	128.2
Customers/FTEs	579.8	562.1	557.8	520.7	501.5	505.2
OM&A cost per customer						
O&M per customer	\$ 64.44	\$ 75.25	\$ 81.96	\$ 84.11	\$ 88.60	\$ 95.49
Admin per customer	\$ 161.91	\$ 177.96	\$ 180.85	\$ 195.08	\$ 209.07	\$ 230.74
Total OM&A per customer	\$ 226.35	\$ 253.21	\$ 262.81	\$ 279.19	\$ 297.66	\$ 326.23
OM&A Cost per FTE						
O&M per FTE	\$ 37,362.23	\$ 42,297.73	\$ 45,715.51	\$ 43,794.19	\$ 44,432.92	\$ 48,238.64
Admin per FTE	\$ 93,869.25	\$ 100,037.28	\$ 100,870.65	\$ 101,573.08	\$ 104,849.34	\$ 116,561.02
Total OM&A per FTE	\$ 131,231.48	\$ 142,335.01	\$ 146,586.16	\$ 145,367.27	\$ 149,282.26	\$ 164,799.66

#### 4.2.4 CAPITALIZED OM&A

EPI's proposed 2026 Test Year OM&A reflects the net amount after allocating certain OM&A costs to capital through the application of the overhead capitalization rate. Details on the OM&A amounts included in overhead capitalization are provided in Section 2.7.1 of Exhibit 2.

## 4.3 PROGRAM DELIVERY COSTS AND VARIANCE ANALYSIS

### 4.3.1 PROGRAM DELIVERY AND VARIANCE ANALYSIS

EPI delivers a range of programs, activities, and initiatives that are essential to ensuring the continued provision of safe, reliable, and cost-effective service to its customers. Table 4-12 and Table 4-13 present EPI's key programs and major functions on a comparative basis from the 2016 OEB Approved Proxy to 2020 Actuals and from 2021 Actuals to the 2026 Test Year, respectively. These programs are aligned with the RRFE's performance outcomes – Customer Focus, Operational Effectiveness, and Public Policy Responsiveness – illustrating how EPI's direct costs support the achievement of these objectives. A description of each program is provided, along with a year-over-year variance analysis for all items exceeding the materiality threshold.

**TABLE 4-12: OM&A PROGRAM TABLE (APPENDIX 2-JC) – 2016 OEB APPROVED PROXY TO 2020**

**ACTUALS**

Programs	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
<i>Reporting Basis</i>	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
<b>Administration</b>						
General Building Expenses	896,462	793,833	797,315	892,018	924,313	850,790
Insurance	175,073	197,770	163,445	181,039	173,602	160,739
Office Supplies	365,258	457,371	499,261	495,820	556,825	528,361
Audit, Legal, and Consulting	342,799	603,521	517,281	489,613	395,815	421,441
Regulatory Affairs	458,396	446,707	494,424	495,625	448,021	451,911
Administrative & Human Resource Expenses	3,610,690	4,281,059	4,293,824	4,351,425	3,904,934	4,060,548
<b>Sub-Total</b>	<b>5,848,678</b>	<b>6,780,261</b>	<b>6,765,550</b>	<b>6,905,539</b>	<b>6,403,511</b>	<b>6,473,790</b>
<b>Community Relations</b>						
Community Relations	237,844	179,030	208,267	152,854	230,341	243,999
<b>Sub-Total</b>	<b>237,844</b>	<b>179,030</b>	<b>208,267</b>	<b>152,854</b>	<b>230,341</b>	<b>243,999</b>
<b>Customer Service</b>						
Bad Debt	361,835	395,101	363,818	525,768	376,740	534,792
Customer Service & Billings	2,573,629	2,454,835	2,310,234	2,324,636	2,104,092	2,095,156
Customer Collections	615,166	472,714	643,014	775,714	841,438	798,957
<b>Sub-Total</b>	<b>3,550,630</b>	<b>3,322,650</b>	<b>3,317,066</b>	<b>3,626,118</b>	<b>3,322,270</b>	<b>3,428,904</b>
<b>Maintenance</b>						
Emergency Response	120,621	191,366	232,573	359,410	442,340	431,290
Field Service Maintenance	67,931	64,844	11,905	10,538	36,808	23,556
Meter Maintenance	290,840	267,033	203,652	248,572	223,203	252,347
Minor System Repairs	155,710	150,691	110,917	138,280	247,069	186,299
Overhead/Underground Maintenance	624,474	862,078	497,587	392,375	435,867	430,609
Station Maintenance	158,739	96,595	166,175	149,859	76,174	61,621
Vegetation Control	411,117	321,442	278,236	280,248	380,283	237,722
Transformer Maintenance	201,450	72,037	20,492	52,035	90,049	41,477
<b>Sub-Total</b>	<b>2,030,881</b>	<b>2,026,086</b>	<b>1,521,538</b>	<b>1,631,316</b>	<b>1,931,792</b>	<b>1,664,920</b>
<b>Operations</b>						
Cable Locates	123,200	99,002	187,761	343,336	418,953	481,578
Power Quality	143,576	60,733	6,770	8,384	23,655	15,992
Meter Operations	287,846	237,449	63,596	89,371	97,803	150,362
Operations Management	1,263,557	1,381,157	747,680	657,018	566,822	665,339
Overhead Operations	156,500	126,574	134,505	163,292	148,636	138,731
Station Operations	55,075	122,180	145,669	170,281	238,695	198,065
Transformer Operations	2,706	7,069	7,748	356	7,001	5,139
Underground Operations	262,366	270,281	286,473	218,939	185,557	141,402
<b>Sub-Total</b>	<b>2,294,826</b>	<b>2,304,444</b>	<b>1,580,202</b>	<b>1,650,977</b>	<b>1,687,121</b>	<b>1,796,606</b>
<b>Total</b>	<b>13,962,859</b>	<b>14,612,472</b>	<b>13,392,623</b>	<b>13,966,805</b>	<b>13,575,036</b>	<b>13,608,220</b>

1 **TABLE 4-13: OM&A PROGRAM TABLE (APPENDIX 2-JC) – 2021 ACTUALS TO 2026 TEST YEAR**

	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (Test Year vs. 2024 Actuals)	Variance (Test Year vs. Last Rebasing Year (2016 OEB Approved Proxy))
<b>Programs</b>								
<b>Reporting Basis</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>		
<b>Administration</b>								
General Building Expenses	714,215	623,343	704,370	727,079	775,174	831,970	104,890	(64,492)
Insurance	153,660	183,152	215,478	226,509	233,400	243,200	16,691	68,127
Office Supplies	430,513	444,777	434,777	505,690	367,226	383,341	(122,349)	18,083
Audit, Legal, and Consulting	364,337	470,783	355,765	205,554	152,006	170,799	(34,755)	(172,000)
Regulatory Affairs	485,931	563,889	695,189	671,616	743,196	1,023,794	352,178	565,398
Administrative & Human Resource Expenses	4,289,939	4,998,990	5,258,090	6,058,825	7,072,718	7,405,206	1,346,381	3,794,515
<b>Sub-Total</b>	<b>6,438,596</b>	<b>7,284,933</b>	<b>7,663,670</b>	<b>8,395,274</b>	<b>9,343,720</b>	<b>10,058,309</b>	<b>1,663,035</b>	<b>4,209,631</b>
<b>Community Relations</b>								
Community Relations	278,310	215,383	231,097	209,385	221,118	511,154	301,769	273,310
<b>Sub-Total</b>	<b>278,310</b>	<b>215,383</b>	<b>231,097</b>	<b>209,385</b>	<b>221,118</b>	<b>511,154</b>	<b>301,769</b>	<b>273,310</b>
<b>Customer Service</b>								
Bad Debt	492,312	392,749	323,507	347,645	436,400	639,387	291,742	277,552
Customer Service & Billings	1,965,606	2,537,873	2,435,253	2,798,646	2,705,943	3,010,914	212,268	437,285
Customer Collections	708,983	598,256	681,477	577,990	668,013	723,748	145,758	108,582
<b>Sub-Total</b>	<b>3,166,900</b>	<b>3,528,878</b>	<b>3,440,237</b>	<b>3,724,282</b>	<b>3,810,356</b>	<b>4,374,049</b>	<b>649,767</b>	<b>823,419</b>
<b>Maintenance</b>								
Emergency Response	484,334	504,847	615,840	613,256	601,873	619,929	6,673	499,308
Field Service Maintenance	21,131	14,955	17,021	30,576	32,599	34,987	4,411	(32,944)
Meter Maintenance	230,715	260,341	279,769	388,894	414,618	444,997	56,103	154,157
Minor System Repairs	214,924	170,384	293,745	216,765	238,178	245,323	28,558	89,614
Overhead/Underground Maintenance	710,758	988,354	1,042,905	1,037,966	1,228,293	1,361,408	323,442	736,934
Station Maintenance	93,331	173,347	129,841	138,577	147,743	158,568	19,991	(171)
Vegetation Control	306,664	564,603	435,911	412,501	362,994	482,817	70,316	71,701
Transformer Maintenance	31,872	36,603	52,242	76,270	81,315	87,273	11,003	(114,177)
<b>Sub-Total</b>	<b>2,093,729</b>	<b>2,713,434</b>	<b>2,867,273</b>	<b>2,914,806</b>	<b>3,107,613</b>	<b>3,435,303</b>	<b>520,497</b>	<b>1,404,422</b>
<b>Operations</b>								
Cable Locates	501,668	503,685	647,291	532,311	557,833	586,759	54,448	463,559
Power Quality	15,648	13,953	15,310	26,012	39,468	40,652	14,640	(102,924)
Meter Operations	151,558	125,815	227,286	228,123	243,213	261,033	32,910	(26,813)
Operations Management	622,082	792,772	904,591	988,977	1,053,110	1,144,861	155,884	(118,696)
Overhead Operations	164,283	201,715	147,772	154,987	165,239	177,346	22,359	20,847
Station Operations	187,628	165,218	227,120	228,008	243,091	260,902	32,893	205,826
Transformer Operations	25,357	9,610	8,348	23,669	25,235	27,084	3,415	24,378
Underground Operations	172,040	137,158	92,137	218,844	233,320	250,415	31,571	(11,952)
<b>Sub-Total</b>	<b>1,840,264</b>	<b>1,949,926</b>	<b>2,269,855</b>	<b>2,400,933</b>	<b>2,560,509</b>	<b>2,749,051</b>	<b>348,119</b>	<b>454,226</b>
<b>Total</b>	<b>13,817,800</b>	<b>15,692,554</b>	<b>16,472,131</b>	<b>17,644,679</b>	<b>19,043,316</b>	<b>21,127,866</b>	<b>3,483,187</b>	<b>7,165,007</b>

2

1 Table 4-14 below provides the details of the USoA accounts included within each OM&A program.

2 **TABLE 4-14: USoA ACCOUNTS WITHIN OM&A PROGRAM**

Programs	USoA Accounts
<b>Administration</b>	
General Building Expenses	5675
Insurance	5635
Office Supplies	5620
Audit, Legal and Consulting	5630
Regulatory Affairs	5655
Administrative & Human Resource Expenses	5105, 5510, 5605, 5610, 5615, 5640, 5645, 5646, 5660, 5665, 5680
<b>Community Relations</b>	
Community Relations	5410, 5420, 5425, 6205
<b>Customer Service</b>	
Bad Debt	5335
Customer Service & Billings	5305, 5310, 5315, 5340
Customer Collections	5320, 5325, 5330
<b>Maintenance</b>	
Emergency Response	5125
Field Service Maintenance	5070, 5075
Meter Maintenance	5175
Minor System Repairs	5125
Overhead/Underground Maintenance	5105, 5120, 5125, 5130, 5145, 5150, 5155, 5170, 5172
Station Maintenance	5110, 5114
Vegetation Control	5125, 5135
Transformer Maintenance	5160
<b>Operations</b>	
Cable Locates	5045
Power Quality	5005
Meter Operations	5065
Operations Management	5005, 5010, 5085
Overhead Operations	5020, 5025, 5095
Station Operations	5016, 5017
Transformer Operations	5035, 5055
Underground Operations	5040, 5090

4 **MATERIALITY THRESHOLD**

5 In accordance with Chapter 2 Filing Requirements, an applicant must provide variance analyses for  
6 changes from year to year to its rate base, capital expenditures, and OM&A spending above a

materiality threshold. As a distributor with a revenue requirement of greater than \$10M and less than or equal to \$200M, EPI's materiality threshold is calculated as 0.5% of proposed base distribution revenue requirement. As such, EPI has used a threshold of \$195,000 for variance analysis.

#### 4.3.2 ADMINISTRATION PROGRAMS

##### GENERAL BUILDING EXPENSES

###### *Program Overview*

This program includes costs associated with the operation and maintenance of administrative and operational facilities, which are described in Exhibit 2, Attachment 2-C (DSP), Section 4.8. It covers expenses such as repairs, janitorial services, heating, cooling, utilities, and lease or rental costs. These expenditures ensure the safe, clean, and functional condition of the spaces that support administrative and field activities. The program supports a productive working environment and facilitates the uninterrupted execution of core business functions.

###### *Program Costs*

**TABLE 4-15: GENERAL BUILDING EXPENSES PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
General Building Expenses	896,462	793,833	797,315	892,018	924,313	850,790

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
General Building Expenses	714,215	623,343	704,370	727,079	775,174	831,970

###### *Variance Analysis and Explanation*

There are no material variances between 2016 and 2026 for this program.

##### INSURANCE

###### *Program Overview*



The insurance program includes liability, property, and general insurance premiums paid to MEARIE required to safeguard EPI's physical assets, personnel, and operations. This coverage is an essential component of prudent risk management and supports business continuity. Insurance coverage aligns with industry norms and is reviewed annually to ensure adequacy in a changing risk environment.

### *Program Costs*

**TABLE 4-16: INSURANCE PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Insurance	175,073	197,770	163,445	181,039	173,602	160,739

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Insurance	153,660	183,152	215,478	226,509	233,400	243,200

### *Variance Analysis and Explanation*

There are no material variances between 2016 and 2026 for this program.

## **OFFICE SUPPLIES**

### *Program Overview*

This program captures costs related to administrative consumables and tools, including stationery, printing supplies, and minor office equipment. These items are necessary to support internal departments in carrying out day-to-day administrative and operational functions. Expenditures in this area also support routine reporting, compliance documentation, and employee onboarding processes.

### *Program Costs*

**TABLE 4-17: OFFICE SUPPLIES PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Office Supplies	365,258	457,371	499,261	495,820	556,825	528,361

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Office Supplies	430,513	444,777	434,777	505,690	367,226	383,341

## **Variance Analysis and Explanation**

There are no material variances between 2016 and 2026 for this program.

## **AUDIT, LEGAL, AND CONSULTING**

### **Program Overview**

This program includes expenditures for external professional services retained to support financial, legal, and operational needs. These services may include auditors, legal counsel, and industry consultants engaged in matters such as legal reviews, accounting and tax compliance, and corporate governance. The use of external experts provides assurance, impartiality, and technical specialization not always available in-house.

### **Program Costs**

**TABLE 4-18: AUDIT, LEGAL, AND CONSULTING PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Audit, Legal, and Consulting	342,799	603,521	517,281	489,613	395,815	421,441

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Audit, Legal, and Consulting	364,337	470,783	355,765	205,554	152,006	170,799

## **Variance Analysis and Explanation**

### **2016 OEB APPROVED PROXY TO 2016 ACTUALS - \$261K INCREASE**

The \$261k increase in audit, legal, and consulting costs in the 2016 Actuals compared to the 2016 OEB Approved Proxy was primarily driven by pre-merger legal and consulting expenditures incurred by STEI. These costs were associated with the development of a request for proposals, procurement of valuation services, evaluation of potential merger candidates, and support for due diligence activities. EPI is not seeking recovery in rates for any of these merger transaction costs.

## **REGULATORY AFFAIRS**

### **Program Overview**

1 This program is responsible for all aspects of regulatory compliance and reporting, as governed by  
2 applicable legislation and codes relevant to EPI. This includes the development and preparation of OEB  
3 rate applications, oversight of regulatory financial transactions, coordination of regulatory reporting and  
4 compliance activities, and support for budgeting processes.

5 The Regulatory Affairs program encompasses a wide range of responsibilities, including:

- 6 • Preparing and managing regulatory filings such as COS and IRM applications
- 7 • Ensuring ongoing compliance with OEB codes and applicable legislation
- 8 • Overseeing regulatory accounting and wholesale market settlements
- 9 • Providing internal support across departments and serving as a point of contact for external  
10 stakeholders
- 11 • Supporting and maintaining relationships with the OEB, industry stakeholders, and peers to  
12 proactively monitor and assess potential impacts of evolving regulatory and government energy  
13 policies

14 A key function of the Regulatory department is to advise executive leadership on the financial,  
15 operational, and customer impacts of current and anticipated regulatory developments, ensuring  
16 alignment with corporate strategy and compliance objectives. Additionally, the program includes costs  
17 associated with:

- 18 • Annual OEB Cost Assessments and Cost Awards
- 19 • Professional services related to regulatory applications
- 20 • Internal staffing resources directly involved in regulatory functions

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## Program Costs

**TABLE 4-19: REGULATORY AFFAIRS PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Regulatory Affairs	458,396	446,707	494,424	495,625	448,021	451,911

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Regulatory Affairs	485,931	563,889	695,189	671,616	743,196	1,023,794

## Variance Analysis and Explanation

### 2016 OEB APPROVED PROXY TO 2026 TEST YEAR - \$565K INCREASE

The \$565k increase in the Regulatory Affairs program costs between the 2016 OEB Approved Proxy and the 2026 Test Year is primarily attributable to the addition of two Senior Regulatory Specialists, in 2021 and 2024, respectively. As outlined in Section 4.4.7 below, the expansion of EPI's Regulatory department reflects the significant growth in regulatory obligations over the past decade. These roles play a critical function in facilitating cross-departmental coordination and engaging with external stakeholders to ensure regulatory filings are completed accurately and on time, in full compliance with evolving regulatory requirements. The variance in program costs is also attributable to the anticipated increase in OEB assessment costs in the 2026 Test Year, as well as the discontinuation of the OEB Cost Assessment variance account commencing in 2026 (see Exhibit 9, Section 9.2).

In addition, EPI has included one-time regulatory costs for the preparation and review of this Application in the amount of \$775k. EPI proposes that these costs be recovered through distribution rates equally over a five-year period (2026 to 2030), resulting in \$155k included in 2026 Test Year OM&A costs. See Section 4.7.2 for further information.

### 2024 ACTUALS TO 2026 TEST YEAR - \$352K INCREASE

The \$352k increase in Regulatory Affairs program costs between the 2024 actuals and the 2026 Test Year is primarily driven by the addition of a Senior Regulatory Specialist in spring 2024 (with a full year of associated costs reflected in 2026), the anticipated increase in OEB assessment costs in the 2026 Test Year, the discontinuation of the OEB Cost Assessment variance account commencing in 2026, and recovery of one-time regulatory costs.

## ADMINISTRATIVE & HUMAN RESOURCE EXPENSES

### *Program Overview*

This program includes compensation and benefits for corporate management and administrative support functions. It also includes employee engagement initiatives, internal policy development, and other HR activities. Technology allocations that support corporate functions, such as cybersecurity and information systems, are captured here as well. These administrative resources ensure effective oversight, coordination, and strategic direction of the utility's operations.

### *Program Costs*

**TABLE 4-20: ADMINISTRATIVE & HUMAN RESOURCE EXPENSES PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Administrative & Human Resource Expenses	3,610,690	4,281,059	4,293,824	4,351,425	3,904,934	4,060,548

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Administrative & Human Resource Expenses	4,289,939	4,998,990	5,258,090	6,058,825	7,072,718	7,405,206

### *Variance Analysis and Explanation*

#### *2016 OEB APPROVED PROXY TO 2026 TEST YEAR - \$3.8M INCREASE*

The increase of \$3.8M in Administrative & Human Resource expenses between the 2016 OEB Approved Proxy and the 2026 Test Year is primarily attributable to strategic investments in FTEs to build a modernized workforce capable of meeting evolving customer expectations, addressing legislative and regulatory demands, and managing growing operational complexity, as well as compensation increases over the period, which are discussed in detail in Sections 4.4 and 4.4.7 below. These cost increases are partially offset by savings achieved through synergies following the merger of EPI and STEI in 2018, as also shown in Section 4.4.7 below. As previously noted, these synergies were largely realized through reductions in administrative costs, particularly through the consolidation of functions such as Regulatory and Finance.

1    *2024 ACTUALS TO 2026 TEST YEAR - \$1.3M INCREASE*

2    The \$1.3M increase in costs from 2024 Actuals to the 2026 Test Year are largely driven by recruitment of  
3    new employees and increases in salaries, wages, and benefits. These costs are addressed in section 4.4  
4    below.

5    *2016 OEB APPROVED PROXY TO 2016 ACTUALS - \$670K INCREASE*

6    The \$670k variance in costs from the 2016 OEB Approved Proxy to the 2016 Actuals was largely the  
7    result of increases in FTEs and salaries, wages, and benefits. These costs are discussed in Section 4.4  
8    below.

9    *2018 ACTUALS TO 2019 ACTUALS - \$446K DECREASE*

10    Merger synergies contributed to the \$446k cost decrease from 2018 to 2019. The synergies realized  
11    were related primarily to the post-merger consolidation of the Regulatory and Finance functions.

12    *2020 ACTUALS TO 2021 ACTUALS - \$229K INCREASE*

13    The \$229k variance in costs from 2020 Actuals to 2021 Actuals was largely the result of increases in  
14    salaries, wages, and benefits. These costs are addressed in Section 4.4 below.

15    *2021 ACTUALS TO 2022 ACTUALS - \$709K INCREASE*

16    The \$709k year-over-year increase in costs between 2021 and 2022 is primarily attributed to an increase  
17    in FTEs and higher expenditures related to salaries, wages, and employee benefits. Additional details are  
18    provided in section 4.4 below.

19    *2022 ACTUALS TO 2023 ACTUALS - \$259K INCREASE*

20    The \$259k rise in costs from 2022 to 2023 was mainly driven by increased FTEs and higher compensation  
21    expenses, including salaries, wages, and benefits. These cost drivers are discussed in section 4.4 below.

22    *2023 ACTUALS TO 2024 ACTUALS - \$801K INCREASE*

23    The \$801k cost difference between 2023 and 2024 is largely the result of increased FTE headcount and  
24    higher personnel-related costs, including recruitment and salaries, wages, and benefits. These costs are  
25    addressed in section 4.4 below.

**2024 ACTUALS TO 2025 BRIDGE YEAR - \$1.0M INCREASE**

The \$1.0M increase in costs from 2024 Actuals to the 2025 Bridge Year is primarily due to recruitment and increased employee compensation costs, including salaries, wages, and associated benefits. The 2025-2027 CBAs were effective January 1, 2025. These costs are discussed in Section 4.4 below.

**2025 BRIDGE YEAR TO 2026 TEST YEAR - \$332K INCREASE**

The \$332k variance in costs from the 2025 Bridge Year to the 2026 Test Year is largely the result of increases in salaries, wages, and benefits. These cost drivers are discussed in Section 4.4 below.

### 4.3.3 COMMUNITY RELATIONS PROGRAMS

## COMMUNITY RELATIONS

### Program Overview

This EPI program supports initiatives that strengthen relationships with the community, such as sponsorships, safety education campaigns, and stakeholder outreach, as well as LEAP funding provided to social agency partners to assist financially vulnerable customers. The program helps foster public awareness about energy use, conservation, and electrical safety, while also promoting trust and engagement with customers. Community relations efforts also help reinforce EPI's reputation as a locally focused and responsive utility.

### Program Costs

**TABLE 4-21: COMMUNITY RELATIONS PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Community Relations	237,844	179,030	208,267	152,854	230,341	243,999

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Community Relations	278,310	215,383	231,097	209,385	221,118	511,154

### Variance Analysis and Explanation

**2016 OEB APPROVED PROXY TO 2026 TEST YEAR - \$273K INCREASE**

2024 ACTUALS TO 2026 TEST YEAR - \$302K INCREASE

2025 ACTUALS TO 2026 TEST YEAR - \$290K INCREASE

The increase in Community Relations program costs in the 2026 Test Year is primarily due to the inclusion of enhanced LEAP funding in base rates. Following the OEB's EB-2023-0135 order effective March 1, 2024, EPI has provided higher levels of assistance to more vulnerable customers through its social agency partners. Incremental contributions beyond base rates have been tracked in a dedicated sub-account of Account 1508, which EPI proposes to dispose of in this Application. Given the materiality of these amounts and the ongoing need for enhanced assistance, EPI has included \$276k in additional LEAP funding in its 2026 Test Year. For more information, please see Section 4.8 of this exhibit.

#### 4.3.4 CUSTOMER SERVICE PROGRAMS

##### BAD DEBT

##### Program Overview

The bad debt program reflects amounts deemed uncollectible from customer accounts following standard collection procedures. It also includes efforts to reduce exposure through payment plans, security deposits, and engagement with third-party collection agencies. The program is a key control in managing revenue risk. Provisions are established using historical collection trends and are updated annually to reflect changes in economic conditions.

##### Program Costs

TABLE 4-22: BAD DEBT PROGRAM COSTS

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Bad Debt	361,835	395,101	363,818	525,768	376,740	534,792

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Bad Debt	492,312	392,749	323,507	347,645	436,400	639,387



1    ***Variance Analysis and Explanation***

2    *2016 OEB APPROVED PROXY TO 2026 TEST YEAR - \$277K INCREASE*

3    *2024 ACTUALS TO 2026 TEST YEAR - \$292K INCREASE*

4    *2025 BRIDGE YEAR TO 2026 TEST YEAR - \$203K INCREASE*

5    The projected bad debt expense of \$639k for 2026 reflects the continuation of an upward trend  
6    observed over recent years, influenced by both internal experience and broader economic conditions  
7    affecting customer payment behavior. Since 2023, EPI has recorded a consistent rise in bad debt: from  
8    \$323k in 2023 to \$348k in 2024, with a further increase to \$436k forecasted for 2025. This trend is  
9    consistent with prior patterns, such as the 42% increase experienced between 2019 and 2020, which  
10    coincided with significant economic disruption due to the COVID-19 pandemic. The recognition of bad  
11    debt typically lags the onset of economic stress. As such, the full financial impact of current economic  
12    pressures is expected to materialize over the following years.

13    In accordance with the OEB's Order EB-2023-0135 dated February 12, 2024, EPI has been providing  
14    enhanced LEAP funding to eligible customers effective March 1, 2024, with amounts recorded in a 1508  
15    Deferral and Variance Account sub-account. On December 31, 2024, the balance in the sub-account was  
16    \$192k. In the first five months of 2025, EPI experienced a 21% increase in LEAP credits issued compared  
17    to 2024, further evidencing the growing financial challenges facing customers.

18    With unemployment rates in southern Ontario continuing to rise, customer financial stress is expected  
19    to escalate, resulting in increased arrears and eventual write-offs. Accordingly, the 2026 projection  
20    incorporates both recent historical trends and the anticipated lagging effects of current macroeconomic  
21    pressures.

22    **CUSTOMER SERVICE & BILLINGS**

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23    ***Program Overview***

24    This program includes all activities related to customer interaction and billing, such as call centre  
25    operations, bill preparation, and account management. It also includes the administration of customer  
26    portals and support for regulatory changes affecting customer billing and communications. The program

ensures accuracy, clarity, and timeliness of billing while supporting a high-quality customer experience across multiple channels.

### **Program Costs**

**TABLE 4-23: CUSTOMER SERVICE & BILLINGS PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Customer Service & Billings	2,573,629	2,454,835	2,310,234	2,324,636	2,104,092	2,095,156

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Customer Service & Billings	1,965,606	2,537,873	2,435,253	2,798,646	2,705,943	3,010,914

### **Variance Analysis and Explanation**

#### **2016 OEB APPROVED PROXY TO 2026 TEST YEAR - \$437K INCREASE**

The \$437k increase in costs from the 2016 OEB Approved Proxy to the 2026 Test Year is driven by higher salaries, wages, and employee benefits (discussed in detail in Section 4.4), as well as projected increases in software licensing costs. The latter reflects the broader industry trend away from perpetual, on-premises licensing toward cloud-based subscription models. In 2025, EPI launched a major initiative to assess and procure a new work service order platform, which is expected to be a cloud-based solution scheduled for deployment in 2026. Additionally, the 2026 Test Year includes licensing costs associated with the introduction of a mobile application to enhance customer service. The mobile application will enhance customer experience by offering convenient, self-service capabilities. Customers will be able to use the application to access account information, view outages, and report outages. This initiative was driven by feedback received in EPI's Customer Engagement process. For more details on Customer Engagement results, please refer to Exhibit 1, Section 1.7.

#### **2024 ACTUALS TO 2026 TEST YEAR - \$212K INCREASE**

The \$212k increase in costs from 2024 Actuals to the 2026 Test Year is attributable to growth in software licensing expenses, as noted in the discussion above.

#### **2018 ACTUALS TO 2019 ACTUALS - \$221K DECREASE**

The \$221k reduction in costs from 2018 to 2019 was attributable to merger synergies realized through the streamlining of a management position within the Customer Service department, as shown in Section 4.4.7.

*2021 ACTUALS TO 2022 ACTUALS - \$572K INCREASE*

The \$572k year-over-year increase is primarily driven by a higher IT cost allocation to the Customer Service department, reflecting a more accurate alignment with the level of IT support and services utilized by the group. Additionally, the increase includes staffing costs associated with succession planning hires within Customer Service, partially offset by the retirement of several long-serving employees.

*2023 ACTUALS TO 2024 ACTUALS - \$363K INCREASE*

The \$363k variance between 2023 and 2024 is primarily the result of increased personnel-related costs, specifically in salaries, wages, and benefits. These costs are addressed in section 4.4 below.

*2025 BRIDGE YEAR TO 2026 TEST YEAR - \$305K INCREASE*

The \$305k increase in costs from the 2025 Bridge Year to the 2026 Test Year is due to an anticipated rise in software licensing costs as the industry continues transitioning from perpetual on-premises licensing to subscription-based cloud solutions. In 2025, EPI initiated a major project to identify new work management and service order platforms, both of which are expected to be cloud-based solutions. The new systems are expected to launch in 2026.

## **CUSTOMER COLLECTIONS**

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### ***Program Overview***

This program manages the process of recovering overdue amounts through outbound collections, disconnection and reconnection coordination, and ongoing credit risk monitoring. It ensures timely follow-up on delinquent accounts while supporting customer retention through flexible arrangements where appropriate. The collections function operates in accordance with the OEB's customer service rules and emphasizes a balance between financial prudence and customer care.

## Program Costs

**TABLE 4-24: CUSTOMER COLLECTIONS PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Customer Collections	615,166	472,714	643,014	775,714	841,438	798,957

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Customer Collections	708,983	598,256	681,477	577,990	668,013	723,748

## Variance Analysis and Explanation

There are no material variances between 2016 and 2026 for this program.

## 4.3.5 MAINTENANCE PROGRAMS

### EMERGENCY RESPONSE

#### Program Overview

This program covers immediate response to unplanned outages and system disturbances, often caused by weather, accidents, or equipment failure. It includes line patrols, switching, and temporary system restorations. The goal is to safely restore service to affected customers as quickly as possible while identifying root causes for long-term solutions.

## Program Costs

**TABLE 4-25: EMERGENCY RESPONSE PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Emergency Response	120,621	191,366	232,573	359,410	442,340	431,290

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Emergency Response	484,334	504,847	615,840	613,256	601,873	619,929

***Variance Analysis and Explanation***

***2016 OEB APPROVED PROXY TO 2026 TEST YEAR - \$499K INCREASE***

The \$499k increase in emergency response costs from the 2016 OEB Approved Proxy to the 2026 Test Year is primarily driven by higher salaries, wages, and employee benefits (as discussed in detail in Section 4.4), as well as the increasing frequency and severity of extreme weather events. These events have become an increasingly routine operational consideration for EPI, directly influencing maintenance planning, operational readiness, and emergency response activities.

The Government of Ontario's *Vulnerability Assessment for Ontario's Electricity Distribution Sector* highlights that climate change is already having material impacts across the province and will continue to pose significant challenges in the years ahead. Changing weather patterns—including more frequent and intense storms—are expected to have substantial implications for electricity distributors.

Specifically, projections indicate that the frequency and intensity of extreme wind gusts will increase across many regions of Ontario, particularly in areas near and along the Great Lakes. By 2046–2065, the number of annual hours with wind gusts exceeding 70 km/h could rise by 11% to 47% compared to the 1994–2007 baseline. Wind has already been identified as the most common contributing factor to major outages among Ontario LDCs from 2016 to 2021, and this trend is expected to intensify due to climate change.

In addition to wind-related impacts, climate models also forecast a significant rise in the frequency and magnitude of extreme precipitation events across the province. Maximum 1-day and 5-day rainfall totals are projected to increase by 4–18 mm (11–45%) and 7–22 mm (11–29%) respectively, over the course of the century. These shifting climate patterns are expected to place additional strain on distribution system reliability and emergency response capacity.

EPI's experience reflects these broader provincial trends, and it reinforces the operational challenges posed by increasingly volatile weather and highlights the need for ongoing investment in system resilience and emergency response preparedness.

## FIELD SERVICE MAINTENANCE

### *Program Overview*

This program involves EPI representatives conducting various asset condition assessments in the field. Activities include pole testing (e.g., hammer testing, pole drilling), infrared inspections of EPI distribution assets, and reviews of vegetation growth in targeted areas. The outcomes of these field service maintenance activities are typically used to confirm or refute the necessity of subsequent, more targeted maintenance programs.

### *Program Costs*

**TABLE 4-26: FIELD SERVICE MAINTENANCE PROGRAM COSTS**

Program	Last Rebasement Year (2016 OEB Approved Proxy)	Last Rebasement Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Field Service Maintenance	67,931	64,844	11,905	10,538	36,808	23,556

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Field Service Maintenance	21,131	14,955	17,021	30,576	32,599	34,987

### *Variance Analysis and Explanation*

There are no material variances between 2016 and 2026 for this program.

## METER MAINTENANCE

### *Program Overview*

This program is responsible for ensuring ongoing functionality, accuracy, and regulatory compliance of metering and associated communication equipment. The program encompasses labour, materials, and related costs associated with the maintenance of meters and meter testing equipment, including activities such as cleaning, painting, and other work required to keep metering infrastructure in reliable service.

This program supports the delivery of accurate billing and contributes directly to the achievement of the OEB's RRFE performance outcomes, specifically in the areas of Customer Focus and Operational

Effectiveness. Accurate metering is foundational to maintaining ratepayer trust and confidence in the integrity of the electricity distribution system.

### Program Costs

**TABLE 4-27: METER MAINTENANCE PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Meter Maintenance	290,840	267,033	203,652	248,572	223,203	252,347

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Meter Maintenance	230,715	260,341	279,769	388,894	414,618	444,997

### Variance Analysis and Explanation

There are no material variances between 2016 and 2026 for this program.

## MINOR SYSTEM REPAIRS

### Program Overview

This program captures low-cost, reactive maintenance to address defects found through inspections, customer feedback, or other programs. It typically includes repairs to equipment like brackets, poles, and connectors, and supports ongoing reliability and safety of the distribution network.

### Program Costs

**TABLE 4-28: MINOR SYSTEM REPAIRS PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Minor System Repairs	155,710	150,691	110,917	138,280	247,069	186,299

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Minor System Repairs	214,924	170,384	293,745	216,765	238,178	245,323

## **Variance Analysis and Explanation**

There are no material variances between 2016 and 2026 for this program.

## **OVERHEAD/UNDERGROUND MAINTENANCE**

### **Program Overview**

This program includes planned maintenance of both overhead and underground systems. Tasks include pole inspections, cable testing, and joint repairs. The program ensures system components are maintained in good condition to reduce the likelihood of service disruptions.

### **Program Costs**

**TABLE 4-29: OVERHEAD/UNDERGROUND MAINTENANCE PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Overhead/Underground Maintenance	624,474	862,078	497,587	392,375	435,867	430,609

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Overhead/Underground Maintenance	710,758	988,354	1,042,905	1,037,966	1,228,293	1,361,408

## **Variance Analysis and Explanation**

### **2016 OEB APPROVED PROXY TO 2026 TEST YEAR - \$737K INCREASE**

The \$737k increase in inspection costs from the 2016 OEB Approved Proxy to the 2026 Test Year is driven by a combination of expanded inspection scope, regulatory compliance, and inflationary pressures. In 2016, EPI undertook a significant system map modernization initiative, which involved concurrently updating geospatial data and performing full-system inspections. This effort identified asset degradation beyond what was anticipated in the previous Distribution System Plan, leading to additional engineering follow-up and remediation. While costs normalized in 2017 as this intensive work concluded, subsequent years saw increases tied to reinstated inspection activity deferred during the COVID-19 pandemic and a strategic shift toward proactive asset management.



More recently, inspection protocols have been enhanced to include more comprehensive underground assessments and advanced diagnostic tools. Rising contractor, labour, and fuel costs have further contributed to cost pressures. The projected \$200k increase from 2025 to 2026 reflects the planned expansion of inspection frequency and scope for critical infrastructure, consistent with industry best practices and regulatory expectations for asset condition monitoring. Overall, the decade-long cost trend reflects EPI's evolving approach to maintaining system reliability and aligning with modern lifecycle planning standards.

*2024 ACTUALS TO 2026 TEST YEAR - \$323K INCREASE*

The \$323k increase in costs between 2024 and the 2026 Test Year is driven by inflation, planned expansion of inspection scope, and regulatory expectations for system condition monitoring. EPI anticipates increased inspection frequency for critical overhead and underground infrastructure, consistent with industry-wide lifecycle planning practices.

*2016 OEB APPROVED PROXY TO 2016 ACTUALS - \$237K INCREASE*

The \$237k increase in actual costs relative to the 2016 OEB Approved Proxy is primarily due to a higher level of inspection activity than originally forecast. In 2016, EPI undertook an expanded inspection initiative in conjunction with a system map modernization project. As part of this effort, field staff simultaneously updated geospatial mapping data and conducted comprehensive inspections across the distribution network. These activities included infrared scans, visual assessments, drill-based pole testing, transformer evaluations, and underground cable verification. The inspections revealed asset deterioration that exceeded the assumptions in the previous DSP. Follow-up assessments by engineering staff confirmed the condition of the assets and supported the need for timely remediation to maintain system reliability and safety.

*2016 ACTUALS TO 2017 ACTUALS - \$364K DECREASE*

The \$364k reduction in inspection costs from 2016 to 2017 primarily reflects a return to typical activity levels following the elevated inspection efforts undertaken in 2016. With the system-wide backlog addressed and critical circuits already evaluated, EPI transitioned back to its regular inspection cycle in 2017.

1    *2020 ACTUALS TO 2021 ACTUALS - \$280K INCREASE*

2    The \$280k year-over-year increase is largely attributable to the reinstatement of deferred or reduced  
3    inspection work from 2020. Due to pandemic-related operational constraints and resource reallocation  
4    in 2020, some inspection activities were postponed. These activities resumed in 2021, resulting in a cost  
5    rebound. Increased costs in 2021 also reflect inflationary pressures on contractor rates and a strategic  
6    focus on proactive asset management.

7    *2021 ACTUALS TO 2022 ACTUALS - \$278K INCREASE*

8    The continued upward trend from 2021 to 2022 reflects ongoing enhancements to inspection protocols,  
9    including the adoption of more comprehensive underground inspections and the incorporation of  
10    advanced diagnostic tools. Cost pressures due to labour and fuel inflation also contributed to the  
11    increase.

12    *2024 ACTUALS TO 2025 BRIDGE YEAR - \$190K INCREASE*

13    The \$190k increase in inspection costs between 2024 and the 2025 Bridge Year is primarily driven by  
14    inflationary pressures on labour, equipment, and contractor services, alongside a planned expansion in  
15    the scope of inspection activities. As utility infrastructure ages and system complexity grows, there is an  
16    increasing need to allocate resources toward more comprehensive condition assessments. These efforts  
17    ensure early detection of asset deterioration and support informed capital and maintenance planning.

18    In addition, the increase reflects evolving regulatory expectations surrounding system condition  
19    monitoring and asset management practices. In line with industry-wide trends and lifecycle planning  
20    standards, EPI intends to increase the frequency of inspections for critical overhead and underground  
21    infrastructure. This includes enhanced diagnostic techniques and targeted assessments of high-priority  
22    assets. These activities are essential to maintaining long-term system reliability, minimizing outage risks,  
23    and supporting data-driven investment decisions in future DSPs.

24    **STATION MAINTENANCE**

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25    *Program Overview*

This program focuses on preventive and corrective maintenance of distribution stations, including transformer and breaker servicing, protection system testing, and vegetation removal within station sites. These activities are critical for maintaining operational integrity and safe performance of high-voltage assets.

### **Program Costs**

**TABLE 4-30: STATION MAINTENANCE PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Station Maintenance	158,739	96,595	166,175	149,859	76,174	61,621

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Station Maintenance	93,331	173,347	129,841	138,577	147,743	158,568

### **Variance Analysis and Explanation**

There are no material variances between 2016 and 2026 for this program.

## **VEGETATION CONTROL**

### **Program Overview**

This program ensures safe clearance between electrical infrastructure and vegetation. Activities include tree trimming, mechanical brushing, and vegetation inventory updates. The program is designed to prevent outages and comply with regulatory clearance standards under CSA 22.3.

### **Program Costs**

**TABLE 4-31: VEGETATION CONTROL PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Vegetation Control	411,117	321,442	278,236	280,248	380,283	237,722

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Vegetation Control	306,664	564,603	435,911	412,501	362,994	482,817

1 ***Variance Analysis and Explanation***

2 ***2021 ACTUALS TO 2022 ACTUALS - \$258K INCREASE***

3 The \$258k increase in vegetation control costs from 2021 to 2022 were the result of pandemic-related  
4 shifting of work priorities in 2020-2021, and a subsequent return to normal operations post-2022.  
5 During the 2020 and 2021 pandemic years, EPI adjusted its vegetation management strategy to  
6 prioritize areas within its service territory that required less resource-intensive tree trimming. This  
7 temporary shift allowed the utility to manage costs during a period of operational uncertainty. In 2022,  
8 EPI resumed work in more complex and labour-intensive zones.

9 ***2025 BRIDGE YEAR TO 2026 TEST YEAR - \$120K INCREASE***

10 Although the variance between the 2025 Bridge Year and 2026 Test Year is not material, the increase in  
11 the 2026 Test Year is a direct result of Customer Engagement. Through this process, customers  
12 expressed support for incremental investment in the vegetation control program, which includes the  
13 adoption of technology such as satellite imaging to build a 3D model of EPI's service territory and  
14 distribution lines. Please refer to Exhibit 1, Section 1.7 for Phase 1 or Phase 2 Customer Engagement  
15 results.

16 **TRANSFORMER MAINTENANCE**

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17 ***Program Overview***

18 This program includes preventive maintenance on distribution transformers such as oil sampling,  
19 bushing inspection, and thermal imaging. These efforts help extend transformer life, reduce failure risk,  
20 and improve service reliability.

21 ***Program Costs***

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**TABLE 4-32: TRANSFORMER MAINTENANCE PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Transformer Maintenance	201,450	72,037	20,492	52,035	90,049	41,477

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Transformer Maintenance	31,872	36,603	52,242	76,270	81,315	87,273

### *Variance Analysis and Explanation*

There are no material variances between 2016 and 2026 for this program.

## **4.3.6 OPERATIONS PROGRAMS**

### **CABLE LOCATES**

#### *Program Overview*

This program supports legal and safe excavation by identifying and marking the location of buried electrical assets in advance of third-party or internal construction. It ensures compliance with Ontario One Call regulations and reduces the risk of asset damage or public safety incidents.

#### *Program Costs*

**TABLE 4-33: CABLE LOCATES PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Cable Locates	123,200	99,002	187,761	343,336	418,953	481,578

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Cable Locates	501,668	503,685	647,291	532,311	557,833	586,759

The balances above for the period of 2023 to 2025 were moved to Account 4305 and Account 1508 in accordance with the OEB's guidance relating to the Getting Ontario Connected Act variance account. EPI has presented the actual expense (prior to their movement to 4305 and 1508) in this OM&A program table to facilitate year-over-year comparability for this program.

1    ***Variance Analysis and Explanation***

2    ***2016 OEB APPROVED PROXY TO 2026 TEST YEAR - \$464K INCREASE***

3    The primary drivers of the increase in locate program costs from 2016 to 2026 are higher salaries,  
4    wages, and benefits and a sustained rise in locate request volumes over the past decade. These cost  
5    pressures have been compounded by legislative changes introduced through Bill 93, Getting Ontario  
6    Connected Act, 2022, which amended the Ontario Underground Infrastructure Notification System Act,  
7    2012. As of April 1, 2023, all standard locate requests must be completed within five business days,  
8    without exception, and Ontario One Call has been granted authority to impose administrative monetary  
9    penalties of up to \$10,000 per day for non-compliance.

10   In response to these regulatory changes and the growing complexity of compliance, EPI added a  
11   Supervisor of Locates in 2023 to manage internal and contracted resources, coordinate dispatch, and  
12   track performance to ensure timely and accurate delivery of locate services. Additionally, a dedicated  
13   Locator was hired in 2024 to support the St. Thomas area, where work was previously outsourced. This  
14   in-house role enhances field-level oversight and supports the timely execution of locates in a high-  
15   volume, time-sensitive environment. Together, these additions ensure EPI maintains compliance,  
16   mitigates regulatory risk, and supports public and worker safety across its expanding service territory.  
17   Please see Section 4.4.7 for further discussion of these incremental positions.

18   **POWER QUALITY**

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19   ***Program Overview***

20   This program monitors and investigates voltage disturbances, harmonics, and other power quality  
21   concerns. Activities include site-specific testing and deployment of analyzers. The program ensures that  
22   customer complaints are addressed, and system performance remains within acceptable limits.

23   ***Program Costs***

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**TABLE 4-34: POWER QUALITY PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Power Quality	143,576	60,733	6,770	8,384	23,655	15,992

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Power Quality	15,648	13,953	15,310	26,012	39,468	40,652

### *Variance Analysis and Explanation*

There are no material variances between 2016 and 2026 for this program.

## **METER OPERATIONS**

### *Program Overview*

This program includes activities associated with the operation and monitoring of revenue metering assets. It encompasses remote and manual meter readings, validation of metering data, and compliance with Measurement Canada standards. The program ensures accuracy in energy consumption measurement and directly supports billing integrity.

### *Program Costs*

**TABLE 4-35: METER OPERATIONS PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Meter Operations	287,846	237,449	63,596	89,371	97,803	150,362

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Meter Operations	151,558	125,815	227,286	228,123	243,213	261,033

### *Variance Analysis and Explanation*

There are no material variances between 2016 and 2026 for this program.

## OPERATIONS MANAGEMENT

### *Program Overview*

This program includes supervisory, planning, and administrative functions required to coordinate and manage field operations. It includes scheduling, staff oversight, system performance tracking, and interface with engineering and asset management teams. Operations Management ensures resources are effectively allocated and aligned with service objectives.

### *Program Costs*

**TABLE 4-36: OPERATIONS MANAGEMENT PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Operations Management	1,263,557	1,381,157	747,680	657,018	566,822	665,339

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Operations Management	622,082	792,772	904,591	988,977	1,053,110	1,144,861

### *Variance Analysis and Explanation*

#### *2016 ACTUALS TO 2017 ACTUALS - \$633K DECREASE*

The \$633k decrease in OM&A costs from 2016 to 2017 is primarily attributable to one-time cost savings relating to EPI's mutual assistance deployment to Florida following Hurricane Irma in September 2017. EPI sent a team of powerline maintainers and operations managers – along with bucket trucks and support equipment – to assist Florida Power & Light and Tampa Electric with storm restoration efforts. All labour, vehicle, and travel costs related to this deployment were fully reimbursed by the host utilities.

## OVERHEAD OPERATIONS

### *Program Overview*

This program includes all activities related to the management and monitoring of the overhead distribution system. It covers load investigations, system reconfiguration, voltage testing, and thermal



scanning. The program supports reliable service through real-time diagnostics and planned system adjustments.

### **Program Costs**

**TABLE 4-37: OVERHEAD OPERATIONS PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Overhead Operations	156,500	126,574	134,505	163,292	148,636	138,731

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Overhead Operations	164,283	201,715	147,772	154,987	165,239	177,346

### **Variance Analysis and Explanation**

There are no material variances between 2016 and 2026 for this program.

## **STATION OPERATIONS**

### **Program Overview**

The Stations Operations program includes the labour, materials, and associated costs required to support the ongoing operation of EPI's stations, ensuring they perform safely, reliably, and effectively under all system conditions. This program encompasses routine inspections, re-verification of protection systems, maintenance of circuit breakers, transformers, and associated components, standard oil sampling and analysis, circuit switcher servicing, and upkeep of auxiliary systems such as station batteries. In addition, the program covers the day-to-day operational activities and procedures necessary to ensure the continuous and dependable functioning of EPI's station assets.

## Program Costs

**TABLE 4-38: STATION OPERATIONS PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Station Operations	55,075	122,180	145,669	170,281	238,695	198,065

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Station Operations	187,628	165,218	227,120	228,008	243,091	260,902

## Variance Analysis and Explanation

### 2016 OEB APPROVED PROXY TO 2026 TEST YEAR - \$206K INCREASE

The \$206k increase in program costs from the 2016 OEB Approved Proxy to the 2026 Test Year is primarily attributable to increases in salaries, wages, and employee benefits. As outlined in Section 4.4.7, this increase reflects the addition of an incremental Engineer-in-Training in 2023 to support System Planning and Station activities, including responsibilities related to substation operations. As remaining substations have aged, increased substation monitoring is necessary.

## TRANSFORMER OPERATIONS

### Program Overview

This program involves operational assessments of distribution transformers, including loading surveys, oil sampling, and equipment identification. These tasks help assess transformer health and performance under actual service conditions, informing asset planning and customer impact mitigation.

## Program Costs

**TABLE 4-39: TRANSFORMER OPERATIONS PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Transformer Operations	2,706	7,069	7,748	356	7,001	5,139

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Transformer Operations	25,357	9,610	8,348	23,669	25,235	27,084

## Variance Analysis and Explanation

There are no material variances between 2016 and 2026 for this program.

## UNDERGROUND OPERATIONS

### Program Overview

This program encompasses monitoring and inspection activities related to underground cable systems and associated equipment. It includes thermographic scanning, voltage testing, and ground fault analysis. Underground Operations supports proactive detection of issues that may lead to service interruptions or costly repairs.

## Program Costs

**TABLE 4-40: UNDERGROUND OPERATIONS PROGRAM COSTS**

Program	Last Rebasing Year (2016 OEB Approved Proxy)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
Underground Operations	262,366	270,281	286,473	218,939	185,557	141,402

Program	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Underground Operations	172,040	137,158	92,137	218,844	233,320	250,415

## Variance Analysis and Explanation

There are no material variances between 2016 and 2026 for this program.

## 4.4 EMPLOYEE COMPENSATION

### 4.4.1 OVERVIEW

EPI's Core Value of Inspired & Empowered People is defined as:

**"Having a workforce of inspired and empowered people who are passionate about their jobs."**

- Powered by integrity
- Education and growth opportunities
- Right people in the right places

EPI's workforce strategy is grounded in the principle that a skilled and supported workforce is essential to delivering safe, reliable, and responsive service in a rapidly evolving energy sector. A competitive and equitable compensation system – and treating employees with respect – is essential to attracting, developing, and retaining skilled employees.

As described below, a modernized workforce is needed to meet rising customer expectations, responses to legislative and regulatory requirements, and operational complexity, including implementing technological advancements. Accordingly, the EPI workforce has significantly evolved in the past decade.

Growth across EPI's service territory is projected to result in an increase in customer connections of over 12% between 2016 and 2026, as shown in Table 4-10. At the same time, large portions of the distribution system, much of which was originally constructed in the 1950s, 1960s and 1970s, are reaching end-of-life and require renewal. In response, EPI has implemented a coordinated system renewal and modernization strategy that includes voltage standardization to 27.6 kV and phased retirement of near-obsolete distribution substations.

As noted above, EPI's growth has been accompanied by rising customer expectations and the integration of new technologies, including smart switches, DERs, and Non-Wires Alternatives ("NWAs"). In its 2023 Framework for Energy Innovation, the OEB noted that electricity distributors are expected to evolve their planning and operations to cost-effectively integrate DERs and utilize them to meet system needs while maintaining reliable service for customers. The OEB further noted that this evolution may necessitate new investments and the development of enhanced workforce capabilities. These changes require greater engineering capacity for tasks such as system impact assessments and advanced

1 coordination with industrial customers, the IESO, and EPI's host distributor. In parallel, EPI has  
2 transitioned from paper-based processes to digital platforms, including GIS-based mapping and other  
3 visualization tools. This increasing reliance on digital systems has coincided with EPI's necessary  
4 expansion of capabilities in digital systems, cybersecurity and IT systems monitoring, DER coordination  
5 and data analytics, ensuring the organization is equipped to manage the increasingly complex  
6 technology landscape.

7 Simultaneously, Ontario's electricity sector is undergoing significant transformation, shaped by  
8 technological innovation, evolving legislative and regulatory frameworks, and climate considerations.  
9 The IESO projects that Ontario demand will grow by 75% by 2050, driven by industrial expansion, the  
10 electrification of transportation, and ongoing population growth. These changes will place new  
11 demands on system capacity and operational resources and responsiveness. EPI is preparing for and  
12 responding to changing customer electricity needs, such as adoption of electric vehicles and heat  
13 pumps, by planning and building the distribution system for reasonable forecasted load growth and  
14 replacing at-risk transformers to support load intensification, to ensure continued delivery of safe and  
15 reliable service.

16 The growth in EPI's service territory, coupled with digitization, new technologies, and broader industry  
17 evolution has contributed to an upskilling of the EPI workforce over the past 10 years, in addition to an  
18 increase in FTE positions. To meet emerging demands, EPI has focused on attracting high-caliber talent  
19 with specialized expertise, while also supporting internal career development and performance  
20 management.

21 Lastly, Ontario's electricity sector has long anticipated the challenges of experienced staff retirements  
22 and departures on the utility workforce. EPI began feeling these effects in 2016, with departures  
23 peaking during the pandemic period. More than half of today's workforce has been hired since 2016,  
24 underscoring both the scale of renewal and the loss of institutional knowledge. Looking ahead,  
25 approximately 14 FTEs are eligible to retire in the 2026-2030 Forecast Period. Combined with  
26 competitive pressures from larger neighbouring job markets, these dynamics make succession planning,  
27 proactive recruitment, and strong knowledge transfer practices essential to maintain operational  
28 continuity and resilience.

## UNIONIZED EMPLOYEES

Approximately two thirds of EPI's workforce is unionized and represented by the International Brotherhood of Electrical Workers ("IBEW"), Unit 636. The IBEW represents a diverse workforce, with over 820,000 members in the construction, utilities, manufacturing, telecommunications, broadcasting, railroads, and government sectors.

The compensation for unionized employees is determined through collective bargaining with the IBEW, which represents both office and trades staff. Each job classification within the collective agreements includes a standard job description and a wage progression scale, ranging from an entry-level base rate to a maximum rate. The agreements also provide for annual general wage increases and step progressions based on tenure or experience. Labour rates and benefits are adjusted annually in accordance with the negotiated percentage increases specified in the CBAs.

The EPI CBAs, along with their commencement, expiration and associated wage increases, are shown in Table 4-41 below:

**TABLE 4-41: THE EPI/STEI COLLECTIVE AGREEMENTS**

Bargaining Unit	Collective Agreement Period Ending 2019 & Wage Increase	Collective Agreement Period Ending 2024 & Wage Increase	Current Collective Agreements & Wage Increase
<b>IBEW Local 636</b>	Jan 1, 2015 - Dec 31, 2018	Jan 1, 2019 - Dec 31, 2024	Jan 1, 2025 - Dec 31, 2027
<b>(Outside)</b>	(2.25% annually) (Note 1)	(2.0% annually)	2025 - 3.5%, 2026 - 2.25%, 2027 - 2.5%
<b>IBEW Local 646</b>	Jan 1, 2015 - Dec 31, 2018	Jan 1, 2019 - Dec 31, 2024	Jan 1, 2025 - Dec 31, 2027
<b>(Inside)</b>	(2.25% annually) (Note 1)	(2.0% annually)	2025 - 3.5%, 2026 - 2.25%, 2027 - 2.5%
<b>IBEW Local 636</b>	May 1, 2017 - Dec 31, 2018 (Note 2)	n/a (Note 3)	n/a (Note 3)
<b>(St. Thomas Outside / Inside)</b>	(3.0% annually)		
<b>PWU Local 1000</b>	Jan 1, 2015 - Dec 31, 2018	n/a (Note 3)	n/a (Note 3)
<b>(Strathroy Outside)</b>	(2.25% annually) (Note 1)		

**Note 1:** The annual increases for these CBAs were semi-annual: Jan 1 - 1.00%, Jul 1 - 1.25%

**Note 2:** The previous IBEW St. Thomas Outside / Inside CBA ran from May 1, 2014 - Apr 30, 2017 at 1.25%-1.75% annually.

**Note 3:** In the Ontario Labour Relations Board (OLRB) Official Notice of the Board dated May 1, 2019, the OLRB determined that the IBEW was entitled to a declaration that it was the bargaining agent for EPI Outside and Inside workers. The OLRB furthered order that EPI and the IBEW were to consult to reach agreement on bargaining unit descriptions, which resulted in consolidation into the current IBEW Outside/ Inside bargaining unit structure.

**Note:** The annual wage increases noted above also contain classification adjustments where applicable.

In preparing for the negotiation of the 2025-2027 CBAs described above, EPI reviewed available information on Southern Ontario electrical distribution contracts from the preceding periods. Following

the conclusion of the 6-year CBAs on December 31, 2024, EPI had relatively lower union wages in the region, which required adjustment in the latest CBAs.

### MANAGEMENT & NON-UNION EMPLOYEES

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In 2011, EPI implemented a management and non-union compensation system as described below. Jobs are placed in separate pay bands, to ensure internal equity and pay equity. Corresponding annual merit increases and incentive pay for each employee are driven by EPI performance and individual employee performance. Management conducts periodic comparisons to the Mearie Management Salary Survey to ensure that compensation is competitive in comparison with other like-sized Local Distribution Companies (“LDCs”) and those in the Southern Ontario region, consistent with +/- 10% of the P50 value.

The evaluation process develops and maintains pay structures by comparing similarities and differences in the content and value of jobs, such as establishing pay differentials between jobs, fair and equitable compensation programs, identification and elimination of wage inequities and a sound foundation for consistent pay administration. Job analysis, job descriptions, job evaluation and job structure for ordering jobs are considered based on their relative value or content. Job evaluation factors include know-how, problem-solving and accountability. Within each factor there are a number of sub factors each with a defined number of points available. Sub factors for know-how are technical know-how, managerial know-how and human relations skills. Problem-solving sub factors are thinking environment and thinking challenge. Accountability sub factors are freedom to act, magnitude and impact.

The points are assessed and totaled for each job and the total range of points are divided into an appropriate number of grades. Each grade level includes a minimum, midpoint (“job rate”) and maximum pay level. Annual progression is based on performance, merit and contribution to goals/objectives. Progression is not automatic, rather it is performance-based. The structure is updated annually with salary increases based upon the market.

Over time, new positions emerge, and job duties of existing positions evolve. Accordingly, Human Resources periodically oversees the design and update of job descriptions. Pay bands, job rates and employee compensation ratios are also reviewed on an annual basis.

Typically, the management and non-union job rate by pay band is increased annually at a percentage, which in general, is similar to the most recent union collective agreement rate increase. The performance assessment process involves goal setting, 360° feedback, mid-year performance reviews and year-end performance evaluations. Year-end performance evaluations are validated by senior leadership and Human Resources. Based on the finalized year-end results, a subset of higher performers typically receive a small amount more than the typical job rate (i.e. 0.5% more), while a subset of lower performers typically receive less than the typical job rate increase (i.e. at least 0.5% less). Merit pay progressions are discretionary and may also be withheld as needed to reflect performance that is below acceptable levels.

Management and non-union employees typically receive merit pay progressions and incentive pay in January, based on EPI performance and the year-end performance evaluations (which includes assessment of goals achievement). Higher performers typically receive higher incentive pay. Incentive payouts generally range from 5% to 35% of salary, with higher-performing employees and those in more senior roles (i.e. higher-banded positions) receiving amounts toward the upper end of that range.

Executive compensation is comprised of base salary and incentive pay and is reviewed annually and approved by the Board of Directors Compensation Committee.

Entegrus ensures that all compensation is market competitive, which is defined as +/- 10% of the P50 value for each position. The MEARIE salary survey forms a key input into this benchmarking exercise, however consideration is also given to private sector comparators since EPI competes for employees within its geographic area. Incentive target goal plans for executives are established and approved by the Board of Directors at the beginning of each year.

No additional costs have been added to this Application concerning internal equity.

## **BOARD OF DIRECTORS**

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The Chapter 2 Filing Requirements specify that utilities must identify any Board of Directors-related costs for affiliates that are included in the utility's own costs. EPI confirms that there are no Board of Directors-related costs for its affiliated companies included in its costs.



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## **PAY EQUITY**

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EPI is required by law to comply with the Ontario Pay Equity Act. The EPI Pay Equity Plan was initially established in 2001 and since that time, additional plan updates and maintenance updates have occurred.

Pay Equity Plan maintenance was completed in 2024. Based on this update, no pay equity issues are anticipated in 2025 or 2026. Accordingly, no additional costs for pay equity have been added in this Application.

## **EMPLOYEE BENEFITS**

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EPI's employee benefit plans are structured to support the health and welfare of all staff. Separate benefit plans are maintained for IBEW Inside and Outside employees, non-union employees, and retirees. The IBEW benefit plans are negotiated through the collective bargaining process, while the non-union benefit plan generally maintains alignment. Although none of the benefit plans are identical, they are broadly similar across the three groups. Employee benefits are further discussed in Section 4.5.2.

The benefit packages include health, dental and life and disability insurance, post-retirement benefits to age 65, the employer's share of government payroll taxes, leave entitlements, and health and safety protections, as well as employer matching contributions to the OMERS pension plan. In addition, a small group of employees who retired prior to 1999 continue to receive lifetime benefits.

EPI's employee benefit program booklets are included as Attachment 4-A to this Exhibit.

### **4.4.2 EMPLOYEE DEMOGRAPHICS & SUCCESSION PLANNING**

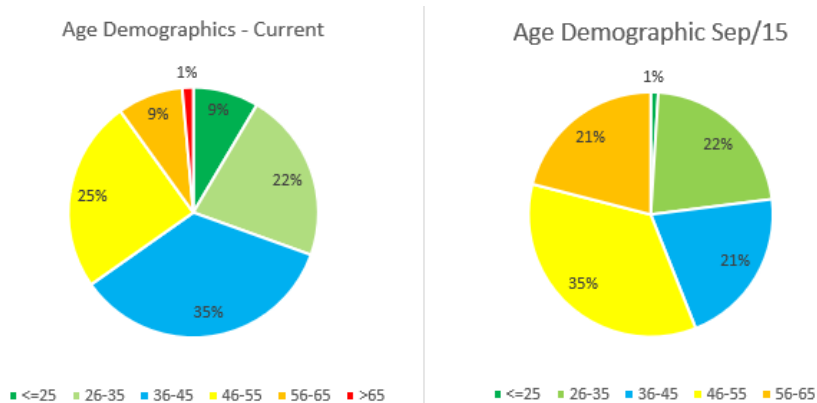
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The utility sector has experienced a steady wave of retirements over the past decade. For EPI, the impact of an aging workforce has been evident since 2016, with retirements peaking as many Baby Boomers exited the workforce during the pandemic. Prior to this, some employees continued working beyond their OMERS eligibility date, a trend that has become less common since the pandemic. While retirements have occurred across various departments, they have been especially concentrated in Lines,

Engineering, Metering, and Customer Service. Additional retirements are expected between 2026 and 2030, which will continue to create ripple effects across the organization.

Combined with other natural attrition, these dynamics have resulted in over 50% of EPI's current workforce having been hired since 2016. The chart below shows the impact on EPI's workforce demographics.

**FIGURE 4-5: EPI WORKFORCE DEMOGRAPHICS – JUNE 2025 VS. SEPTEMBER 2015**



Despite the trend toward lower workforce age demographics, succession planning continues to be important. Employee retirement eligibility and known retirement intentions are key factors in planning for workforce continuity. Approximately 14 FTEs are eligible to retire in the 2026-2030 Forecast Period, including four projected retirements in the Lines group.

Succession planning for both union and non-union roles is led by the CEO and Human Resources, in conjunction with senior leadership. Where possible, EPI seeks to conduct recruitment for jobs requiring specialized industry skills in advance of anticipated staff departures to enable overlap between incumbents and new hires, facilitating knowledge transfer and skill development. Examples of this dynamic include Powerline Maintainers and Meter Technologists, where it can take 4-5 years to reach proficiency and another 2-3 years to achieve mastery.

The continuing challenge for EPI is to bridge the gap between maintaining sufficient talent to meet business needs while also conducting succession planning for the future. EPI's two operations centres are located in smaller cities, situated geographically between two larger urban centres (Windsor/Detroit

and London) which are home to universities. When recruiting for talent, EPI must compete with these larger job markets.

Succession planning and employee demographics have also brought an increased focus on training as discussed in Section 4.4.4 below.

#### **4.4.3 OUTCOMES OF PREVIOUS PLANS**

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In terms of workforce, a key focus of the EPI 2016 COS application (EB-2015-0061) was succession planning. Similarly, the former STEI's 2015 COS application (EB-2014-0113) noted significant upcoming retirements within the 2015-2020 period. Since 2016, both EPI and the Ontario electricity distribution sector have undergone significant evolution, as described in Section 4.4.1 above.

In EB-2015-0061, EPI noted that it was focused on addressing the challenge of balancing current operational requirements with long-term succession planning needs. EPI identified a vulnerability in replacing highly specialized and experienced skilled trades and management staff, along with a need for more qualified engineering resources. Accordingly, EPI was focused on developing line and metering apprentices, hiring its first Engineer-in-Training ("EIT") and establishing co-op program relationships and hiring to build a pipeline of qualified engineering resources and management trainees.

As noted in Section 4.4.2, EPI indeed experienced the forecast wave of retirements. EPI hired and developed Line Apprentices and Meter Apprentices, recruited its first EIT and successfully established a co-op pipeline that has both supported management succession and ensured appropriate engineering capacity. These actions are further detailed in Section 4.4.7. EPI complimented these actions by successfully recruiting new employees from other industries as well as attracting experienced hires from within the utility sector.

#### **4.4.4 TRAINING & DEVELOPMENT**

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In support of EPI's core value of Inspired & Empowered People, as well as the core value of Operational Excellence, EPI is committed to providing strong training opportunities for employees. Given the above-described demographics of the EPI workforce – and the broader context of accelerating retirements,

1 evolving technologies, and changing customer expectations – investment in training and development is  
2 essential to ensure continuity, capacity, and readiness for the future.

3 Training at EPI starts with strong internal communication. Quarterly Town Halls are led by the CEO and  
4 include new employee introductions, project updates, organizational highlights, and service and  
5 recognition awards. In addition, the non-union group meets monthly on emerging topics and project  
6 milestone updates, with speaking opportunities rotated amongst the group. Longstanding monthly  
7 leadership meetings and financial review meetings have been recently redesigned with more focus on  
8 staff development and knowledge sharing.

9 New employees also participate in a two-stage orientation process. The initial session starts on the  
10 employee's first day and focuses on health and safety, along with essential organizational information;  
11 additional scheduled updates occur throughout the first week of employment. Later, a more in-depth,  
12 two-day follow-up session (referred to as "Orientation 2.0") is held annually (typically in the fall) for all  
13 employees hired since the previous session. This program includes site tours of both EPI offices,  
14 departmental presentations, and technical demonstrations (e.g. Electricity 101, demonstration of how a  
15 meter works, etc.); this provides participants with a foundational understanding of all of EPI's operations  
16 and departments.

17 EPI utilizes MEARIE trades and professional programming, as well as Infrastructure Health and Safety  
18 Association ("IHSA") trades and safety programming. EPI also maintains a longstanding partnership with  
19 the IHSA, whereby the IHSA occasionally utilizes the EPI Chatham Training Room and yard facilities to  
20 deliver regional line training level courses. In recent years, this has involved IHSA Level 2 and Level 3  
21 Apprenticeship Training hosted onsite.

22 Beginning in the 2020 pandemic period, when some industry training was temporarily cancelled or  
23 virtualized, EPI engaged a consultant to assist with development-focused coaching, assisted by senior  
24 leadership sponsors. This program includes elements of succession planning, such as identifying  
25 employee aspirations, conducting employee emotional intelligence assessments and mapping skills  
26 against potential future requirements.

27 In the fall of 2022, EPI commenced participation in the Grid Smart City leadership training courses,  
28 offered in conjunction with Mohawk College. These courses are tailored to the electrical distribution

sector and are delivered primarily in-person over five days, with project work between sessions. More than 20 EPI employees have completed at least one of the three available levels to date. Sessions are typically hosted at member utilities and often include 12-25 participants from across the sector.

EPI also recently introduced Emerging Technologies Training, a multi-day program designed by EPI and facilitated by a consultant. This training targets engineering and regulatory employees and includes topics such as electrification and energy transition, DERs, climate change and resiliency, Distribution System Operator (“DSO”) models and the IESO Market Renewal Program (“MRP”). The sessions also examine how these emerging themes intersect with the operation and planning of the distribution system.

Starting in 2026, EPI will launch a behavioural-based leadership development initiative designed to implement a consistent approach to management coaching effectiveness, employee engagement and performance management. The training applies a scientific model of behavior and focuses on targeted leadership approaches and enhancements. Participants learn to analyze performance, conduct structured coaching touchpoints and reinforce designated behaviours in ways that support both individual development and broader organizational outcomes. Follow-up sessions and structured debriefs are included to strengthen accountability, reinforce skills and align leadership practices across departments.

#### **4.4.5 FTE AND EMPLOYEE COSTS**

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##### **2016 OEB APPROVED EMPLOYEE COSTS**

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As noted in Exhibit 1, EPI and STEI merged effective April 1, 2018 and since that time, EPI has maintained two rate zones: EPI–Main and EPI–St. Thomas.

The last COS application for EPI–Main was for rates effective May 1, 2016 (EB-2015-0061), and for EPI–St. Thomas for rates effective January 1, 2015 (EB-2014-0113). For the purposes of this Application, EPI has developed 2016 OEB Approved Proxy figures. Specifically for employee-related analysis, EPI has combined EPI–Main and EPI–St. Thomas FTE counts and employee costs for 2016 and 2017 to establish a consistent merged view across the 2016–2026 period. EPI emphasizes that the use of 2016 OEB Approved Proxy figures is not intended to revisit or revise the figures approved in EB-2015-0061, but

rather to support a clear and consistent “apples to apples” comparison reflective of the post-merger organizational structure.

Table 4-42 below shows the calculation of the 2016 OEB Approved Proxy figures for FTEs and employee costs, utilizing the above-described methodology:

**TABLE 4-42: DERIVATION OF 2016 OEB APPROVED FTE & COMPENSATION PROXY FIGURES**

Line No.	Description		Legacy EPI 2016 OEB Approved (EB-2015-0061)	STEI 2015 OEB Approved (EB-2014-0113)	STEI 2015 OEB Approved Escalated (Note 1)	TOTAL 2016 OEB Approved Proxy
<b>1</b>	<b>Number of FTEs</b>					
2	Management (including executive)	Mgmt	18.1	6.0	6.0	24.1
3	Non-Management (union and non-union)	Non-Mgmt	58.4	22.7	22.7	81.1
<b>4</b>	<b>Total</b>		<b>76.5</b>	<b>28.7</b>	<b>28.7</b>	<b>105.2</b>
<b>5</b>	<b>Total Salary and Wages including overtime and incentive pay</b>					
6	Management (including executive)	Mgmt	\$2,018,879	\$805,214	\$819,708	\$2,838,587
7	Non-Management (union and non-union)	Non-Mgmt	\$4,285,063	\$1,504,874	\$1,531,962	\$5,817,025
<b>8</b>	<b>Total</b>		<b>\$6,303,942</b>	<b>\$2,310,088</b>	<b>\$2,351,670</b>	<b>\$8,655,612</b>
<b>9</b>	<b>Total Benefits (current and accrued)</b>					
10	Management (including executive)	Mgmt	\$451,213	\$187,358	\$190,730	\$641,943
11	Non-Management (union and non-union)	Non-Mgmt	\$957,698	\$390,597	\$397,628	\$1,355,326
<b>12</b>	<b>Total</b>		<b>\$1,408,911</b>	<b>\$577,955</b>	<b>\$588,358</b>	<b>\$1,997,269</b>
<b>13</b>	<b>Total Compensation (Salary, Wages and Benefits)</b>					
14	Management (including executive)	Mgmt	\$2,470,092	\$992,572	\$1,010,438	\$3,480,530
15	Non-Management (union and non-union)	Non-Mgmt	\$5,242,761	\$1,895,471	\$1,929,589	\$7,172,350
<b>16</b>	<b>Grand Total</b>		<b>\$7,712,853</b>	<b>\$2,888,043</b>	<b>\$2,940,028</b>	<b>\$10,652,881</b>

**Note 1:** STEI 2015 BA escalated using 2016 OEB inflation rate of 2.1%, less Cohort 3 stretch factor of 0.30%, equating to 1.80% escalation

#### 4.4.6 FTEs, WAGES & BENEFITS VARIANCE ANALYSIS

The EPI employee complement by FTE, compensation and benefits are set out in Table 4-43 (Appendix 2-K) below. Appendix 2-K includes the 2016 OEB Approved Proxy figures detailed in Table 4-42 above and also shows the actual number of FTEs and compensation figures for 2016-2024, in addition to forecasted FTEs and compensation figures for 2025-2026.

The number of employees are based on the computation of the number of FTE positions throughout each of the fiscal years. Staff members hired by EPI are pro-rated in that year as a portion of an FTE based on the month of start. Similarly, staff members who leave the organization are pro-rated as a portion of an FTE based on the month of departure. FTEs exclude Board of Directors, co-op students,

and employees dedicated to non-rate regulated activities, including eDSM, water, and EPI's unregulated affiliates. Contract employees are included as FTEs.

The salaries and wage amounts include all salaries and wages paid, inclusive of incentive pay for management, overtime, vacations, holidays, sick leave, bereavement leave and other miscellaneous paid leave. The benefit amounts comprise the employer's portion of statutory benefits, including Canada Pension Plan ("CPP"), Employment Insurance ("EI"), Employer Health Tax ("EHT") and Workplace Safety Insurance Board ("WSIB"). The benefit amounts are also comprised of Company benefits, including: OMERS, LTD insurance, life insurance, health benefits (including clothing allowance and wellness program) and other miscellaneous items.

**TABLE 4-43: FTE & EMPLOYEE COSTS, OEB APPENDIX 2-K**

Line No.	Description		2016 OEB-Approved Proxy	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Forecast	2026 Forecast
1	<b>Number of FTEs</b>													
2	Management (including executive)	Mgmt	24.1	25.9	27.5	26.3	24.9	25.5	26.9	29.1	29.2	32.7	33.9	34.0
3	Non-Management (union and non-union)	Non-Mgmt	81.1	81.7	80.8	79.5	83.3	84.0	78.4	81.1	83.1	88.6	93.6	94.2
4	<b>Total</b>		<b>105.2</b>	<b>107.6</b>	<b>108.3</b>	<b>105.8</b>	<b>108.2</b>	<b>109.5</b>	<b>105.3</b>	<b>110.3</b>	<b>112.4</b>	<b>121.4</b>	<b>127.6</b>	<b>128.2</b>
5	<b>Total Salary and Wages including overtime and incentive pay</b>													
6	Management (including executive)	Mgmt	\$2,838,587	\$3,398,160	\$3,682,875	\$3,600,854	\$3,597,763	\$3,789,286	\$3,913,967	\$4,389,402	\$4,779,720	\$5,315,593	\$5,705,406	\$5,877,483
7	Non-Management (union and non-union)	Non-Mgmt	\$5,817,025	\$6,233,642	\$6,089,240	\$6,365,445	\$6,838,811	\$7,548,023	\$7,020,000	\$7,428,061	\$7,793,018	\$8,302,607	\$9,306,905	\$9,574,191
8	<b>Total</b>		<b>\$8,655,612</b>	<b>\$9,631,801</b>	<b>\$9,772,115</b>	<b>\$9,966,299</b>	<b>\$10,436,575</b>	<b>\$11,337,309</b>	<b>\$10,933,967</b>	<b>\$11,817,463</b>	<b>\$12,572,738</b>	<b>\$13,618,200</b>	<b>\$15,012,311</b>	<b>\$15,451,674</b>
9	<b>Total Benefits (current and accrued)</b>													
10	Management (including executive)	Mgmt	\$641,943	\$791,703	\$874,776	\$891,843	\$834,579	\$795,921	\$875,450	\$998,917	\$1,075,113	\$1,233,464	\$1,426,965	\$1,517,949
11	Non-Management (union and non-union)	Non-Mgmt	\$1,355,326	\$1,464,399	\$1,446,763	\$1,576,565	\$1,607,947	\$1,653,381	\$1,586,174	\$1,690,439	\$1,738,926	\$1,926,590	\$2,327,728	\$2,472,679
12	<b>Total</b>		<b>\$1,997,269</b>	<b>\$2,256,101</b>	<b>\$2,321,539</b>	<b>\$2,468,408</b>	<b>\$2,442,526</b>	<b>\$2,449,302</b>	<b>\$2,461,624</b>	<b>\$2,689,355</b>	<b>\$2,814,039</b>	<b>\$3,160,054</b>	<b>\$3,754,693</b>	<b>\$3,990,628</b>
13	<b>Total Compensation (Salary, Wages and Benefits)</b>													
14	Management (including executive)	Mgmt	\$3,480,530	\$4,189,862	\$4,557,651	\$4,492,697	\$4,432,342	\$4,585,207	\$4,789,417	\$5,388,319	\$5,854,833	\$6,549,057	\$7,132,371	\$7,395,432
15	Non-Management (union and non-union)	Non-Mgmt	\$7,172,350	\$7,698,040	\$7,536,002	\$7,942,009	\$8,446,758	\$9,201,405	\$8,606,174	\$9,118,499	\$9,531,944	\$10,229,197	\$11,634,633	\$12,046,870
16	<b>Grand Total</b>		<b>\$10,652,881</b>	<b>\$11,887,902</b>	<b>\$12,093,653</b>	<b>\$12,434,706</b>	<b>\$12,879,101</b>	<b>\$13,786,611</b>	<b>\$13,395,591</b>	<b>\$14,506,818</b>	<b>\$15,386,776</b>	<b>\$16,778,254</b>	<b>\$18,767,004</b>	<b>\$19,442,302</b>
17	Net labour costs included in OM&A		\$5,912,349	\$6,609,674	\$6,578,947	\$6,876,393	\$7,173,659	\$7,706,716	\$7,876,607	\$8,413,954	\$9,170,519	\$10,251,513	\$11,466,639	\$11,879,246
18	Net labour costs included in Capital / Billable		\$4,740,532	\$5,278,229	\$5,514,706	\$5,558,314	\$5,705,442	\$6,079,896	\$5,518,983	\$6,092,864	\$6,216,258	\$6,526,741	\$7,300,365	\$7,563,055
19	<b>Grand Total</b>		<b>\$10,652,881</b>	<b>\$11,887,902</b>	<b>\$12,093,653</b>	<b>\$12,434,706</b>	<b>\$12,879,101</b>	<b>\$13,786,611</b>	<b>\$13,395,591</b>	<b>\$14,506,818</b>	<b>\$15,386,776</b>	<b>\$16,778,254</b>	<b>\$18,767,004</b>	<b>\$19,442,302</b>

As shown above and further detailed in Section 4.1.1 above and Section 4.4.7 below, EPI has modernized and expanded its workforce to advance digitization and new technologies (with focus on cybersecurity), meet evolving regulatory and legislative requirements and support succession planning. The expanded workforce also supports system growth and complexity and advances asset renewal, while maintaining safe reliable service. The benchmarking presented below indicates that EPI's staffing levels remain at the approximate mid-point range compared to peer utilities in terms of FTEs per customer, which EPI believes represents a balanced approach to delivering responsive customer service and meeting modernization demands while maintaining reasonable costs.

1 **TABLE 4-44: CUSTOMERS SERVED PER EMPLOYEE BENCHMARKING**

LDC	Year	FTEs	Customers	Customers Served / FTE
Entegrus Powerlines	2026	128.2	64,764	505
Entegrus Powerlines	2025	127.6	63,976	501
Entegrus Powerlines	2024	121.4	63,483	523
Entegrus Powerlines	2023	112.4	62,912	560
Entegrus Powerlines	2022	110.3	62,442	566

LDC	Year	Reference	FTEs	Customers	Customers Served / FTE	Entegrus Comparable Year Rate
Essex Powerlines	2025	EB-2024-0022	51.0	34,958	685	501
Oshawa PUC	2026	EB-2025-0014	97.0	64,576	666	505
Burlington Hydro	2026	EB-2025-0051	123.0	69,984	569	505
Grandbridge Energy	2024	EB-2025-0051	180.0	113,075	628	523
Milton Hydro	2024	EB-2025-0051	75.0	43,285	577	523
London Hydro	2024	EB-2025-0051	305.0	167,081	548	523
Enwin Utilities	2024	EB-2025-0051	168.0	91,478	545	523
NPEI	2024	EB-2025-0051	112.0	59,008	527	523
Enova Power	2024	EB-2025-0051	311.0	162,021	521	523
Greater Sudbury Hydro	2023	EB-2024-0026	107.7	59,146	549	560
Synergy North	2023	EB-2023-0052	135.3	57,770	427	560
PUC Distribution Inc.	2023	EB-2022-0059	81.0	33,926	419	560
Bluewater Power	2023	EB-2022-0016	106.9	37,242	348	560
Oakville Hydro	2022	EB-2025-0051	98.0	75,884	774	566

#### 3 4.4.7 INCREMENTAL POSITIONS

4 Since the 2016 OEB Approved Proxy, EPI has added 25 incremental FTEs, as summarized in Table 4-45  
5 below:

6 **TABLE 4-45: INCREMENTAL FTEs SINCE 2016 OEB APPROVED PROXY**

Department	2016 BAP to 2026 Incremental FTEs	Incremental FTE Description
Control & GIS	4	System Operator, GIS Supervisor, GIS Technicians (2)
Engineering	6	Engineering Supervisor, Engineers-in-Training (2), Engineering Technologist, Supervisor of Locates, Locator
Finance & Regulatory	2	Senior Regulatory Specialists (2)
HR & Administration	3	HR Generalist, HR Coordinator, Corporate Communications Analyst
Information Technology	4	Network & System Administrators (2), System Analyst & Database Administrator, Data Scientist
Lines	3	Powerline Maintainer, Apprentice Powerline Maintainers (2)
Ops Support & Stores	3	Director of Enterprise Transformation (E.T.) & Communications, Senior Manager of E.T., E.T. Analyst
<b>Grand Total</b>	<b>25</b>	



The background and rationale for the incremental positions summarized above are described below:

## **CONTROL & GIS**

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Since 2016, EPI has undergone a substantial Control & GIS transformation, improving EPI's ability to plan investments, maintain its system, share its visualization and respond to customer outages.

### **GIS Supervisor**

A GIS Supervisor was hired in 2016 and reports to the Director of Asset Management & System Modernization.

The position manages and oversees the day-to-day operation and planning of the GIS systems, resolves issues of a technical nature and leads the GIS department. This position is responsible for ensuring the accuracy and integrity of GIS data, including mapping of the electrical distribution network, asset management, and geospatial analysis.

In 2016, a 3-year project commenced to update distribution system maps across the then 16 Entegrus communities. While GIS services were previously a mix of in-house and third-party service provider services, the enhanced digital mapping requirements triggered the need to bring GIS in-house to fully meet industry infrastructure requirements and required the hiring of additional skilled GIS staff (see below). Digital maps enable more timely updates as the system experiences growth, or conversion work occurs, thus facilitating safer operations in real time. The update also allowed for modernization of Control Room processes, improving the accuracy, and ease of access and visibility of a live system view to EPI's field staff. Further, the associated electronic enhancements provided additional resiliency in the event the main Control Room itself becomes physically unavailable due to equipment failure or natural disaster.

Post-merger, the mapping project and GIS system, as well as the modernized/digitized Chatham Control Room, were extended to the St. Thomas service territory.

By delivering reliable GIS solutions and data management, this position contributes to safety, grid reliability and optimal resource deployment, and enhances the customer experience through outage map visualization and enhanced service delivery.

**GIS Technicians**

The GIS Technicians were hired in 2018 and 2022, respectively, and report to the GIS Supervisor.

EPI hired the initial GIS Technician in 2010 to update data, promote accurate data, and safeguard GIS data for internal use. The position assisted with maintaining the integrity of the electrical network model and ensuring its reliability for use for other integrated systems.

In 2017, an additional temporary GIS staff member was hired during the mapping project described above to assist with standardization, modernizing and maintaining EPI's electronic distribution system mapping. In 2018, a full-time GIS Technician was added to replace the temporary GIS staff member.

In 2022, EPI undertook another GIS system upgrade, enhancing mobile and web accessibility, improving data integrity, and enabling faster decision-making during outages and planned work. This required additional initial and ongoing resources to manage the increased capabilities of the new system. In 2020 and 2021, a temporary GIS staff member was hired. In 2022, a full-time GIS Technician was added to replace the temporary GIS staff member.

The GIS Technician positions are critical due to the growth in requests for service connections and the detailed updates for capital projects and the accuracy to which individual assets need to be recorded in GIS. In addition, there have been increased regulatory requirements such as publishing the capacity map, digitalization of paper records such as easements and third-party attachments to eliminate manual processing and improve the accuracy of the GIS, implementing and resolving connectivity related to the integration of DERs, and providing reports related to site specific needs and requirements.

**System Operator**

The System Operator was hired in 2021 and is based in the EPI Chatham Control Room. The role reports to the Manager of Operations – Southwest.

The System Operator monitors and controls the electrical distribution system, operating integrated control room technologies and coordinating day-to-day system operations. The role includes dispatching crews during outages, preparing and executing switching orders, and using SCADA and related tools to maintain system performance. The role also evaluates load conditions and provides direction to field

1 crews, maintains system records, and coordinates with internal staff, customers, and external supply  
2 providers to support safe and reliable operations.

3 Prior to the EPI/STEL merger, EPI had one System Operator. Control room functions in St. Thomas  
4 (primarily the coordination of hold offs with the external supply provider), were performed by an  
5 Operational Support role which also had other duties. After the merger, the EPI Chatham Control Room  
6 was extended to include St. Thomas, and it now oversees system operations across both regions.

7 The EPI Control Room is staffed during regular business hours and operates on a call-in basis to support  
8 planned outages and emergency response. As customer growth occurred and system operations  
9 became more complex, including distribution automation, an incremental System Operator was hired in  
10 2021. This second System Operator role helps ensure safe and efficient field support, improves outage  
11 response, and the ensures that reliable distribution system conditions are maintained in both regions.

## 12 **ENGINEERING & LOCATES**

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13 Engineering has been modernized in response to increases in system complexity, technology  
14 developments, higher growth and evolving compliance requirements. EPI has also increased its locates  
15 capabilities to ensure compliance with the legislated five-business-day locate timelines under Bill 93.

### 16 **Engineering Supervisor**

17 The Engineering Supervisor was hired in 2023 and reports to the Engineering Manager.

18 The Engineering Supervisor supports distribution system design and oversees engineering processes to  
19 ensure compliance with Ontario Regulation 22/04, which governs the safety standards for the design,  
20 construction, and maintenance of electrical distribution systems in Ontario. The role involves reviewing  
21 design work, performing system modelling and studies, and troubleshooting distribution system  
22 technology. In addition, this role supports regulatory initiatives that rely on engineering expertise to  
23 ensure the accurate reporting of required statistics and adherence to regulatory timelines. The role also  
24 coordinates with internal teams, external stakeholders, and third-party joint-use partners, while guiding  
25 Engineering Technologists, managing project execution, reviewing technical specifications, and  
26 contributing to long-term planning and budget development for capital and operational initiatives.

EPI's continued investment in system renewal, load growth support, and distribution system modernization has led to a sustained increase in engineering activity. The incremental Engineering Supervisor role provides dedicated oversight of system design, supports the development of engineering standards, and ensures consistent application of Ontario Regulation 22/04. This position is essential to maintaining design quality, supporting compliance reviews, and strengthening coordination across departments. As noted below, the Engineering Technologist role has been affected by a competitive labour market over the past decade and the Engineering Supervisor provides consistency in approach and ensures continuity in staff coaching and technical guidance.

### **Engineers-in-Training**

The incremental Engineers-in-Training ("EITs")<sup>3</sup> were both hired in 2018 and report to the Director of Asset Management & System Modernization and Engineering Manager, respectively.

In EB-2015-0061, EPI identified succession risk associated with future turnover among its qualified engineers, noting that such vacancies would be difficult to backfill. To mitigate this risk, EPI proposed a "grow our own" strategy, including the hiring of an EIT in 2016. This initiative was designed to develop internal talent and establish a continuous pipeline of engineering resources, further supported by targeted co-op placements from local universities in Windsor and London. Note that based on PEO requirements, it may take approximately four years post-graduation to attain the P.Eng. designation.

In addition to supporting succession planning, EIT roles have become increasingly vital as EPI navigates the technological and regulatory transformation of Ontario's electricity sector. As innovation accelerates and system complexity increases, these roles, under the supervision of experienced engineers, provide critical capacity for engineering analysis, technology integration, and adaptive planning. EITs contribute to EPI's ability to respond to the connection of DERs, emerging technologies and evolving infrastructure standards.

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<sup>3</sup> The term EIT is used for familiarity and for consistency to EB-2015-0061. These roles are now typically referred to as "Engineering Associates".

1 The first EPI EIT was hired in 2016, as committed to in EB-2015-0061. The EIT attained their P.Eng.  
2 designation and remains with the organization.

3 As noted in the EPI 2021 DSP (see Exhibit 2, Attachment 2-C (DSP), Attachment A), starting in 2017, the  
4 overall duration and frequency of outages across the Legacy EPI communities significantly deteriorated,  
5 indicating that sustained outages were occurring more frequently and lasting longer on average. In  
6 2018, EPI hired two incremental EITs, one to support System Planning and the other to support  
7 Distribution Engineering. These roles also assisted with enhanced System Renewal and reliability  
8 analysis, and enhancements to outage tracking and investigation practices. The EITs both achieved the  
9 P.Eng. designation; one is now a member of the management team and the other left the organization.  
10 Both EIT roles were then backfilled with recent university electrical engineering graduates to ensure a  
11 continuous internal pipeline of: (a) skilled engineering resources to support the safe and reliable  
12 operation of the distribution system (including reliability analysis and reporting) and associated  
13 technologies, and (b) future management succession candidates.

14 The System Planning EIT supports system modernization and Asset Management planning through  
15 distribution system modelling, technology deployment analysis, and DER integration. Responsibilities  
16 include conducting protection, load flow, and interconnection studies; supporting SCADA development  
17 for DER monitoring; and producing research and technical studies to inform DSPs. The role also assists  
18 with substation operations, reliability analysis and reporting, and monitoring trends in grid innovation.

19 The Distribution Engineering EIT supports system design, engineering reviews, and interdepartmental  
20 coordination. Responsibilities include performing modelling studies, reviewing materials and design  
21 packages, and assisting in the development of engineering processes and technical documentation. The  
22 role also supports budgeting and joint-use coordination, while contributing to the evaluation and  
23 implementation of new technologies and supports consistent engineering practices across the  
24 distribution system.

## 25 **Engineering Technologist**

26 The incremental Engineering Technologist was hired in 2024 in St. Thomas in response to the level of  
27 design and planning activity in the St. Thomas area. The role reports to the Engineering Supervisor.

The Engineering Technologist role is responsible for designing, planning, and executing the delivery of overhead and underground electrical construction projects. Key responsibilities include preparing estimates, material lists, and contract specifications; designing civil and electrical layouts for residential, commercial, and industrial customers; and coordinating with internal teams, contractors, and customers. The role also involves attending project meetings, ensuring compliance with regulatory and technical standards, collecting detailed field data for GIS, and conducting property and survey research.

EPI aims to maintain a balanced presence in both offices (i.e. the Southwest and Northeast regions) to ensure timely, in-person support at worksites for contractors and customers. While Engineering Technologists are based in the Chatham office and St. Thomas office, some work is shared across offices to meet operational needs. Recruitment for this role over the past decade has been impacted by turnover due to a competitive labour market (particularly with larger utilities) and hiring location (Chatham or St. Thomas) is sometimes influenced by the availability of qualified candidates.

### **Supervisor of Locates**

The Supervisor of Locates was hired in 2023 and reports to the Director of Customer Service.

The position manages and oversees the day-to-day coordination and dispatch of utility locates, ensuring work is completed safely, accurately, and within required timelines. The role oversees internal Locates staff and contractors, and liaises with internal departments, external partners, and stakeholders.

Additional responsibilities include tracking performance, supporting related activities (such as service disconnections and reconnections) and other operational support aligned with the locates program.

The incremental Supervisor of Locates position was established in 2023 in direct response to the legislative changes enacted through Bill 93, Getting Ontario Connected Act, 2022, which amended the Ontario Underground Infrastructure Notification System Act, 2012. As of April 1, 2023, all standard locate requests were required to be completed within five business days without exception. The regulation granted Ontario One Call the authority to issue administrative monetary penalties, including fines of up to \$10,000 per day for infractions such as failing to meet required timelines. These enforcement measures represented a significant shift in compliance expectations for all LDCs in Ontario. The Supervisor of Locates plays a critical role in ensuring that EPI remains compliant with these time-

1 sensitive obligations by coordinating locate activities, tracking performance, and maintaining  
2 operational readiness across EPI's service area.

### 3 **Locator**

4 The St. Thomas Locator was hired in 2024 and reports to the Supervisor of Locates.

5 The position is responsible for accurately identifying and marking underground electrical plant to ensure  
6 the safety of the public, contractors, and EPI crews. The role includes interpreting GIS data,  
7 documenting locates findings, and reporting anomalies. Working independently, the Locator manages  
8 field workload and legislated timelines, ensures compliance with safety regulations and company  
9 procedures, supports coordination with contractors and internal teams, and maintains strong customer  
10 and public relations in a high-volume, time-sensitive environment.

11 Similar to the Supervisor of Locates above, the incremental St. Thomas Locator position was established  
12 in direct response to legislative changes introduced through Bill 93, Getting Ontario Connected Act,  
13 2022. Previously, locate activity in the northeast region was outsourced to a third-party contractor.  
14 While EPI continues to engage the third-party contractor as part of its broader locates program, it was  
15 determined that an in-house resource was necessary in the northeast to ensure full compliance with the  
16 legislated requirement to complete all standard locate requests within five business days, without  
17 exception.

### 18 **FINANCE & REGULATORY**

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19 Evolving and expanded regulatory and legislative requirements have necessitated the expansion of EPI's  
20 regulatory capabilities over the historical period.

### 21 **Senior Regulatory Specialists**

22 The Senior Regulatory Specialists were hired in 2021 and 2024, respectively, and report to the Director  
23 of Regulatory.

24 The position engages internal departments and external stakeholders to co-ordinate timely and accurate  
25 regulatory filings in compliance with regulatory requirements. The role includes preparation of rate

1 applications, compiling responses to regulator and stakeholder interrogatories, and various analyses.  
2 The role also prepares IESO monthly settlement reporting and deferral and variance account  
3 reconciliations, analysis of regulatory directives, and implementation of new accounting guidelines and  
4 reporting obligations.

5 The initial Regulatory role was hired prior to 2010. However, regulatory obligations have since expanded  
6 significantly. Notable examples include the Activity and Program-Based Benchmarking initiative (EB-  
7 2018-0278) and the 2019 Accounting Guidance Related to Commodity Pass-Through Accounts, which  
8 introduced a standardized framework for establishing, recording, and disposing of DVAs. Since 2021, the  
9 OEB has launched a significant number of policy initiatives and consultations; as of June 2025, there are  
10 approximately 40 ongoing OEB electricity-related policy initiatives and consultations. Examples of  
11 initiatives that require significant LDC participation, modification of existing processes, enhanced RRR  
12 submissions and/or new reporting obligations, include:

- 13 • Distributed Energy Resources Connections Review (EB-2019-0207 / EB 2021-0117)
- 14 • Reliability and Power Quality Review (EB-2021-0307)
- 15 • Electric Vehicle Integration (EB-2023-0071)
- 16 • Benefit-Cost Analysis Framework for Addressing Electricity System Needs (EB-2023-0125)
- 17 • System Expansion for Housing Developments Consultation (EB-2024-0092)
- 18 • Vulnerability Assessment and System Hardening (EB-2024-0199)
- 19 • Advancing Performance-base Rate Regulation (EB-2024-0129)
- 20 • Total Cost Benchmarking (EB-2025-0102)
- 21 • Spending Pattern Analysis (EB-2025-0108)

22 Concurrently, the IESO's 2025 MRP contributed to additional settlement complexity and compliance  
23 expectations, requiring testing, modifications to existing settlement processes and strong oversight over  
24 regulatory accounting. These developments have occurred with very limited offsetting reduction in



1 legacy regulatory requirements. As the OEB and IESO regulatory frameworks continue to rapidly evolve,  
2 EPI's expanded regulatory expertise helps ensure that there is sufficient capacity for regulatory  
3 accounting preparation and oversight, compliance, planning support and the preparation of accurate  
4 regulatory submissions.

## 5 **HR & ADMINISTRATION**

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6 Human Resource management has evolved in terms of its complexity with legislative requirements and  
7 organizational growth and modernization.

### 8 **Human Resources Generalist and Human Resources Coordinator**

9 The HR Generalist was hired in 2022 and the HR Coordinator was hired in 2024. Both roles report to the  
10 Director of Human Resources.

11 The position involves ongoing dialogue with staff across all levels and office locations and co-ordinates  
12 labour relations activities. The role includes administration of payroll functions, administration of  
13 benefits and assisting with sensitive and confidential employee matters, as well as HR initiatives.

14 Pre-2012, most EPI HR services were provided by way of a Service Level Agreement with the  
15 Municipality of Chatham-Kent and also by internal Administrative Assistants. In late 2011, a re-  
16 organization was undertaken to internalize more of HR. In 2010, a single internal EPI HR role was  
17 created and thereafter, the internal HR function was established. However, by 2021 and 2022,  
18 organizational growth, increased recruitment activity and evolving legislative obligations, including the  
19 Ontario Occupational Health and Safety Act, significantly expanded the scope and complexity of HR  
20 responsibilities.

21 The HR Generalist and HR Coordinator roles support all core HR functions, including labour and  
22 employee relations, attendance and disability management and recruitment and onboarding. They  
23 provide essential capacity to maintain legislative compliance, delivering responsive and client-focused  
24 HR services and enabling consistent, professional service across departments. By enabling timely and  
25 informed decision-making, these roles help sustain EPI's skilled, engaged workforce and ensure  
26 employees receive the guidance and resources needed to perform effectively.

1     **Corporate Communications Analyst**

2     The Corporate Communications Analyst was hired in 2025 and reports to the Director of Enterprise  
3     Transformation & Communications.

4     The position supports and executes the organization's internal and external communications strategy.  
5     The role includes drafting press releases, managing the website, managing social media content and  
6     providing marketing and communication support to departments, including customer outreach and  
7     energy literacy materials.

8     In 2012, EPI hired the initial Communications resource to manage increasing communications activities.  
9     Previously, activities involving customer engagement, public relations and employee engagement were  
10    conducted by Customer Service, or by Administrative staff.

11    However, the growth of digital communications and increasing customer communication expectations  
12    (i.e. social media, outage maps, restoration updates) has increased the volume of Communication work  
13    and resulted in the need for an incremental Communications resources. In recent years, EPI has grown  
14    its social media presence to include over 8,700 followers on Facebook and 4,600 on X (formerly Twitter).  
15    The company also has more than 2,800 followers on LinkedIn and is expanding its reach by adding an  
16    Instagram page.

17    **INFORMATION TECHNOLOGY**

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18    Both the tools within, and the threats borne from, information technology ("IT") have significantly  
19    evolved since EPI's last rebasing.

20    **Network & System Administrators and Systems Analyst & Database Administrator**

21    The IT Analysts were hired in 2021, 2022 and 2023, respectively. Two are referred to as Network &  
22    Systems Administrators and one is referred to as Systems Analyst & Database Administrator. The roles  
23    report to the Director of IT.

24    Pre-2011, EPI IT services were provided by way of a Service Level Agreement with the Municipality of  
25    Chatham-Kent and by internal Customer Service personnel. In late 2011, a re-organization was

1 undertaken to internalize IT and add resourcing. The first Network & Systems Administrator was hired  
2 in 2011 and the first Systems Analyst & Database Administrator was hired in 2014.

3 However, by 2021, the technology landscape had further evolved, and the scope of IT work had  
4 expanded substantially. EPI's information and operational technology systems became more complex,  
5 requiring increased expertise and additional staffing. New responsibilities included enhancing  
6 cybersecurity, supporting expanded applications such as CIS workflow tools, maintaining a timely and  
7 accurate outage map, maintaining the website, as well as supporting and maintaining the new ERP  
8 launched in 2024. Additional demands included supporting expanded functionality within EPI systems,  
9 improving business processes, providing support for more users and ensuring compliance with OCSF and  
10 similar cybersecurity standards.

11 Network & Systems Administrators support the day-to-day administration of EPI network and server  
12 infrastructure. The role involves designing and maintaining internal and external network environments,  
13 resolving connectivity issues, and implementing integrated hardware and software solutions. The role  
14 also supports evolving cyber security requirements, enforces IT security standards, collaborates with  
15 departments to align systems with business needs, co-ordinates vendor relationships, supports IT  
16 development initiatives, and provides after-hours support as required.

17 The Systems Analyst & Database Administrator is responsible for day-to-day system administration,  
18 database management, and support for the performance of IT operations. The role includes resolving  
19 technical issues, contributing to IT projects, and supporting corporate systems and operations. The role  
20 partners closely with internal teams and vendors, ensures data integrity, performs custom  
21 programming, and provides after-hours support as required.

## 22 **Data Scientist**

23 The Data Scientist was hired in 2025 and reports to the Director of Asset Management & System  
24 Modernization (with a dotted line reporting relationship to the Director of IT).

25 This position leads the development and deployment of predictive and traditional analytics within a  
26 secure environment. The role transforms business and operational data into actionable insights that  
27 support decision-making. Responsibilities include managing data pipelines, building models, supporting

1 AI-driven tools, and ensuring strict adherence to privacy and IT security standards. Initially focused on  
2 asset management, the role will expand to collaborate across departments.

3 The incremental Data Scientist position was hired in 2025. As utilities face increasing data complexity  
4 from new and existing technologies, automation, and digitalization, the ability to extract meaningful  
5 insights from large, diverse datasets has become critical. The Data Scientist role supports EPI's  
6 technology readiness by enabling advanced analytics, allowing internal teams to spend less time  
7 compiling data and more time applying judgment to system planning, investment decisions, and  
8 operational strategies. See Exhibit 1, Section 1.9.1 for details on an AI-Enabled Load Pattern Detection  
9 program overseen by the Data Scientist.

## 10 LINES

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11 In comparison to 2016, EPI's system is now larger and more complex. EPI must ensure reliability, safety  
12 and succession planning.

### 13 Powerline Maintainer and Apprentice Powerline Maintainers

14 The Powerline Maintainer and Apprentice Powerline Maintainers were hired in 2019, 2024 and 2024,  
15 respectively, and report to the Line Supervisor – Northeast or the Line Supervisor – Southwest.

16 The position constructs, maintains, and repairs energized overhead and underground distribution  
17 systems up to 27.6 kV. The position requires work at heights using bucket trucks and fall arrest systems  
18 and performs live line rubber glove work. Responsibilities include emergency response, service work,  
19 equipment installation and working collaboratively with internal teams, contractors, and customers to  
20 ensure safe and efficient operations.

21 An incremental Powerline Maintainer was hired in Chatham in 2019 to ensure the reliability and safety  
22 of the EPI distribution system. Two incremental Apprentice Powerlines Maintainers were hired in 2024,  
23 in Chatham and St. Thomas, respectively. These succession planning hires were made in anticipation of  
24 upcoming Line department retirements between 2026-2030.

25 EPI requires the ongoing recruitment of apprentice Powerline Maintainers to ensure the safe and  
26 reliable operation of its distribution system in the face of forecasted retirements. For trades roles with

long development timelines, such as Powerline Maintainers, it is essential to recruit in advance of staff departures to maintain operational continuity and avoid gaps in service delivery. As noted above, Powerline Apprentices typically require four years to achieve Red Seal certification, followed by two to three additional years to reach full proficiency.

While EPI posts concurrently for both Apprentice and Journeyperson positions, new hires are often Apprentices—frequently drawn from previous EPI co-op students from the local college powerline technician program. Hiring only upon vacancy risks understaffing a critical function essential to system restoration, asset renewal, and safe network operations. Recruiting in advance enables knowledge transfer and ensures EPI can meet demands across capital, maintenance, and emergency work.

## **OPERATIONAL SUPPORT & STORES**

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To meet evolving utility best practice, EPI's Enterprise Transformation group was added to lead and provide hands-on support for the PMO, delivering structured project oversight.

### **Director of Communications & Enterprise Transformation**

The Director of Communications & Enterprise Transformation was hired in 2024 and reports to the Vice President of Customer Service, Communications and Enterprise Transformation.

In addition to overseeing the Communications department, this position oversees the PMO, guiding corporate improvement initiatives, strategic project tracking, and change management support. It also leads internal and external communications, including public outreach, digital content, and oversees employee events. The role provides leadership to staff, liaises with senior leadership on corporate initiatives, acts as EPI's Chief Privacy Officer, provides senior leadership in the St. Thomas office and supports other departments and initiatives as required.

The PMO was established in 2012 to monitor and track significant operational and administrative projects across the organization. As EPI has grown and the Ontario electrical distribution industry has continued to respond to evolving regulatory requirements, DERs, and the integration of advanced technologies, the nature and volume of internal projects have increased. In this environment, the need for both structured project oversight and additional hands-on support has become even more vital. In

1 recognition of the group's expanded mandate and its role in supporting organizational evolution, the  
2 group was renamed Enterprise Transformation in 2023.

3 The Enterprise Transformation group now provides direct project management and support, including  
4 conducting research, coordinating change initiatives, and contributing to the execution of complex,  
5 cross-functional projects. Key past and current initiatives include the implementation and ongoing  
6 enhancement of the Enterprise Resource Planning ("ERP") system launched in 2024, which integrated  
7 finance systems, inventory management, and human resources functions. The group is now also leading  
8 planning, requirements gathering, demonstrations, and assessments for a Work Management and  
9 Service Order Management System, as well as a new Customer Service application. Additional projects  
10 include document storage enhancements, the deployment of a new safety and compliance system,  
11 support for cybersecurity and IT scheduling initiatives, and data analysis and support for locate process  
12 improvements (in compliance with Bill 93 requirements). Across all initiatives, the Enterprise  
13 Transformation team works closely with other departments to ensure solutions are aligned with  
14 operational needs and provide practical value. In doing so, the team helps alleviate project burden on  
15 critical operational resources, allowing staff to remain focused on managing core day-to-day activities  
16 while projects are delivered.

#### 17 **Senior Manager of Enterprise Transformation**

18 The Senior Manager of Enterprise Transformation was hired in 2022 and reports to the Director of  
19 Communications & Enterprise Transformation.

20 This position leads the PMO, overseeing strategic project tracking, workflow documentation, and change  
21 management support. The role supports corporate improvement initiatives, drafts reports, and ensures  
22 alignment with organizational goals. The role also serves as a community relations ambassador for the  
23 Northeast region communities and supports energy education support. The role combines hands-on  
24 execution with expertise in change management and cross-departmental project coordination.

25 The increasing scope and function of the PMO, as outlined above under the Director of Communications  
26 & Enterprise Transformation, provides the context for the Senior Manager – PMO's role in supporting  
27 the planning, coordination, and delivery of key EPI initiatives.

## Enterprise Transformation Analyst

The Enterprise Transformation Analyst was hired in 2021 and reports to the Director of Communications & Enterprise Transformation.

This position supports the PMO by assisting with project tracking, workflow documentation, and reporting. The role involves liaising with staff across departments to map business processes, drafting reports and communications, and compiling data to support project reviews. Working closely with departmental teams, the role plays a key role in documenting procedures, analyzing performance metrics, and supporting day-to-day project coordination and delivery.

The increasing scope and function of the PMO, as outlined above under the Director of Communications & Enterprise Transformation, provides the context for the Enterprise Transformation Analyst's role in supporting the planning, coordination, and delivery of key EPI initiatives.

### 4.4.8 FTES BY DEPARTMENT

Table 4-46 below summarizes the number of FTEs by department from the 2016 OEB Approved Proxy through the 2026 Test Year.

**TABLE 4-46: FTES BY DEPARTMENT**

Department	2016 OEB- Approved Proxy	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Control & GIS	2.0	2.3	3.3	4.0	4.0	4.7	5.1	5.5	6.0	6.0	6.0	6.0
Cust Serv	22.6	23.0	22.6	19.9	19.2	20.2	19.1	20.1	21.5	21.2	22.3	22.4
Engineering & Locates	12.2	12.1	12.5	11.9	14.9	15.3	15.0	15.1	14.0	16.7	18.8	18.9
Finance & Regulatory	10.4	10.6	11.7	11.0	10.7	9.1	7.8	8.1	7.9	9.1	9.2	9.2
HR & Administration	6.5	7.8	7.5	6.6	6.0	6.2	7.0	7.6	7.6	9.2	9.8	10.3
Information Technology	3.0	3.0	2.9	2.7	2.7	2.8	3.0	4.2	5.7	5.7	6.7	6.7
Lines	31.4	31.1	30.3	32.8	34.0	33.7	29.7	29.3	29.8	33.4	35.3	35.3
Metering	8.3	8.9	8.9	8.2	7.9	8.6	9.0	9.9	8.8	8.0	7.5	7.5
Ops Support & Stores	8.8	8.7	8.8	8.8	8.9	9.0	9.6	10.5	11.0	12.0	12.0	12.0
Grand Total	105.2	107.6	108.3	105.8	108.2	109.5	105.3	110.3	112.4	121.4	127.6	128.2

#### 4.4.9 FTES, WAGES & BENEFITS VARIANCE ANALYSIS

Appendix 2-K is included in Section 4.4.6 above as Table 4-43. Based on this, Table 4-47 below details variances in FTEs and employee costs from the 2016 OEB Approved Proxy through to the 2026 Test Year. All FTEs, along with their corresponding wages and benefits, are included in the variance analysis below.

**TABLE 4-47: FTE AND EMPLOYEE COST VARIANCES**

Line No.	Description	2016 OEB-Approved Proxy vs. 2016 Actuals	2016 Actuals vs. 2017 Actuals	2017 Actuals vs. 2018 Actuals	2018 Actuals vs. 2019 Actuals	2019 Actuals vs. 2020 Actuals	2020 Actuals vs. 2021 Actuals	2021 Actuals vs. 2022 Actuals	2022 Actuals vs. 2023 Actuals	2023 Actuals vs. 2024 Actuals	2024 Actuals vs. 2025 Actuals	2025 Actuals vs. 2026 Actuals
		A	C	B	D	E	F	G	H	I	J	K
1	<b>Number of FTEs</b>											
2	Management (including executive)	1.8	1.6	(1.2)	(1.4)	0.6	1.4	2.3	0.1	3.5	1.2	0.0
3	Non-Management (union and non-union)	0.6	(0.9)	(1.3)	3.8	0.7	(5.6)	2.7	2.0	5.5	5.0	0.6
4	<b>Total</b>	<b>2.4</b>	<b>0.7</b>	<b>(2.5)</b>	<b>2.4</b>	<b>1.3</b>	<b>(4.2)</b>	<b>5.0</b>	<b>2.1</b>	<b>9.0</b>	<b>6.2</b>	<b>0.6</b>
5	<b>Total Salary and Wages including overtime and incentive pay</b>											
6	Management (including executive)	559,573	284,716	(82,021)	(3,090)	191,523	124,681	475,435	390,318	535,873	389,813	172,077
7	Non-Management (union and non-union)	416,617	(144,402)	276,205	473,367	709,212	(528,023)	408,060	364,957	509,589	1,004,299	267,285
8	<b>Total</b>	<b>976,190</b>	<b>140,313</b>	<b>194,184</b>	<b>470,276</b>	<b>900,735</b>	<b>(403,342)</b>	<b>883,496</b>	<b>755,275</b>	<b>1,045,462</b>	<b>1,394,111</b>	<b>439,363</b>
9	<b>Total Benefits (current and accrued)</b>											
10	Management (including executive)	149,759	83,073	17,067	(57,264)	(38,658)	79,529	123,467	76,196	158,351	193,501	90,983
11	Non-Management (union and non-union)	109,073	(17,636)	129,802	31,382	45,434	(67,207)	104,265	48,487	187,664	401,138	144,952
12	<b>Total</b>	<b>258,832</b>	<b>65,438</b>	<b>146,869</b>	<b>(25,882)</b>	<b>6,776</b>	<b>12,322</b>	<b>227,731</b>	<b>124,683</b>	<b>346,016</b>	<b>594,639</b>	<b>235,935</b>
13	<b>Total Compensation (Salary, Wages and Benefits)</b>											
14	Management (including executive)	709,332	367,789	(64,954)	(60,355)	152,865	204,210	598,902	466,514	694,224	583,314	263,061
15	Non-Management (union and non-union)	525,690	(162,038)	406,007	504,749	754,646	(595,230)	512,325	413,444	697,253	1,405,436	412,237
16	<b>Grand Total</b>	<b>1,235,022</b>	<b>205,751</b>	<b>341,053</b>	<b>444,394</b>	<b>907,511</b>	<b>(391,020)</b>	<b>1,111,227</b>	<b>879,958</b>	<b>1,391,478</b>	<b>1,988,750</b>	<b>675,298</b>
17	Net labour costs included in OM&A	697,325	(30,726)	297,445	297,266	533,057	169,892	537,347	756,564	1,080,995	1,215,126	412,607
18	Net labour costs included in Capital / Billat	537,697	236,477	43,608	147,128	374,454	(560,912)	573,880	123,394	310,483	773,624	262,691
19	<b>Grand Total</b>	<b>1,235,022</b>	<b>205,751</b>	<b>341,053</b>	<b>444,394</b>	<b>907,511</b>	<b>(391,020)</b>	<b>1,111,227</b>	<b>879,958</b>	<b>1,391,478</b>	<b>1,988,750</b>	<b>675,298</b>

As discussed in Section 4.4.1 above, EPI workforce development is driven by growth, system renewal and modernization, rising customer expectations, new technologies (including DERs) and sector-wide transformation. Ensuring the organization is supported by the right number of appropriately skilled resources is essential.

The EPI Management FTE count has increased by 7.1 FTEs (see explanation in the next section below regarding 2.8 affiliate FTEs) since the 2016 OEB Approved Proxy and Non-Management FTEs count has increased by 13.1 FTEs from 2016 OEB Approved Proxy to the 2026 Test Year. The incremental positions are described above in Section 4.4.7.

Notable year-over-year changes in FTEs, salaries and wages, and benefits are as follows:



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**OEB APPROVED PROXY 2016 VS ACTUAL 2016 – 2.4 FTEs; \$976k SALARY AND WAGES AND \$259k BENEFITS**

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Note: The 2016 OEB Approved version of Appendix 2-K did not include 2.8 FTEs employed by an affiliate of EPI that, at that time, did provide services to EPI. In the interests of telling a complete story, those FTEs are now included in Appendix 2-K, first showing up in 2016 actuals. This is not an increase in FTE numbers. The 2.8 FTEs did exist in 2016, and their costs were included in OM&A, however they were inadvertently excluded in the 2016 OEB Approved Proxy for Appendix 2-K only. If EPI excludes the 2.8 FTEs from the OEB Approved Proxy 2016 vs. Actual 2016, the variances are (0.4) FTEs, \$367k of salary and \$121k of benefits.

There were various factors affecting the 2016 OEB Approved Proxy in comparison to 2016 Actual FTE and compensation costs, including the following more significant items:

- Increase of 0.3 FTEs due to the hiring of an incremental GIS Supervisor, as described in Section 4.4.7.
- Increase of 0.4 FTEs due to the hire of multiple Customer Service staff, net of the retirement of a Customer Service staff member and an employee transferring to another department.
- Decrease of (1.5) FTEs due to the departure of multiple HR & Administrative staff who were subsequently backfilled by new hires in other departments.
- Decrease of (0.3) FTEs primarily due to the retirement and departure of multiple Line staff, net of the replacement hire of multiple new Line staff.
- Increase of 0.6 FTEs due to the hire of a Metering Technologist for succession planning purposes prior to pending retirements.

In summary, FTEs decreased (0.4) FTEs from the 2016 OEB Approved Proxy to the 2016 Actuals, the majority of which is identified in the foregoing analysis.

The associated labour variance of \$976k is attributable to the foregoing analysis, merit increases, step progressions and additional overtime. In some cases, the wages of replacement staff were below that of

retiring/departing staff. The benefit variance of \$259k is attributable to the descriptions above, as well as additional details described in Section 4.4.7.

### **ACTUAL 2016 vs ACTUAL 2017 - 0.7 FTEs; \$140k SALARY AND WAGES AND \$65k BENEFITS**

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There were various factors affecting the 2016 Actual FTEs in comparison to 2017 Actual FTEs and compensation costs, including the following more significant items:

- Increase of 0.9 FTEs due to the previously noted 2016 hire of the GIS Supervisor, as well as the hire of a temporary GIS staff member.
- Decrease of (0.5) FTEs due to the retirement of a Customer Service staff member and an employee commencing a leave of absence (“LOA”), net of the hire of replacement Customer Service staff.
- Increase of 0.6 FTEs due to the hire of multiple new Engineering staff, net of the retirement of an Engineering staff member. The hires included succession planning for pending retirements.
- Increase of 1.2 FTEs primarily due to the hire of a temporary Financial Analyst.
- Decrease of (0.4) FTEs due to the prior year departure of HR & Administrative employees, net of the return of an employee from LOA.
- Decrease of (1.0) FTEs due to the retirement and departure of multiple Line staff, net of the hire of replacement Line staff.

In summary, FTEs increased 0.7 from the 2016 Actuals to the 2017 Actuals, the majority of which is identified in the foregoing analysis.

The associated labour variance of \$140k is attributable to the foregoing analysis, merit increases and step progressions. In some cases, the wages of replacement staff were below that of retiring/departing staff. The benefit variance of \$65 is attributable to the descriptions above, as well as additional details described in Section 4.4.7.

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**ACTUAL 2017 vs ACTUAL 2018 – (2.5) FTEs; \$194k SALARY AND WAGES AND \$147k BENEFITS**

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There were various factors affecting the 2017 Actual FTEs in comparison to 2018 Actual FTEs and compensation costs, including the following more significant items:

- Decrease by (0.8) FTEs due to the retirement of multiple Metering staff in the latter part of 2018, wherein succession planning hiring had occurred in prior years.
- Decrease by (2.6) FTEs due to the retirement and transfer of multiple Customer Service staff, net of the hire of replacement Customer Service staff and employees commencing LOA and returning from LOA.
- Increase of 2.5 FTEs due to multiple hires to replace Line staff who retired or departed in prior years, net of additional Line staff retirements and departures in 2018.
- Increase of 0.8 FTEs due to the hire of an incremental GIS Analyst, as described in Section 4.4.7, net of the departure of a temporary GIS staff member hired in 2017.
- Decrease of (0.6) FTEs primarily due to the hire of two incremental Engineers-in-Training (EITs) in the latter part of 2018 as described in Section 4.4.7, net of the departure of Engineering staff and another employee commencing LOA.
- Decrease of (0.7) FTEs due to the departure of an HR & Administrative employee and another Administrative employee commencing LOA.
- Decrease of (0.7) FTEs due primarily to the departure of the temporary Financial Analyst after the completion of project work commenced in 2018.

In summary, FTEs decreased (2.5) from the 2017 Actuals to the 2018 Actuals, the majority of which is identified in the foregoing analysis.

The associated labour variance of \$194k is attributable to the foregoing analysis, merit increases and step progressions. In some cases, the wages of replacement staff were below that of retiring/departing staff. In addition, the new St. Thomas Outside / Inside CBA was effective May 1, 2017 (see Table 4-41),

The benefit variance of \$147k is attributable to the descriptions above, as well as additional details described in Section 4.4.7.

### **ACTUAL 2018 vs ACTUAL 2019 – 2.4 FTEs; \$470K SALARY AND WAGES AND \$(26K) BENEFITS**

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There were various factors affecting the 2018 Actual FTEs in comparison to 2019 Actual FTEs and compensation costs, including the following more significant items:

- Decrease of (0.7) FTEs primarily due to the retirement of a Customer Service employee midway through the year.
- Increase by 3.1 FTEs due to the hire of multiple Engineering Technologists, as well as the multiple prior year EIT hires as described in Section 4.4.7, plus the hire of a temporary Engineering resource, net of employees commencing and returning from LOAs.
- Decrease of (0.4) FTEs due to the retirement of a Finance employee and the departure of another (existing resources absorbed the two roles as merger synergies), net of the hire of a temporary Regulatory resource.
- Decrease of (0.7) FTEs primarily due to the departure of an HR & Administrative employee, net of an HR & Administrative returning from LOA. The Administrative employee was later backfilled.
- Increase of 1.3 FTEs primarily due to the incremental hire of one Line staff employee, as described in Section 4.4.7, as well as additional replacement hires to backfill multiple Line staff retirements and departures.
- Decrease by (0.3) FTEs due to the retirement of a Meter Technologist, net of the replacement by transfer of another staff member into Metering.

In summary, FTEs increased 2.4 from the 2018 Actuals to the 2019 Actuals, the majority of which is identified in the foregoing analysis.

The associated labour variance of \$470k is attributable to the foregoing analysis, merit increases and step progressions. In some cases, the wages of replacement staff were below that of retiring/departing

staff. The benefit variance of \$(26k) is attributable to the descriptions above, as well as additional details described in Section 4.4.7.

### **ACTUAL 2019 vs ACTUAL 2020 – 1.3 FTEs; \$901k SALARY AND WAGES AND \$7k BENEFITS**

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There were various factors affecting the 2019 Actual FTEs in comparison to 2020 Actual FTEs and compensation costs, including the following more significant items:

- Increase of 0.7 FTEs related to the hire of a temporary GIS staff member.
- Increase of 1.0 FTEs due to the transfer of multiple staff from other departments to Customer Service to replace multiple retirements and transfers, net of an employee commencing LOA.
- Decrease by 0.4 FTEs due to the hire of replacement Engineering staff, including another temporary Engineering resource, net of the retirement and departure of Engineering staff (including the departure of the prior year temporary Engineering resource). In addition, employees returned from LOA.
- Decrease of (1.6) FTEs due to the transfer of a Finance employee to another department (existing resources absorbed this role as a merger synergy), plus the prior year retirement and departure of Finance staff members. In addition, the temporary Regulatory resource hired in the prior year departed.
- Decrease of (0.3) FTEs primarily due to the retirement and departure of multiple Line staff, net of the replacement hire of multiple new Line staff.
- Increase by 0.7 FTEs due to the transfer of multiple resources into Metering for succession planning purposes prior to pending retirements, net of the retirement of a Metering Technologist.

In summary, FTEs increased 1.3 from the 2019 Actuals to the 2020 Actuals, the majority of which is identified in the foregoing analysis.

The associated labour variance of \$901k is attributable to the foregoing analysis, merit increases and step progressions. In addition, the new Outside / Inside CBAs were effective January 1, 2020 (see Table

4-41), which included catch-up payments retroactive to January 1, 2019. Further, the harmonization of the Legacy EPI and Legacy STEI collective bargaining agreements resulted in one-time compensation increases for Legacy STEI union staff. The benefits variance of \$7k is attributable to the descriptions above, as well as additional details described in Section 4.4.7.

#### **ACTUAL 2020 vs ACTUAL 2021 – (4.2) FTEs; \$(403k) SALARY AND WAGES AND \$12K BENEFITS**

There were various factors affecting the 2020 Actual FTEs in comparison to 2021 Actual FTEs and compensation costs, including the following more significant items:

- Increase of 0.4 FTEs due to the hire of an incremental System Operator position, as described in Section 4.4.7., net of the departure of the temporary GIS staff member.
- Decrease by (1.1) FTEs due to the retirement and departure of multiple Customer Service, net of multiple replacement hires and an employee returning from LOA.
- Decrease by (0.3) FTEs due to the retirement and departure of multiple Engineering Technologists and the temporary engineering resource, net of the replacement hiring of multiple Chatham Engineering Technologists and an employee commencing LOA.
- Decrease by (1.3) FTEs due to the transfer of another Finance staff member to another department (existing resources absorbed this role as a merger synergy) and the prior year departure of the temporary Regulatory resource, net of the hire of an incremental Senior Regulatory Specialist as described in Section 4.4.7.
- Increase by 0.8 FTEs due to the transfer of an employee to HR & Administration, net of another employee commencing LOA.
- Decrease of (4.0) FTEs due to multiple retirements and departures in the Line department, including the transfer of a Line staff member to another department, net of the hire of multiple Line staff.
- Increase by 0.4 FTEs due to the prior year succession transfers into Metering, net of the retirement of a Metering Technologist and an employee commencing LOA.

- Increase of 0.6 FTEs due to the incremental hire of an Enterprise Transformation Project Analyst, as described in Section 4.4.7.

An incremental IT Network & System Administrator was hired to enhance cyber security, as described in Section 4.4.7, which was partially netted by the departure of another IT staff member and the transfer of an employee to another department.

In summary, FTEs decreased (4.2) FTEs from the 2020 Actuals to the 2021 Actuals, the majority of which is identified in the foregoing analysis.

The associated labour variance of \$(403k) is attributable to the foregoing analysis, merit increases and step progressions. In some cases, the wages of replacement staff were below that of retiring/departing staff. The benefit variance of \$12k is attributable to the descriptions above, as well as additional details described in Section 4.4.7.

#### **ACTUAL 2021 vs ACTUAL 2022 – 5.0 FTEs; \$883K SALARY AND WAGES AND \$228K BENEFITS**

There were various factors affecting the 2021 Actual FTEs in comparison to 2022 Actual FTEs and compensation costs, including the following more significant items:

- Increase of 0.4 FTEs due to the hire of an incremental GIS Analyst as described in Section 4.4.7.
- Increase by 0.9 FTEs due to the succession planning hire of multiple Customer Service staff, net of the later retirement of multiple Customer Service staff.
- Increase of 0.3 FTEs primarily due to the prior year hire of an incremental Senior Regulatory Specialist.
- Increase by 0.6 FTEs due to the hire of an incremental Human Resources Generalist, as described in Section 4.4.7, net of an HR & Administrative employee commencing LOA.
- Increase of 1.2 FTEs primarily due to the hire an incremental Information Technology Analyst as described in Section 4.4.7, and the backfill of a departure.

- Decrease of (0.3) FTEs due to the retirement and departure of multiple Line staff, net of the hire of multiple replacement Line staff.
- Increase of 0.9 FTEs due to the hire of a Meter Technologist for succession planning purposes, net of the retirement of a Metering Technologist being backfilled and an employee returning from LOA.
- Increase of 0.8 FTEs due to the incremental hire of a Senior Manager of Enterprise Transformation as described in Section 4.4.7, and the prior year hire of an Enterprise Transformation Project Analyst.

In summary, FTEs increased 5.0 FTEs from the 2021 Actuals to the 2022 Actuals, the majority of which is identified in the foregoing analysis.

The associated labour variance of \$883k is attributable to the foregoing analysis, merit increases and step progressions. In some cases, the wages of replacement staff were below that of retiring/departing staff. The benefit variance of \$228k is attributable to the descriptions above, as well as additional details described in Section 4.4.7.

#### **ACTUAL 2022 vs ACTUAL 2023 – 2.1 FTEs; \$755k SALARY AND WAGES AND \$125k BENEFITS**

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There were various factors affecting the 2022 Actual FTEs in comparison to 2023 Actual FTEs and compensation costs, including the following more significant items:

- Increase of 0.5 FTEs due to the prior year hire of a GIS Analyst.
- Increase by 1.4 FTEs due to the incremental hire of a Customer Service & Billing Supervisor described in Section 4.4.7., and the replacement hire of multiple Customer Service Staff, net of the retirement and departure of multiple Customer Service staff.
- Decrease of (1.1) FTEs due to the retirement of multiple Metering staff (wherein succession planning hiring had occurred in prior years), net of the transfer of an employee from another department into Metering and an employee returning from LOA.



- Decrease of (2.1) FTEs due to the departure of multiple Engineering staff and the transfer of a staff member to another department, net of the backfill multiple Engineering staff. The hires also included an incremental Engineering Supervisor, which is described in Section 4.4.7.
- Increase of 1.0 FTEs due to the incremental hire of a Supervisor of Locates, as described in Section 4.4.7.
- Increase of 1.5 FTEs primarily due to the hire of an incremental IT Analyst, as described in Section 4.4.7, and the backfill of an IT Staff member.
- Increase of 0.5 FTEs due to the replacement hire of multiple Lines staff, net of the retirement and departure of multiple Lines staff.
- Increase of 0.5 FTEs due to the prior year hire of a Senior Manager of Enterprise Transformation.

In summary, FTEs increased 2.1 FTEs from the 2022 Actuals to the 2023 Actuals, the majority of which is identified in the foregoing analysis.

The associated labour variance of \$755k is attributable to the foregoing analysis, merit increases and step progressions. In some cases, the wages of replacement staff were below that of retiring/departing staff. The benefit variance of \$125k is attributable to the descriptions above, as well as additional details described in Section 4.5.

#### **ACTUAL 2023 vs ACTUAL 2024 – 9.0 FTEs; \$1.0M SALARY AND WAGES AND \$346k BENEFITS**

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There were various factors affecting the 2023 Actual FTEs in comparison to 2024 Actual FTEs and compensation costs, including the following more significant items:

- Decrease of (0.3) FTEs due to the departure of multiple Customer Service staff, net of hire of multiple replacement Customer Service staff, and the transfer of an employee to another department.
- Increase of 2.1 FTEs due to the hire of multiple Engineering staff, net of the departure of multiple staff in the current and prior year. The hires included an incremental Engineering

Technologist, as described in Section 4.4.7. The increase also relates to the prior year hires of the Engineering Supervisor and the EIT, plus an employee commencing LOA.

- Increase of 0.6 FTEs due to the incremental hire of a Locator, as described in Section 4.4.7.
- Increase of 1.2 FTEs due to the succession planning hire of multiple replacement Finance & Regulatory staff, including the transfer of an employee from another department, as well as the retirement and departure of multiple Finance & Regulatory staff. The hires included an incremental Senior Regulatory Specialist, as described in Section 4.4.7.
- Increase of 1.6 FTEs due to the hire of an incremental HR Coordinator, as described in Section 4.4.7, in addition to an employee returning from LOA.
- Decrease of (0.8) FTEs due to the prior year retirements of multiple Metering staff, wherein succession planning hiring occurred in prior years.
- Increase of 3.6 FTEs due to the replacement hire of multiple Line staff, net of the departure of multiple Line staff. The hires included two incremental Apprentice Powerline Maintainers, as described in Section 4.4.7.
- Increase of 1.0 FTEs due to the incremental hire of a Director of Enterprise Transformation & Communications, as described in Section 4.4.7.

In summary, FTEs increased 9.0 FTEs from the 2023 Actuals to the 2024 Actuals, the majority of which is identified in the foregoing analysis.

The associated labour variance of \$1.0M is attributable to the foregoing analysis, merit increases and step progressions. In some cases, the wages of replacement staff were below that of retiring/departing staff. The benefit variance of \$346k is attributable to the descriptions above, as well as additional details described in Section 4.4.7.

#### **ACTUAL 2024 vs ACTUAL 2025 – 6.2 FTEs; \$1.4M SALARY AND WAGES AND \$595K BENEFITS**

There were various factors affecting the 2024 Actual FTEs in comparison to 2025 Actual FTEs and compensation costs, including the following more significant items:

- 1 • Increase by 1.1 FTEs due to the hire of multiple Customer Service staff, net of the departure of  
2 multiple Customer Service staff.
- 3 • Increase of 1.7 FTEs due to the replacement hire of multiple Engineering staff, net of the  
4 departure of multiple Engineering Staff, including those in the prior year and an employee  
5 commencing LOA.
- 6 • Increase of 0.4 FTEs due to the prior year hire of a Locator in 2024
- 7 • Increase of 0.6 FTEs due to the hire of an incremental Corporate Communications Analyst, as  
8 described in Section 4.4.7.
- 9 • Increase of 1.0 FTEs due to the incremental hire of a Data Scientist, as described in 4.4.7.
- 10 • Increase of 1.9 FTEs primarily due to the prior year hire of incremental Apprentice Powerline  
11 Maintainers, in addition to the hire of multiple replacement Line staff, net of the departure of  
12 Line staff.
- 13 • Decrease of (0.5) FTEs due to a Metering employee commencing LOA.

14 In summary, FTEs increased 6.2 FTEs from the 2024 Actuals to the 2025 Actuals, with the key FTE  
15 variances identified in the foregoing analysis. The labour variance of \$1.4M includes merit increases and  
16 step progressions. In some cases, the wages of replacement staff were below that of retiring/departing  
17 staff. The labour variance also includes the impact of the negotiation of new CBAs, effective January 1,  
18 2025 (see Table 4-41 above). The benefit variance of \$595k is attributable to the descriptions above, as  
19 well as the CBA processes and factors described in Section 4.4.7.

#### 20 **ACTUAL 2025 VS ACTUAL 2026 – 0.6 FTEs; \$439K SALARY AND WAGES AND \$236K BENEFITS**

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21 The increase in FTEs is primarily due to the full year impact of the 2025 hire of a Corporate  
22 Communications Analyst.

23 The associated labour variance of \$439k is attributable to the foregoing, merit increases and step  
24 progressions. The benefit variance of \$236k is attributable to the cost of inflation, as well as additional  
25 details described in Section 4.4.7.

## 4.5 BENEFIT PROGRAMS

Benefit costs from 2016 OEB Approved Proxy through the 2026 Test Year are summarized as follows:

**TABLE 4-48: BENEFIT COSTS**

Line No.	Benefit	2016 OEB Approved Proxy	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Fcst	2026 Fcst
		A	B	C	D	E	F	G	H	I	J	K	L
1	FTEs	105.2	107.6	108.3	105.8	108.2	109.5	105.3	110.3	112.4	121.4	127.6	128.2
2	<b>Statutory</b>												
3	CPP - Employer's Portion	\$248,697	\$292,125	\$280,462	\$309,432	\$318,990	\$303,718	\$330,958	\$397,936	\$401,168	\$445,775	\$522,226	\$552,636
4	EI - Employer's Portion	\$124,512	\$146,255	\$120,804	\$133,245	\$128,255	\$113,575	\$118,220	\$137,564	\$136,261	\$148,080	\$162,437	\$171,895
5	Employer Health Tax	\$153,719	\$180,562	\$188,033	\$190,506	\$194,966	\$205,089	\$197,166	\$216,446	\$217,249	\$242,199	\$283,736	\$300,259
6	WSIB	\$73,473	\$86,303	\$97,840	\$91,649	\$106,608	\$100,665	\$83,669	\$62,777	\$98,427	\$96,848	\$113,458	\$120,064
7	<b>Total Statutory</b>	<b>\$600,402</b>	<b>\$705,244</b>	<b>\$687,138</b>	<b>\$724,832</b>	<b>\$748,819</b>	<b>\$723,047</b>	<b>\$730,014</b>	<b>\$814,723</b>	<b>\$853,105</b>	<b>\$932,902</b>	<b>\$1,081,857</b>	<b>\$1,144,854</b>
8	<b>Company</b>												
9	OMERS	\$798,622	\$886,216	\$950,257	\$994,658	\$976,534	\$1,040,849	\$982,574	\$1,100,614	\$1,106,773	\$1,311,827	\$1,536,807	\$1,626,297
10	LTD Insurance	\$90,468	\$100,391	\$103,701	\$104,491	\$85,811	\$73,595	\$74,699	\$80,463	\$87,297	\$99,886	\$117,017	\$123,831
11	Life Insurance	\$33,720	\$37,419	\$33,680	\$73,741	\$66,546	\$65,530	\$64,084	\$65,960	\$68,512	\$74,482	\$87,256	\$92,337
12	Health & Dental Benefits	\$416,499	\$462,182	\$476,414	\$505,309	\$489,513	\$484,938	\$539,852	\$542,705	\$585,893	\$656,312	\$838,768	\$904,845
13	Other	\$58,259	\$64,648	\$70,348	\$65,376	\$75,303	\$61,343	\$70,401	\$84,891	\$112,459	\$84,645	\$92,988	\$98,463
14	<b>Subtotal Company</b>	<b>\$1,397,569</b>	<b>\$1,550,857</b>	<b>\$1,634,400</b>	<b>\$1,743,575</b>	<b>\$1,693,707</b>	<b>\$1,726,255</b>	<b>\$1,731,610</b>	<b>\$1,874,633</b>	<b>\$1,960,934</b>	<b>\$2,227,152</b>	<b>\$2,672,836</b>	<b>\$2,845,773</b>
15	<b>Benefits Prior to EFB</b>	<b>\$1,997,970</b>	<b>\$2,256,101</b>	<b>\$2,321,539</b>	<b>\$2,468,408</b>	<b>\$2,442,526</b>	<b>\$2,449,302</b>	<b>\$2,461,624</b>	<b>\$2,689,356</b>	<b>\$2,814,039</b>	<b>\$3,160,054</b>	<b>\$3,754,693</b>	<b>\$3,990,628</b>
16	Employee Future Benefits	\$179,673	\$245,386	\$278,921	\$259,646	\$285,249	\$301,722	\$257,666	\$237,265	\$248,569	\$252,905	\$265,550	\$278,828
17	<b>Total Company</b>	<b>\$2,177,643</b>	<b>\$2,501,487</b>	<b>\$2,600,459</b>	<b>\$2,728,054</b>	<b>\$2,727,775</b>	<b>\$2,751,024</b>	<b>\$2,719,290</b>	<b>\$2,926,621</b>	<b>\$3,062,608</b>	<b>\$3,412,959</b>	<b>\$4,020,243</b>	<b>\$4,269,456</b>

Statutory deductions have increased approximately 91% between 2016 and the 2026 Test Year due to statutory benefit rate increases, wage increases and FTE increases. Company benefits have increased approximately 108% over the same period, driven primarily by the cost of healthcare benefits and FTE increases.

### 4.5.1 STATUTORY BENEFITS

- CPP – EPI remits 5.95% of pensionable earnings (above the basic annual exemption of \$3,500), up to the Year's Maximum Pensionable Earnings ("YMPE") of \$71,300. In 2024, a second tier of CPP contributions was introduced under the national CPP enhancement program. This requires an additional 4.00% employer contribution on earnings between the YMPE and the new Year's Additional Maximum Pensionable Earnings ("YAMPE"), which is set at \$81,200 for 2025. As a result of this two-tier structure, the maximum employer contribution per employee increased by approximately 10% beginning in 2024, with the 2025 maximum now totaling \$4,430.10. For 2026, it has been assumed that the same structure will apply.

- 1 • EI – EPI remits 2.30% of insurable earnings, up to the 2025 maximum insurable earnings of  
2 \$65,700. The maximum employer contribution per employee in 2025 is \$1,508.47. For 2026, it  
3 has been assumed that the same maximum will remain unchanged.
- 4 • EHT – EPI remits 1.95% of Ontario remuneration, including taxable benefits. EPI's EHT  
5 contributions are based on remuneration in excess of the exemption threshold for payrolls  
6 below \$5M. For 2026, it has been assumed that the same structure will apply.
- 7 • WSIB – EPI remits 0.78% of insurable earnings, including taxable benefits, based on its assigned  
8 WSIB rate group. The 2025 maximum annual insurable earnings ceiling per employee is  
9 \$117,000, resulting in a maximum employer contribution of approximately \$912.60. For 2026, it  
10 has been assumed that the same structure will apply.

11 EPI premium information for the 2016 OEB Approved Proxy through the 2026 Test Year is detailed in  
12 Table 4-48 above.

#### 13 **4.5.2 COMPANY BENEFITS**

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##### 14 **OMERS PENSION PLAN**

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15 The employees of all LDCs are required to participate in OMERS. Accordingly, EPI pension benefits are  
16 consistent with the pension benefits provided to employees of other LDCs.

17 OMERS is a contributory defined benefit pension plan that is financed by equal contributions from the  
18 employer and employee based on the employee's contributory earnings. EPI remits 9.0% of  
19 contributory earnings up to the YMPE of \$71,300, and 14.6% on earnings above that threshold. These  
20 contributions are matched by employees and are based on the Normal Retirement Age 65 plan. These  
21 rates have remained constant from 2016 through the 2026 Test Year, as corroborated by the OMERS  
22 Employer Quarterly Newsletter of Q2 2024, which noted that current contribution rates will remain in  
23 effect until December 31, 2026. Therefore, for the 2026 Test Year, EPI assumed OMERS rates of 9.0% on  
24 earnings up to YPME and 14.6% on earnings above YMPE.

Table 4-48 above shows OMERS pension costs from the 2016 OEB Approved Proxy through the 2026 Test Year. The increases in OMERS premiums from 2016 through 2026 are driven by increases in wages and increases in FTEs.

#### HEALTH, DENTAL, LONG-TERM DISABILITY AND LIFE INSURANCE BENEFITS

EPI provides a comprehensive set of health and wellness benefits to its employees, aimed at supporting the physical and mental well-being of EPI employees and their families. These benefits are an essential component of recruitment and retention.

Health care, dental, long-term disability (“LTD”), and life insurance coverage are delivered through a group benefits program administered by the MEARIE Group, which provides insurance, financial, and risk management solutions to LDCs. MEARIE sources group benefits primarily from Canada Life, a leading Canadian-based international provider of insurance and healthcare benefit products and services.

In 2025, premiums for these benefits increased by an average of 10%, consistent with trends observed across group benefits plans in Ontario, where rising utilization and demographic factors have contributed to higher benefit plan renewal rates among a wide range of employers. See Table 4-49 below for information on annual renewal changes from 2017 to 2025 and 2026 projected.

**TABLE 4-49: HEALTH, DENTAL, LONG-TERM DISABILITY AND LIFE INSURANCE ANNUAL RENEWAL CHANGES**

Benefit Type	Effective Date	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Health Care	Jan 1	10.00%	-2.50%	-3.00%	9.00%	6.00%	0%	8.20%	13.00%	11.50%	5.00%
Dental	Jan 1	5.00%	-1.50%	-5.00%	4.50%	0.00%	7.00%	14.00%	6.00%	15.30%	5.00%
L-T Disability	Jan 1	6.00%	-10.00%	-15.00%	0.00%	0.00%	8.00%	5.00%	5.00%	5.10%	3.00%
Life Insurance	Jan 1	-10.00%	-10.00%	-5.00%	0.00%	0.00%	3.00%	0.00%	5.00%	3.60%	3.00%

In addition to the renewal changes shown above, benefit costs also increased in 2025 due to increases in FTEs and plan design changes from the 2025 CBA negotiation process.

In addition to core benefits, EPI maintains an Employee and Family Assistance Program (“EFAP”), administered by the MEARIE Group and delivered through TELUS Health. The EFAP provides confidential, short-term counselling and support services to employees and their immediate family members, addressing a range of personal, family, health, and work-related challenges. The EFAP

supports employee mental health and resilience, contributing to overall productivity, engagement, and workplace stability.

Together, these benefit programs reflect EPI's commitment to maintaining a healthy and sustainable workforce, aligned with sector standards and responsive to the evolving needs of employees.

A detailed summary of EPI's actual benefit program costs is presented in Table 4-48 above.

#### **OTHER POST-EMPLOYMENT BENEFITS ("OPEBS")**

EPI provides post-employment benefit life insurance and health care to all active full-time employees and retirees under the age of 65 via a group defined benefit plan. In the past, retirees from certain predecessor utilities were granted lifetime benefits (or in some cases, ongoing life insurance only). The history is further described in an EPI predecessor COS Application (EB-2009-0261), as follows:

*"Retiree benefits are in two categories, retirees who retired prior to 1999 and those who retired after 1999. The retirees that left prior to 1999 have lifetime benefits as that was the benefit plan in place at that time. Chatham-Kent Hydro amalgamated 11 electric utilities in 1999 and in the first contract negotiations were able to agree with IBEW Local 636 to change the retiree's benefits from life time to age 65 for all future retirees. This was a significant cost reduction for Chatham-Kent Hydro."*

As of June 2025, there are 15 retirees (or their survivors) of the former Chatham-Kent Hydro who continue to collect lifetime benefits.

The cost of post-employment benefits is actuarially determined using the projected benefit method pro-rated on service and based on assumptions that reflect management's best estimates. The current service cost for the period is equal to the employee's service rendered during that period. Past service costs arising from plan amendments are amortized on a straight-line basis over the average remaining service period of the employee's active date of amendment. These costs are treated as an overhead account and allocated directly based on direct labour hours charged to each department.

In its 2016 COS (EB-2015-0061), EPI established Account 1508 – Sub-Account – OPEB Forecast Cash vs. Forecast Accrual Differential to capture the annual differences in revenue requirement, effective May 1, 2016, arising from using a forecasted cash basis (in rates) versus the above-described forecasted accrual basis for both capitalized and OM&A OPEB amounts. Thereafter, following the OEB's September 14,

1 2017, OPEB guidance, accrual accounting became the default for rate-setting. Additional details are  
2 provided in Exhibit 9, Section 9.5.1 ("Subaccount OPEB"), including applicable deferral and variance  
3 accounts. The Subaccount OPEB balance in Exhibit 9 represents the cumulative impact of the proposed  
4 transition from the cash to the accrual basis of accounting for OPEB expense.

5 Mondelis Actuarial completed a full actuarial valuation as of December 31, 2022, using IFRS guidelines  
6 for post-retirement non-pension benefits. A copy of the actuarial valuation is provided as Attachment 4-  
7 B.

8 EPI's post-retirement benefit costs for the 2016 to 2024 Historical Years, 2025 Bridge Year and 2026 Test  
9 Year are detailed in Table 4-48 above.

10 EPI confirms that the PILs evidence in Exhibit 6 of this Application agrees with this analysis.



## 4.6 SHARED SERVICES AND CORPORATE COST ALLOCATION

### 4.6.1 OVERVIEW

EPI currently has shared services/corporate cost allocation arrangements with the following entities:

- Entegrus Inc. (“EI”) – EPI’s parent company;
- Entegrus Services Inc. (“ESI”) – a wholly-owned subsidiary of EI;
- Entegrus Renewable Energy Inc. (“EREI”) – a wholly-owned subsidiary of EI;
- Entegrus Transmission Inc. (“ETI”) – a wholly-owned subsidiary of EI;
- The Municipality of Chatham-Kent (“the Municipality”) – 71.49% shareholder of EI;
- Chatham-Kent Public Utilities Commission (“CK PUC”) – a water and wastewater commission of the Municipality; and,
- The City of St. Thomas – 20.57% shareholder of EI.

See Exhibit 1 for additional details regarding these affiliates.

These shared services/corporate cost allocation arrangements with these affiliates are for either the purchase or provision of products and services and are in place to benefit from cost savings due to increased efficiencies and economies of scale. The tables below (Table 4-50 through Table 4-60) provide a summary of the transactions and pricing methodology used to assign costs for 2016 to 2024 Actuals and projections for the 2025 Bridge Year and 2026 Test Year. These tables are consistent with the OEB’s Appendix 2-N.

1 **TABLE 4-50: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2016 ACTUAL**

Year: 2016

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
EPI	ETI	Finance, Communications, and IT	Fully allocated cost (hours and related costs)	99,000	99,000
EPI	ESI	Finance, Communications, IT and Risk Management	Fully allocated cost (hours and related costs)	72,852	
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,284,080	2,241,576
EPI	Municipality of CK	Streetlight Maintenance	Fully allocated cost (hours and related costs)	247,857	50,021
EPI	City of St. Thomas	Water Billing & Collection and Administrative	PwC study	365,124	227,473
EPI	AESI	Labour and Equipment Support	Actual cost	28,394	13,064
EI	EPI	Management, HR, Communication and Admin	Fully allocated cost (hours and related costs)		984,742
Municipality of CK	EPI	HR, IT, Treasury and Customer Service	Fully allocated cost (hours and related costs)		206,429
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		162,631
AGI	EPI	Corporate Governance and Oversight	PwC study		412,000
AGI	EPI	Board of Directors	PwC study		40,400
				3,097,307	4,437,336

**Corporate Cost Allocation**

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	8%	4,158
EPI	ESI	Rent	Not less than fully allocated cost	55%	28,892
EPI	EI	Rent	Not less than greater of market and fully allocated cost	37%	19,100
					52,150

3 **TABLE 4-51: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2017 ACTUAL**

Year: 2017

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
EPI	ETI	Finance, Communications, and IT	Fully allocated cost (hours and related costs)	84,300	83,689
EPI	ESI	Finance, Communications, IT and Operations Management	Fully allocated cost (hours and related costs)	65,052	
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,300,973	2,260,275
EPI	Municipality of CK	Streetlight Maintenance	Fully allocated cost (hours and related costs)	296,147	149,054
EPI	City of St. Thomas	Water Billing & Collection and Administrative	PwC study	414,923	231,325
EPI	AESI	Labour and Equipment Support	Actual cost	22,845	12,067
EI	EPI	Management, HR, Communication and Admin	Fully allocated cost (hours and related costs)		1,041,525
Municipality of CK	EPI	HR, IT, Treasury and Customer Service	Fully allocated cost (hours and related costs)		191,963
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		59,153
AGI	EPI	Corporate Governance and Oversight	PwC study		200,000
AGI	EPI	Board of Directors	PwC study		40,400
				3,184,240	4,269,451

**Corporate Cost Allocation**

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	8%	4,236
EPI	ESI	Rent	Not less than fully allocated cost	55%	29,484
EPI	EI	Rent	Not less than greater of market and fully allocated cost	37%	19,484
					53,204

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1 **TABLE 4-52: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2018 ACTUAL**

Year: 2018

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
EPI	ETI	Finance, Communications, and IT	Fully allocated cost (hours and related costs)	63,636	63,341
EPI	ESI	Finance, Communications, IT and Risk Management	Fully allocated cost (hours and related costs)	59,724	
EPI	EREI	Finance	Fully allocated cost (hours and related costs)	17,996	
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,302,546	2,276,976
EPI	Municipality of CK	Streetlight Maintenance	Fully allocated cost (hours and related costs)	68,393	20,905
EPI	City of St. Thomas	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	434,629	270,436
EI	EPI	Corporate Planning, Admin, HR, and Communications	Fully allocated cost (hours and related costs)		1,048,812
Municipality of CK	EPI	HR, IT, Treasury and Customer Service	Fully allocated cost (hours and related costs)		226,813
AGI	EPI	Board of Directors	PwC study		10,100
				2,946,924	3,917,383

**Corporate Cost Allocation**

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	8%	4,332
EPI	ESI	Rent	Not less than fully allocated cost	55%	30,059
EPI	EI	Rent	Not less than greater of market and fully allocated cost	37%	19,874
					54,265

3 **TABLE 4-53: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2019 ACTUAL**

Year: 2019

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
EPI	ETI	Finance, Communications, and IT	Fully allocated cost (hours and related costs)	28,176	28,049
EPI	ESI	Finance, Communications, IT and Risk Management	Fully allocated cost (hours and related costs)	62,928	62,574
EPI	EREI	Finance	Fully allocated cost (hours and related costs)	17,707	18,332
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,272,687	2,265,012
EPI	Municipality of CK	Streetlight Maintenance	Fully allocated cost (hours and related costs)	40,455	
EPI	City of St. Thomas	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	395,254	389,344
EI	EPI	Corporate Planning, Admin, HR, and Communications	Fully allocated cost (hours and related costs)		1,086,780
Municipality of CK	EPI	HR, IT, Treasury and Customer Service	Fully allocated cost (hours and related costs)		230,232
				2,817,207	4,080,323

**Corporate Cost Allocation**

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	8%	4,419
EPI	ESI	Rent	Not less than fully allocated cost	55%	30,660
EPI	EI	Rent	Not less than greater of market and fully allocated cost	37%	20,300
					55,379

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1 **TABLE 4-54: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2020 ACTUAL**

Year: 2020

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
EPI	ETI	Finance, Communications, and IT	Fully allocated cost (hours and related costs)	27,408	27,295
EPI	ESI	Finance, Communications, IT and Risk Management	Fully allocated cost (hours and related costs)	180,048	178,702
EPI	EREI	Finance	Fully allocated cost (hours and related costs)	18,792	18,749
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,197,440	2,158,884
EPI	Municipality of CK	Streetlight Maintenance	Fully allocated cost (hours and related costs)	33,749	
EPI	City of St. Thomas	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	397,834	347,406
EI	EPI	Corporate Planning, Admin, HR, and Communications	Fully allocated cost (hours and related costs)		1,170,888
Municipality of CK	EPI	HR, IT, Treasury and Customer Service	Fully allocated cost (hours and related costs)		234,421
				2,855,271	4,136,345

**Corporate Cost Allocation**

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
EPI	ESI	Rent	Not less than fully allocated cost	60%	31,273
EPI	EI	Rent	Not less than greater of market and fully allocated cost	40%	20,431
					51,704

3 **TABLE 4-55: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2021 ACTUAL**

Year: 2021

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
EPI	ETI	Finance, Communications, and IT	Fully allocated cost (hours and related costs)	23,448	23,376
EPI	ESI	Finance, Communications, IT and Risk Management	Fully allocated cost (hours and related costs)	194,640	193,164
EPI	EREI	Finance	Fully allocated cost (hours and related costs)	19,008	18,962
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,232,135	2,188,440
EPI	Municipality of CK	Streetlight Maintenance	Fully allocated cost (hours and related costs)	30,696	
EPI	City of St. Thomas	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	408,949	394,640
EI	EPI	Corporate Planning, Admin, HR, and Communications	Fully allocated cost (hours and related costs)		1,177,236
Municipality of CK	EPI	HR, IT, Treasury and Customer Service	Fully allocated cost (hours and related costs)		242,546
				2,908,876	4,238,364

**Corporate Cost Allocation**

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
EPI	ESI	Rent	Not less than fully allocated cost	60%	31,898
EPI	EI	Rent	Not less than greater of market and fully allocated cost	40%	20,840
					52,738

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1 **TABLE 4-56: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2022 ACTUAL**

Year: 2022

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
EPI	ETI	Finance, Communications, and IT	Fully allocated cost (hours and related costs)	21,660	21,602
EPI	ESI	Finance, Communications, IT and Risk Management	Fully allocated cost (hours and related costs)	86,356	85,787
EPI	EREI	Finance	Fully allocated cost (hours and related costs)	19,044	19,011
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,282,376	2,242,320
EPI	Municipality of CK	Streetlight Maintenance	Fully allocated cost (hours and related costs)	40,558	
EPI	City of St. Thomas	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	436,187	363,562
EI	EPI	Corporate Planning, Admin, HR, and Communications	Fully allocated cost (hours and related costs)		1,217,340
Municipality of CK	EPI	HR, IT, Treasury and Customer Service	Fully allocated cost (hours and related costs)		246,696
				2,886,181	4,196,318

**Corporate Cost Allocation**

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
EPI	ESI	Rent	Not less than fully allocated cost	60%	32,536
EPI	EI	Rent	Not less than greater of market and fully allocated cost	40%	21,300
					53,836

3 **TABLE 4-57: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2023 ACTUAL**

Year: 2023

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
EPI	ESI	Finance, Communications, IT and Risk Management	Fully allocated cost (hours and related costs)	71,988	71,656
EPI	EREI	Finance	Fully allocated cost (hours and related costs)	19,044	20,077
EPI	EI	Management, Finance, Regulatory, and Administrative	Fully allocated cost (hours and related costs)	248,338	
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,019,113	1,980,456
EPI	Municipality of CK	Streetlight Maintenance	Fully allocated cost (hours and related costs)	39,745	
EPI	City of St. Thomas	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	488,950	481,492
EI	EPI	Corporate Planning, Admin, HR, and Communications	Fully allocated cost (hours and related costs)		1,297,368
Municipality of CK	EPI	HR, IT, Treasury and Customer Service	Fully allocated cost (hours and related costs)		66,186
				2,887,178	3,917,235

**Corporate Cost Allocation**

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
EPI	ESI	Rent	Not less than fully allocated cost	60%	33,187
EPI	EI	Rent	Not less than greater of market and fully allocated cost	40%	21,726
					54,913

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1 **TABLE 4-58: SHARED SERVICES AND CORPORATE COST ALLOCATION – 2024 ACTUAL**

Year: 2024

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
EPI	ESI	Finance, Communications, IT and Risk Management	Fully allocated cost (hours and related costs)	32,760	31,568
EPI	EREI	Finance	Fully allocated cost (hours and related costs)	21,732	20,223
EPI	EI	Management, Finance, Regulatory, and Administrative	Fully allocated cost (hours and related costs)	312,726	
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,057,246	2,019,024
EPI	Municipality of CK	Streetlight Maintenance	Fully allocated cost (hours and related costs)	67,208	
EPI	City of St. Thomas	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	556,393	385,590
EI	EPI	Corporate Planning, Admin, HR, and Communications	Fully allocated cost (hours and related costs)		1,389,012
Municipality of CK	EPI	HR, IT, Treasury and Customer Service	Fully allocated cost (hours and related costs)		61,986
				3,048,065	3,907,403

**Corporate Cost Allocation**

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
EPI	ESI	Rent	Not less than fully allocated cost	60%	33,851
EPI	EI	Rent	Not less than greater of market and fully allocated cost	40%	22,200
					56,051

3 **TABLE 4-59: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2025 BRIDGE YEAR**

Year: 2025 Bridge Year

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
EPI	ESI	Finance, Communications, IT and Risk Management	Fully allocated cost (hours and related costs)	73,724	73,569
EPI	EREI	Finance	Fully allocated cost (hours and related costs)	69,189	69,150
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,098,222	2,061,823
EPI	Municipality of CK	Streetlight Maintenance	Fully allocated cost (hours and related costs)	40,000	
EPI	City of St. Thomas	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	545,992	522,522
EI	EPI	Corporate Planning, Admin, HR, and Communications	Fully allocated cost (hours and related costs)		1,453,214
Municipality of CK	EPI	HR, IT, Treasury and Customer Service	Fully allocated cost (hours and related costs)		66,469
				2,827,127	4,246,747

**Corporate Cost Allocation**

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
EPI	ESI	Rent	Not less than fully allocated cost	60%	34,528
EPI	EI	Rent	Not less than greater of market and fully allocated cost	40%	22,600
					57,128

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## TABLE 4-60: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2026 TEST YEAR

Year: 2026 Test Year

### Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
EPI	ESI	Finance, Communications, IT and Risk Management	Fully allocated cost (hours and related costs)	76,725	76,567
EPI	EREI	Finance	Fully allocated cost (hours and related costs)	71,224	71,184
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,170,568	2,132,782
EPI	Municipality of CK	Streetlight Maintenance	Fully allocated cost (hours and related costs)	40,000	
EPI	City of St. Thomas	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	660,399	640,439
EI	EPI	Corporate Planning, Admin, HR, and Communications	Fully allocated cost (hours and related costs)		1,446,089
Municipality of CK	EPI	HR, IT, Treasury and Customer Service	Fully allocated cost (hours and related costs)		67,107
				3,018,916	4,434,168

### Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
EPI	ESI	Rent	Not less than fully allocated cost	60%	35,219
EPI	EI	Rent	Not less than greater of market and fully allocated cost	40%	23,300
					58,519

## 4.6.2 SHARED SERVICES TO AFFILIATES

### SERVICES TO ESI AND EREI

EPI delivers a range of shared services to its affiliates, including financial, communications, IT, and operations management services to ESI, as well as financial services to EREI. These services are charged based on the fully allocated cost of direct supplies used in service delivery, along with actual EPI staff time recorded at the employee's wage rate plus applicable payroll burdens.

### SERVICES TO CK PUC

EPI provides water and wastewater meter reading, billing, collecting, general customer administration and field service representative services to CK PUC. The cost for these services is based on the fully allocated cost of supplies directly related to providing the service and actual EPI reported staff time, at the employee's wage rate plus applicable payroll burdens.

### STREETLIGHT SERVICES

EPI provides streetlight maintenance services on a cost-based price basis to the Municipality of Chatham-Kent. The cost basis includes actual material costs, labour and associated burdens, truck time and allocated overheads.

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## **SERVICES TO THE CITY OF ST. THOMAS**

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EPI delivers water and wastewater meter reading, billing, collection, general customer administration, and field service representative services to the City of St. Thomas. These services are charged based on the fully allocated cost of directly related supplies and actual EPI-reported staff time, calculated at the employee's wage rate plus applicable payroll burdens.

### **4.6.3 SHARED SERVICES FROM AFFILIATES**

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#### **SERVICES FROM THE MUNICIPALITY**

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The Municipality provides EPI with human resources, information technology, treasury, and administrative services, all billed at the Municipality's fully allocated cost.

#### **SERVICES FROM EI**

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EI provides corporate planning, HR, communications and administrative services to EPI. The cost for these services is based on the fully allocated cost of supplies directly related to providing the service and actual time incurred as reported on timesheets, at the employee's wage rate plus applicable payroll burdens.

### **4.6.4 CORPORATE COST ALLOCATIONS**

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EPI charges ESI and EI rent based on the occupied square footage, which is reviewed periodically for changes. The amount charged to EI for rent is not less than the greater of market and fully allocated cost. ESI owns the Data Centre building; therefore, the rent charged by EPI to ESI pertains solely to the underlying land. As there is no market for land-only leases (i.e., excluding buildings) in Chatham-Kent, the rental charge is not less than fully allocated cost.

### **4.6.5 AFFILIATE BOARD OF DIRECTOR COSTS**

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EPI confirms that no Board of Director costs for its affiliated companies are included in its costs.



#### 4.6.6 VARIANCE ANALYSIS

Table 4-61 below identifies variances of the 2026 Test Year versus 2016 OEB Approved and 2024 Actual for services provided by EPI to affiliates, services provided to EPI from its affiliates and EPI's corporate cost allocations. Explanations for material variances are provided below.

**TABLE 4-61: SUMMARY OF AFFILIATES SERVICES AND CORPORATE COST ALLOCATIONS**

Item	2016 OEB Approved Proxy	2024 Actual	2026 Test Year	2026 Test Year vs. 2016 Board Approved	2026 Test Year vs. 2024 Actual
	\$	\$	\$	\$	\$
Services provided by EPI	2,966,745	3,048,065	3,018,916	52,171	(29,149)
Services provided to EPI	2,028,357	1,450,998	1,513,196	(515,161)	62,198
Corporate cost allocations	49,808	56,051	58,519	8,711	2,468

#### 2026 TEST YEAR VERSUS 2016 OEB APPROVED

The value of services received from EPI's affiliates is forecast to decline by \$515k in the 2026 Test Year relative to the 2016 OEB Approved Proxy. This reduction is primarily driven by cost savings resulting from synergies realized through the merger of EPI and STEI, notably in the areas of administrative management and corporate governance. A detailed year-over-year breakdown of merger savings is provided in Section 1.11.4 of Exhibit 1.

#### 2026 TEST YEAR VERSUS 2024 ACTUAL

There are no material variances noted between the 2026 Test Year and 2024 Actuals.

#### RECONCILIATION OF REVENUES FROM AFFILIATES

EPI's revenue from services provided to its affiliates, as outlined in Appendix 2-N, is reconciled to the corresponding balances recorded in its USoA accounts in Table 4-62 and Table 4-63 below. EPI undertakes considerable efforts to ensure affiliates are appropriately charged and do not receive any undue advantage as a result of their affiliation with EPI.

**TABLE 4-62: RECONCILIATION OF SERVICES TO AFFILIATES – 2016 ACTUAL TO 2020 ACTUAL**

Item	Source/Account	Notes	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
	Appendix 2-N	Revenue from providing shared services	3,097,307	3,184,240	2,946,924	2,817,207	2,855,271
	Appendix 2-N	Revenue from corporate cost allocations	52,150	53,204	54,265	55,379	51,704
	4205 - Interdepartment Rents	Rent allocation to CDM	14,552	16,065	16,065	12,469	4,901
			3,164,009	3,253,509	3,017,254	2,885,055	2,911,876
Exhibit #6 - Other Revenues	4205 - Interdepartment Rents	Rent	66,702	69,269	70,330	67,848	56,605
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Water/wastewater billing	2,649,204	2,715,896	2,737,175	2,667,941	2,595,274
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Streetlight maintenance	247,857	296,147	68,393	40,455	33,749
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Revenue from ETI	99,000	84,300	63,636	28,176	27,408
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Revenue from ESI	72,852	65,052	59,724	62,928	180,048
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Miscellaneous	28,394	22,845	-	-	-
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Revenue from EREI	-	-	17,996	17,707	18,792
			3,164,009	3,253,509	3,017,254	2,885,055	2,911,876
	Difference		-	-	-	-	-

**TABLE 4-63: RECONCILIATION OF SERVICES TO AFFILIATES – 2021 ACTUAL TO 2026 TEST YEAR**

Item	Source/Account	Notes	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Bridge Year	2026 Test Year
	Appendix 2-N	Revenue from providing shared services	2,908,876	2,886,181	2,887,178	3,048,065	2,827,127	3,018,916
	Appendix 2-N	Revenue from corporate cost allocations	52,738	53,836	54,913	56,051	57,128	58,519
	4205 - Interdepartment Rents	Rent allocation to CDM	3,297	788	-	-	-	-
			2,964,911	2,940,805	2,942,091	3,104,116	2,884,255	3,077,435
Exhibit #6 - Other Revenues	4205 - Interdepartment Rents	Rent	56,035	54,624	54,913	56,051	57,128	58,519
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Water/wastewater billing	2,641,084	2,718,563	2,508,063	2,613,639	2,644,214	2,830,967
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Streetlight maintenance	30,696	40,558	39,745	67,208	40,000	40,000
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Revenue from ETI	23,448	21,660	-	-	-	-
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Revenue from ESI	194,640	86,356	71,988	32,760	73,724	76,725
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Revenue from EREI	19,008	19,044	19,044	21,732	69,189	71,224
Exhibit #6 - Other Revenues	4375 - Revenues from Non-Utility Operations	Revenue from EI	-	-	248,338	312,726	-	-
			2,964,911	2,940,805	2,942,091	3,104,116	2,884,255	3,077,435
	Difference		-	-	-	-	-	-

## 4.7 NON-AFFILIATE SERVICES, REGULATORY ONE-TIME COSTS

### 4.7.1 PURCHASE OF NON-AFFILIATE SERVICES

EPI procures goods and services from third-party suppliers in accordance with its Purchasing Policy, which sets out the guiding principles, requirements, accountabilities, and procedures for procurement activities. The policy defines authorization levels, outlines the necessary approvals, and establishes processes for acquiring goods and services through competitive bids, quotations, and contract awards.

These procurement practices ensure that EPI's purchasing activities adhere to legal, ethical, managerial, and professional standards. While the policy identifies certain circumstances where a competitive bidding process may not be required, EPI confirms that all non-affiliate purchases are conducted in accordance with the policy and that no material transactions have occurred outside of its provisions.

In alignment with the OEB's Filing Requirements, EPI has included a copy of its Purchasing Policy as Attachment 4-C to this Exhibit.

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#### 4.7.2 REGULATORY ONE-TIME COSTS

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EPI has included one-time regulatory costs for the preparation and review of this Application in the amount of \$775,000 below. EPI proposes that these costs be recovered through distribution rates equally over a 5-year period, i.e. 1/5th in each of 2026 to 2030. Accordingly, EPI has included \$155,000 in 2026 Test Year OM&A costs.

Table 4-64 (OEB Appendix 2-M) below summarizes the one-time regulatory costs forecasted to be incurred due to this Application. These incremental costs include \$175,000 in legal fees, \$425,000 in consulting fees, \$100,000 in intervenor costs and \$75,000 for staff overtime and other expenses. For this Application, EPI has engaged consulting assistance from subject matter experts related to the ACA/DSP, customer engagement, evidence and rates preparation and overall application support.

Aside from the staff overtime related to the preparation of this Application noted above, EPI does not include internal labour costs of staff involved in the preparation of regulatory submissions and applications. These costs are included in the Regulatory OM&A program, which also includes ongoing regulatory costs including OEB annual assessment fees, intervenor costs awards and other regulatory related expenses.

As per the Filing Requirements, no other one-time costs are included in the Historical, 2025 Bridge or 2026 Test Year.

1 **TABLE 4-64: ONE-TIME APPLICATION COSTS, OEB APPENDIX 2-M**

Regulatory Costs (One-Time)		EPI 2016 Rebasing (EB-2015-0061)	STEI 2015 Rebasing (EB-2014-0113)	STEI 2015 Rebasing Escalated to 2016	Combined Last Rebasing	Last Rebasing (2016 Actual)	Sum Of Historical Years (2017-2024)	2025 Bridge Year	2026 Test Year
		(A)	(B)	(C)	(D) = (A) + (C)	(E)	(F)	(G)	(H)
1	Expert Witness costs			-	0		0	0	
2	Legal costs		125,000	127,250	127,250	181,461	28,918	116,082	30,000
3	Consultants' costs	283,361	220,000	223,960	507,321	355,200	187,870	222,130	15,000
4	Intervenor costs	70,000	75,000	76,350	146,350	89,687	0		100,000
5	OEB Section 30 Costs (application-related)			-	0	15,737	0	0	
6	Incremental staff and operating expenses allocated to this application	81,632	10,000	10,800	92,432	95,094	0	75,000	
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Sub-total - One-time Costs		\$ 434,993	\$ 430,000	\$ 438,360	\$ 873,353	\$ 737,178	\$ 216,788	\$ 413,212	\$ 145,000
Application-Related One-Time Costs		Total (F + G +H)							
Total One-Time Costs Related to Application to be Amortized over IIRM Period		\$ 775,000							
1/5 of Total One-Time Costs		\$ 155,000							
Notes:									
STEI 2015 BA escalated using 2016 OEB inflation rate of 2.1%, less Cohort 3 stretch factor of 0.3%, equating to 1.8% escalation									
1 For incremental operating expenses with staff/other resources allocated to this application use one of the other categories to record the cost									

2

3

## 4.8 LOW INCOME ENERGY ASSISTANCE PROGRAMS

### ENHANCED LEAP FUNDING

EPI has contributed to the LEAP program since its origination in 2011. Historically, EPI met (or exceeded) the OEB's recommended annual contributions of 0.12% of service revenue requirement.

In 2023, the OEB published a Staff Report (EB-2023-0135) that reviewed the LEAP program. The report included recommendations for enhancements to the program's funding mechanism, eligibility criteria and grant amounts for vulnerable customers. Following a commentary period, the OEB adopted the changes, with implementation effective March 1, 2024.

In accordance with the OEB's EB-2023-0135 order, EPI has been working with its social agency partners (Salvation Army Chatham, Salvation Army Strathroy and Ontario Works St. Thomas) to provide the enhanced LEAP to eligible customers since March 1, 2024. Previously, EPI often ran out of LEAP funding in certain communities in the first half of the calendar year. Under the enhanced program rules, EPI has assisted an increased number of vulnerable customers with LEAP funding at a higher dollar amount. Consistent with the order, EPI has tracked incremental LEAP contributions (amounts above those embedded in base rates) in a dedicated sub-account of Account 1508. As detailed in Exhibit 9, section 9.5.1, EPI is seeking approval to dispose of the balance in this sub-account, and to close the sub-account thereafter.

Given the materiality of the recorded amounts and the ongoing need for the increased level of vulnerable customer financial assistance, EPI has included LEAP funding of \$308,190 in its 2026 Test Year. This amount reflects the anticipated increase in 2026, calculated using the same percentage increase experienced by EPI thus far in 2025 relative to 2024.

## 4.9 CHARITABLE AND POLITICAL DONATIONS

### 4.9.1 CHARITABLE DONATIONS

EPI's contributions to the community from 2016 through 2024 are provided in Table 4-65 below. Similar levels of community donations are planned for 2025 and 2026. EPI is not requesting recovery of these donations and appropriate amounts have been excluded from the revenue requirement calculation.

**TABLE 4-65: EPI CHARITABLE DONATIONS**

Line No.	Description	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual
1	Chatham-Kent Hospice	\$100,000	\$50,000	\$200,000	\$0	\$0	\$0	\$0	\$0
2	St. Clair College	\$100,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0
3	Salvation Army - Strathroy-Caradoc	\$5,000	\$5,000	\$5,000	\$0	\$0	\$0	\$0	\$0
4	Four Counties Hospital (Newbury)	\$1,500	\$0	\$1,500	\$0	\$2,500	\$0	\$0	\$0
5	Strathroy Middlesex General Hospital Foundation	\$1,000	\$2,500	\$1,000	\$0	\$5,000	\$0	\$0	\$0
6	St. Thomas Sports Complex	\$0	\$58,000	\$0	\$0	\$0	\$0	\$0	\$0
7	Habitat for Humanity	\$0	\$15,000	\$15,000	\$7,500	\$0	\$0	\$20,000	\$20,000
8	St. Thomas Downtown Development	\$0	\$0	\$50,000	\$0	\$20,000	\$0	\$0	\$0
9	St. Thomas Elevated Park	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$10,000
10	Inn Out of the Cold St. Thomas-Elgin	\$0	\$0	\$8,000	\$20,000	\$0	\$22,000	\$0	\$0
11	United Way	\$0	\$0	\$0	\$200,000	\$15,000	\$0	\$0	\$5,000
12	Salvation Army	\$0	\$0	\$0	\$23,000	\$0	\$98,500	\$70,000	\$0
13	Indwell	\$0	\$0	\$0	\$15,000	\$200,000	\$200,000	\$0	\$0
14	Central Community Health Centre	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0
15	St. Thomas Seniors Centre	\$0	\$0	\$0	\$8,000	\$20,000	\$0	\$0	\$0
16	St. Thomas Economic Development	\$0	\$0	\$0	\$0	\$18,000	\$0	\$0	\$0
17	STEAM Education Centre	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$20,000
18	Elgin St. Thomas Youth Employment Counselling	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0
19	Canadian Mental Health Association - Thames Valley	\$0	\$0	\$0	\$0	\$0	\$22,000	\$0	\$0
20	Fresh Start Support Services	\$0	\$0	\$0	\$0	\$0	\$14,000	\$0	\$28,000
21	Rotary Club of Strathroy	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0
22	Hospice of Elgin St. Thomas	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000
23	St. Thomas Soccer Club	\$0	\$0	\$0	\$0	\$0	\$0	\$18,000	\$0
24	Children's Treatment Centre of Chatham-Kent	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000
25	Elgin St. Thomas Food Provider	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0
26	Special Olympics Ontario	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0
27	Linck Child, Youth and Family Supports	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
28	<b>Total</b>	<b>\$207,500</b>	<b>\$280,500</b>	<b>\$290,500</b>	<b>\$288,500</b>	<b>\$290,500</b>	<b>\$366,500</b>	<b>\$348,000</b>	<b>\$303,000</b>

### 4.9.2 POLITICAL DONATIONS

EPI confirms that it does not make political contributions and no political contributions have been included for recovery.

## **4.10 COSTS OF NON-WIRES SOLUTIONS AND CONSERVATION AND DEMAND MANAGEMENT**

### **4.10.1 OVERVIEW**

EPI confirms that no costs for dedicated CDM staff to support IESO programs funded under the 2021-2024 CDM Framework are included in the revenue requirement. Similarly, there are no costs for CDM or eDSM for 2025 onwards included in this Application.

### **4.10.2 FUNDING OPTIONS FOR FUTURE CONSERVATION AND DEMAND MANAGEMENT ACTIVITIES**

EPI confirms that no costs for NWSs are included in the revenue requirement, nor is EPI proposing treatment similar to an ACM for any future NWSs.

## **ATTACHMENT 4-A.1**

### EPI Employee Benefit Booklet – Non- Union Employees





**The MEARIE Group**  
**Employee Benefit Program**

**Entegrus Powerlines Inc.**  
**Class 5 | Non-Union Employees**

**Effective January 1, 2025**

# Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

Please keep this handbook in a safe place. If changes are made to your benefits, an updated booklet will be provided to you.

This handbook is not an agreement and it does not create nor confer any contractual or other rights. The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

Any questions you have about your benefit program should be referred to your Plan Administrator.

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# Benefit Summary

This is a summary of the coverage your plan provides. You should read it together with the information in the rest of this booklet. Please see the related sections of this booklet for more information, including exclusions, limitations and other conditions that apply to your plan.

<b>Employer Name</b>	Entegrus Powerlines Inc.
<b>MEARIE Division</b>	0096, 0215, 0216, 0217, 0218
<b>Life &amp; Disability Insurer</b>	Canada Life   Policies 179743 – 179748 (inclusive)
<b>Basic AD&amp;D Insurer</b>	AIG   Policy BSC9028190
<b>Health &amp; Dental Insurer</b>	Canada Life   Policy 331157
<b>Benefit Classification</b>	Class 5   Non-Union Employees

## Basic Life Insurance

Benefit	250% of regular annual earnings*
Maximum	\$400,000
Non-Evidence Maximum	\$400,000
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

NOTE: Amounts that are not an even multiple of \$1,000 are rounded to the nearest \$1,000

\*Earnings means the regular rate of pay of an employee paid by the participating employer, excluding overtime pay and any non-regular form of remuneration, but including bonuses based on the average of the previous 24 months.

## Employee Optional Life Insurance

Benefit	Units of \$10,000
Maximum	\$250,000
Non-Evidence Maximum	\$0*
Cost Sharing	100% employee-paid
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

\*Note: Evidence of Insurability satisfactory to the insurer, will be required for any Amount of Insurance. All amounts of life insurance under the basic life and optional life plans are subject to a combined overall maximum of \$600,000.

# Benefit Summary

## Spouse Optional Life Insurance

Benefit	Units of \$10,000
Maximum	\$250,000
Non-Evidence Maximum	\$0*
Cost Sharing	100% employee-paid
Waiting Period	3 months of continuous service
Termination	Age 65 of Member or Spouse, death of the Member, or earlier retirement

\*Note: Evidence of Insurability satisfactory to the insurer, will be required for any Amount of Insurance.

## Dependent Child Optional Life Insurance

Benefit	\$5,000
Maximum	\$5,000
Non-Evidence Maximum	\$0*
Cost Sharing	100% employee-paid
Waiting Period	3 months of continuous service
Termination	Age 65 of Member, date child no longer qualifies as an eligible dependent, or earlier retirement

\*Note: Evidence of Insurability satisfactory to the insurer, will be required for any Amount of Insurance.

## Basic Accident Insurance

Benefit	250% of regular annual earnings*
Maximum	\$400,000
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

NOTE: Amounts that are not an even multiple of \$1,000 are rounded to the nearest \$1,000.

\*Earnings means the regular rate of pay of an employee paid by the participating employer, excluding overtime pay and any non-regular form of remuneration, but including bonuses based on the average of the previous 24 months.

# Benefit Summary

## Long Term Disability (LTD) Insurance

Benefit	70% of monthly earnings
Overall Maximum	\$8,000
Non-Evidence Maximum	\$8,000
Benefit Elimination Period	180 calendar days
Maximum Benefit Period	To age 65
Cost Sharing	100% employer-paid (benefit is taxable)
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

## Extended Healthcare

Covered expenses will not exceed reasonable and customary charges

Deductible	Nil
Reimbursement Level	Myoelectric prostheses: 80% All other eligible expenses: 100% unless otherwise indicated

## Medical Services and Supplies:

(all items listed require a physician's note)

Hospital	Semi-Private or Private room
Convalescent Care	Semi-Private
Chronic Care	\$3 per day to a maximum of 120 days per calendar year
Private Duty Nursing	90, 8-hour shifts per calendar year
Hearing Aids	\$500 every 5 calendar years
Stock Item Orthopaedic Shoes	2 pairs per calendar year
Custom-made Orthopaedic Shoes	1 pair per calendar year
Custom-made Foot Orthotics	2 pairs per calendar year, to a maximum of \$225 per pair
Surgical Brassieres	4 per calendar year
Surgical Stockings	4 pairs per calendar year
Wigs for Cancer Patients	\$250 per lifetime

# Benefit Summary

## Prescription Drugs

Plan Type	Direct Payment Plan
	Mandatory Generic Substitution
Smoking Cessation	Not covered
Erectile Dysfunction	Not covered
Fertility Drugs	\$15,000 per lifetime

## Out of Country Travel

Emergency Care	Included
Global Medical Assistance	Included

## Paramedical Practitioners

Chiropractor	50% to \$400 per calendar year X-rays covered at 50% to \$50 per calendar year
Dietician	50% to \$280 per calendar year (Physician Referral Required)
Massage Therapist	50% to \$400 per calendar year (Physician Referral Required)
Naturopath	50% to \$300 per calendar year
Osteopath	50% to \$300 per calendar year
Physiotherapist/Sports Therapist	100% to \$525 per calendar year (Physician Referral Required)
Podiatrist	50% to \$300 per calendar year
Mental Health Practitioners (Psychologist, Social Worker and Psychotherapist)	50% to a combined maximum of \$750 per calendar year
Speech Therapist	50% to \$260 per calendar year (Physician Referral Required)

# Benefit Summary

## Vision Care

Glasses, Contact Lenses & Laser Vision Correction	\$500 every 24 months
Eye examinations	One per calendar year
Lifetime Healthcare Maximum	Unlimited
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

## Dental Care

Covered expenses will not exceed reasonable and customary charges

Fee Guide	Current
Deductible	Nil
Recall Visits	9 months 6 months for dependent children under the age of 19
Reimbursement Levels	
Basic Services	100%
Removable Prosthodontic Services	50%
Fixed Prosthodontic Services	50%
Major Services	50%
Orthodontic Services	50%
Plan Maximums	
Basic Services and Removable Prosthodontic Services	Unlimited
Fixed Prosthodontic Services and Major Services	\$2,000 per calendar year
Orthodontic Services	\$3,000 per dependent child, per lifetime



# Benefit Summary

Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

## Healthcare Spending Account

Plan Year	January 1 <sup>st</sup> to December 31 <sup>st</sup>
Benefit	\$1,000 per employee, per calendar year
Forfeiture	Unused credits at the end of any calendar year can be rolled into the next year. If still unused at the end of the second year, they are forfeited
Eligible Expenses	Canada Revenue Agency (CRA) Eligible Health & Dental Expenses
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous services
Termination	Age 65 or earlier retirement

## Wellness | Lifestyle Spending Account

Plan Year	January 1 <sup>st</sup> to December 31 <sup>st</sup>
Benefit	\$550 per employee, per calendar year
Forfeiture	Unused credits at the end of any calendar year are forfeited
Eligible Expenses	Refer to Eligible Expenses within booklet
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous services
Termination	Age 65 or earlier retirement

# General Information

## Enrolling in the Benefit Program

### Eligibility

If you are an active permanent full-time employee, you are first eligible to enroll in the benefit programs on the dates noted within the **Benefit Summary**.

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

Your dependents, as defined within the **Definitions Section**, may also be eligible for coverage.

### Extended Benefits for Surviving Dependents – ACTIVE EMPLOYEES

If you should die while insured under this plan, health and dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death **for a period of up to 5 years**, or earlier, if:

- your coverage – if still living – would otherwise cease due to attainment of age 65,
- your dependent would otherwise cease to qualify as an eligible dependent,
- your surviving spouse remarries,
- similar coverage is obtained elsewhere, or
- this plan terminates.

### Extended Benefits for Surviving Dependents – EARLY RETIREES

If you should die while insured under this plan, health and dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death until the earliest of the following:

- your coverage – if still living – would otherwise cease due to attainment of age 65,
- your dependent would otherwise cease to qualify as an eligible dependent,
- your surviving spouse remarries,
- similar coverage is obtained elsewhere, or
- this plan terminates.

# General Information

## Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

## When Coverage Terminates

Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain the benefit termination age(s) as indicated in the **Benefit Summary**,
- the date you retire (except for retirement benefits, if applicable), or
- the date the group plan is cancelled.

## If You Retire

Coverage for you and your dependents will stop on the date you retire. However, if you retire prior to your 65th birthday, but on or after your 55th birthday, and qualify to receive an early pension through OMERS, your dental and extended health coverage will be continued until you reach age 65.

If you retire on pension under an Early Retirement or Normal Retirement through OMERS, you will qualify to receive a paid-up life insurance policy upon your retirement. Coverage details are provided in the Basic Life Insurance section of this handbook.

# General Information

## **Not Actively at Work**

If you are not actively at work due to Maternity or Parental Leave of Absence, coverage may be continued for the period of leave to which you are entitled by legislation or outlined in the Collective Agreement. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to lay-off, unauthorized leave of absence (other than maternity or parental leave), strike or lock-out.

If you are not actively at work due to illness or injury:

- your life and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage.

# Definitions

**Accident:** Any event due to sudden and unforeseeable external causes that inflicts bodily injuries which are certified by a Physician, directly and independently of any other cause. It does not mean any form of disease, or degenerative process, an inguinal, femora, umbilical or incisional hernia, or any infection other than an infection of a visible, external cut or wound accidentally sustained.

**Actively at Work:** If it is a scheduled work day, you will be considered actively at work if you report for work at your usual place of employment or at some other location where your employer's business requires you to be and when you report that you are able to perform all the usual and customary duties of your occupation on a regular basis. If you are not at work due to it being a non-scheduled work-day, holiday or vacation day, you will be considered to be actively at work if on such date you are neither (i) hospital confined nor (ii) disabled to a degree that you could not then have reported to your usual place of employment or some other location where your employer's business requires you to be and perform all the usual and customary duties of your occupation on a regular basis.

**Annual Earnings:** Your annual gross base remuneration received from your employer and which your employer or policyholder as reported to the insurer. Earnings means the regular rate of pay of an employee paid by the participating employer, excluding overtime pay and any non-regular form of remuneration, but including bonuses based on the average of the previous 24 months.

**Calendar year:** The period from any January 1<sup>st</sup>, to the next December 31<sup>st</sup>, both inclusive.

**Employee:** A person who is employed by his employer and is an active permanent full-time employee under the age of 65. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

**Dependent:** The participants spouse or a child of the participant or of the spouse. If dependents are insured under this policy, "spouse" and "child" will be defined as:

- **Spouse**
  - the person who you are legally married to, or
  - a person who has continuously resided with you in a role like that of a marriage partner.

# Definitions

- **Dependent Children**

- Dependent children include your natural or legally adopted children, or step-children who:
  - are unmarried,
  - are not employed on a full-time basis,
  - are not eligible for insurance as an employee under this plan or any other group plan, and
  - are under 21 years of age, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.
- A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.
- A stepchild must be living with you to be an eligible dependent.

**Illness:** Any deterioration in health requiring regular, continuous and curative care actively provided by a Physician.

**Insured Person:** means the Employee, Retiree, his/her Spouse or Dependent Child, as the case may be.

**Insurer:** means The Canada Life Assurance Company or AIG Insurance.

**Medical Evidence:** Proof that you are insurable, satisfactory to the insurer.

**Non-Evidence Maximum:** The maximum benefit coverage you are eligible for without providing medical evidence (of insurability). To be eligible for amounts above the non-evidence maximum, you must provide medical evidence of insurability satisfactory to the insurer.

**Physician:** A person who is legally licensed and authorized to practice medicine and who is operating within the scope of his license.

**Reasonable and Customary (R&C):** The amount paid for a medical or dental service in a geographic area based on what the insurer in the area usually charge for the same or similar medical service. The R&C amount sometimes is used to determine the allowed amount.

# Definitions

**Specialist:** A physician licensed by the appropriate provincial licensing authority to practice medicine with a specialization.

**Training and Experience:** All the knowledge and skills the Employee acquired while in school, in the performance of his current or former professional activities or during his non-working hours.

**Totally Disabled:** Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation.

**Waiting Period:** means the period from the Employee's first day of active work which must pass before the Employee is eligible to be insured. Specified within the **Benefit Summary**.

# Using Your Plan

## Questions

Any questions you have about your benefit program may be referred to the Human Resources Department or by contacting the plan administrator, The MEARIE Group, at 1-800-668-9979, ext. 5330.

## Submitting Claims

### Life and Accident Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death or accidental dismemberment. Claims must be submitted no later than 12 months after the date of death and/or accident.

### Long Term Disability Benefits

Claim forms are available from your Plan Administrator. **Early filing of claims is recommended.** Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

### Prescription Drug Claims

Your employer will provide you with a benefits card. Present your card to the pharmacist with your prescription. Before your prescription is filled, an Assure Claims check will be done. Assure Claims is a series of seven checks that are electronically done on your drug claim history for increased safety and compliance monitoring. This has been designed to improve the health and quality of life for you and your dependents. Checks done include drug interaction, therapeutic duplication and duration of therapy, allowing the pharmacist to react prior to the drug being dispensed. Depending on the outcome of the checks, the pharmacist may refuse to dispense the prescribed drug. When your coverage ends, return your benefits card to your employer.

### Health, Vision and Paramedical Claims

The majority of healthcare claims – including claims for vision and paramedical services – may be submitted online. To use this online service, you will need to be registered for GroupNet for Plan Members and signed up for direct deposit of claim payments with eDetails. For online claim submissions, your Explanation of Benefits will only be available online. Online claims must be submitted to Canada Life as soon as possible, but no later than 6 months after you incur the expense. You must retain your receipt for 12 months from the date you submit your claim to Canada Life as a record of the transaction, and you must submit it to Canada Life on request.



# Using Your Plan

For all other Healthcare claims, access GroupNet for Plan Members to obtain a personalized claim form. Complete this form making sure it shows all required information. Attach your receipts to the claim form and return it to the Canada Life Benefit Payment Office as soon as possible, but no later than 15 months after you incur the expense.

## **Out of Country Claims**

Out-of-Country Claims (including those for Global Medical Assistance expenses) should be submitted to Canada Life as soon as possible after the expense is incurred. It is very important that you send your claims to the Canada Life Out-of-Country Claims Department immediately as your Provincial or Territorial Medical Plan has very strict time limitations.

Access GroupNet for Plan Members to obtain a personalized claim form or obtain the Statement of Claim Out-of-Country Expenses form from your employer. You must also obtain the Government Assignment form, and residents of British Columbia, Quebec and Newfoundland & Labrador must also obtain the Special Government Claim form. The Canada Life Out-of-Country Claims Department will forward the appropriate government forms to your attention when required.

You should complete all applicable forms, making sure all required information is included. Attach all original receipts and forward the claim to the Canada Life Out-of-Country Claims Department. Be sure to keep a copy for your own records. The plan will pay all eligible claims including your Provincial or Territorial Medical Plan portion. Your Provincial or Territorial Medical Plan will then reimburse the plan for the government's share of the expenses.

Out-of-country claims must be submitted within a certain time period that varies by province or territory. For the claims submission period applicable in your province or territory or for any other questions or for assistance in completing any of the forms, please contact Canada Life's Out-of-Country Claims Department at 1-800-957-9777.

## **Dental Claims**

Claims may be submitted online. Access GroupNet for Plan Members to obtain a personalized claim form and have your dental service provider complete the form. The completed claim form will contain the information necessary to enter the claim online. To use the online service, you will need to be registered for GroupNet for Plan Members and signed up for direct deposit of claim payments with eDetails. For online claim submissions, your Explanation of Benefits will only be available online. Online claims must be submitted to Canada Life as soon as possible, but no later than 6 months after the dental treatment. You must retain your receipt for 12 months from the date you submit your claim to Canada Life as a record of the transaction, and you must submit it to Canada Life on request.

# Using Your Plan

## **Healthcare Spending Account Claims**

The HCSA will reimburse you for the balance of the expense remaining after all other insurance plans have paid out. You must first submit all claims to any government and private insurance plans under which you or any eligible dependents are covered. This is important in order to avoid an over-payment from your HCSA and possible tax consequences. Once you have received reimbursement for the expense from all other plans, you may submit a claim against the HCSA. Claims against the HCSA must be submitted to the Canada Life Benefit Payment Office within 31 days after the end of the plan year in which the expenses are incurred. The standard Canada Life claim forms should be used when you do not want benefits reimbursed from your HCSA.

## **Wellness | Lifestyle Spending Account Claims**

For reimbursement, send a completed Wellness/Lifestyle Account claim form and mail receipt(s)/proof of purchase to Canada Life at:

**Canada Life | Winnipeg Benefit Payments | PO Box 3050 Station Main | Winnipeg MB R3C 0E6**

All claims must be received by Canada Life no later than January 31st of the following year.

### **Prior Authorization**

To determine whether coverage is provided for certain services or supplies, the plan administrator maintains a limited list of services and supplies that require prior authorization. For services and supplies, including a listing of the prior authorization drugs, go to [www.canadalife.com](http://www.canadalife.com). Prior authorization is intended to help ensure that a service or supply represents a reasonable treatment. If the use of a lower cost alternative service or supply represents reasonable treatment, you or your dependent may be required to provide medical evidence to the plan administrator why the lower cost alternative service or supply cannot be used before coverage may be provided for the service or supply.

# Using Your Plan

## **Coordination of Benefits**

Benefits for you or a dependent will be directly reduced by any amount payable under a government plan. If you or a dependent are entitled to benefits for the same expenses under another group plan or as both an employee and dependent under this plan or as a dependent of both parents under this plan, benefits will be co-ordinated so that the total benefits from all plans will not exceed expenses.

You and your spouse should first submit your own claims through your own group plan. Claims for dependent children should be submitted to the plan of the parent who has the earlier birth date in the calendar year (the year of birth is not considered). If you are separated or divorced, the plan which will pay benefits for your children will be determined in the following order:

1. the plan of the parent with custody of the child;
2. the plan of the spouse of the parent with custody of the child;
3. the plan of the parent without custody of the child;
4. the plan of the spouse of the parent without custody of the child

You may submit a claim to the plan of the other spouse for any amount which is not paid by the first plan.

# Basic Life Insurance

## How the Plan Works

If you should die, your basic life insurance plan will pay a benefit to your appointed beneficiary, regardless of the cause of death.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Benefits Provided

Please refer to the **Benefit Summary** for the amount of coverage available.

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under this plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Canada Life within 12 months from the onset of the disability, and periodically as requested by Canada Life thereafter. *Totally Disabled* means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. However, if you are insured for Long Term Disability benefits by Canada Life under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit. The insurer will require proof of the ongoing disability from time to time. This proof may be medical information from your physician(s) or a request to be examined by a physician of the insurer's choice. If you do not provide proof of disability within 3 months of the date requested, premiums will no longer be waived. If you are no longer disabled and do not return to work, or return to work but the policy has terminated, Life coverage will end. You may have the right to convert this coverage; please refer to "Conversion Privilege" in this section.

# Basic Life Insurance

## Conversion Privilege

Your coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Canada Life accompanied by payment of the first premium within 31 days of the date your Life Insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether application for conversion has been made.

<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

# Employee Supplementary Life Insurance

## How The Plan Works

The purchase of supplementary life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your supplementary life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Cost of Supplementary Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a “non-smoker” if you have not smoked for the last 12 months.)

**Monthly costs are provided in the Appendix (please refer to Rate Table 1).**

## Changing Your Coverage

There are times when you may need to change your coverage under the supplementary life insurance plan, either reducing or increasing the coverage, as appropriate.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided your spouse is not hospitalized.

Any request to reduce or cancel supplementary life insurance, will be effective on the later of the date you request or the first day of the month following the date your request is received.

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Supplementary Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Canada Life within 12 months from the onset of the disability, and periodically as requested by Canada Life thereafter.

# Employee Supplementary Life Insurance

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Canada Life under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

## Conversion Privilege

Your supplementary life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — without having to provide medical evidence. You must make written application for the individual policy to Canada Life accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

## What's Not Covered

No amount will be paid for that part of your Supplementary Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

# Spouse Optional Life Insurance

## How the Plan Works

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. If your spouse is insured through this program, benefits are payable to you in the event of the death of your covered spouse.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

## Changing Your Coverage

There are times when you may need to change your coverage under the spouse life insurance plan, either reducing or increasing the coverage, as appropriate.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided your spouse is not hospitalized.

Any request to reduce or cancel optional life insurance for your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (Note: If you subsequently apply to add or increase coverage for your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required).

## Cost of the Spouse Optional Life Plan

For Spouse Optional Life Insurance, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. **Monthly costs are provided in the Appendix (please refer to Rate Table 2).**

## Waiver Of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Spouse Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire, die, you reach age 65, or your spouse reaches age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Canada Life within 12 months from the onset of the disability, and periodically as requested by Canada Life thereafter.



# Spouse Optional Life Insurance

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Canada Life under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

## **Conversion Privilege**

Your spouse's life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — without having to provide medical evidence. You must make written application for the individual policy to Canada Life accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

# Dependent Child Optional Life Insurance

## How The Plan Works

The purchase of dependent optional life insurance is completely voluntary; you decide whether or not to participate. If your dependent child(ren) are (is) insured for life insurance coverage under the dependents' optional life plan, benefits are payable to you in the event of the death of your covered dependent child.

## Benefits Available

For eligible dependent children, the optional life insurance coverage available is noted in the **Benefit Summary**. Coverage is subject to medical evidence – proof that your dependent child(ren) is insurable, satisfactory to the insurer.

## Cost of Insurance

Please contact your Plan Administrator for additional information.

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your dependent child(ren)'s life insurance coverage under the Dependents' Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, or your spouse and/or dependent child(ren) no longer qualifies as an eligible dependent, whichever occurs first. "Totally disabled" means that you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience. The life waiver benefit will continue in accordance with the terms of the policy regardless of whether or not the plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

## What's Not Covered

No amount will be paid for that part of your Dependents' Optional Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

# Basic Accident Insurance

## How The Plan Works

Your basic accidental death and dismemberment insurance covers you 24 hours a day, 7 days a week, anywhere in the world. Benefits from this plan are paid in addition to any life or disability insurance that you receive.

In the event of your accidental death, your accident insurance plan will pay a benefit to your appointed beneficiary. Benefits for all other covered accidental losses are payable to *you*.

You may name anyone you choose to receive benefits payable under the plan in the event of your accidental death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Benefits Provided

Please refer to the **Benefit Summary** for the amount of coverage available.

# Basic Accident Insurance

If An Accident Results In:	Amount Payable
Quadriplegia (total paralysis of both arms and legs)	2 X insured amount
Paraplegia (total paralysis of both legs)	2 X insured amount
Hemiplegia (total paralysis of the arm and leg on one side of the body)	2 X insured amount
Loss of life	whole amount
Loss of both hands, both feet or both eyes	whole amount
Loss of use of both arms or both hands	whole amount
Loss of one hand and one foot	whole amount
Loss of one hand and one eye or one foot and one eye	whole amount
Loss of speech and hearing in both ears	whole amount
Loss of use of both feet	whole amount
Loss of one arm or one leg	3/4 of insured amount
Loss of use of one arm or one leg	3/4 of insured amount
Loss of one hand, one foot or one eye	2/3 of insured amount
Loss of use of one hand or one foot	2/3 of insured amount
Loss of speech or hearing in both ears	2/3 of insured amount
Loss of thumb and index finger or at least 4 fingers of one hand	1/3 of insured amount
Loss of hearing in one ear	1/3 of insured amount
Loss of all toes of one foot	1/4 of insured amount

Only one of the amounts payable (the largest applicable) is paid for injuries to the same limb caused by any one accident.

The maximum payable for all losses suffered by one covered person in any one accident will not exceed the following:

# Basic Accident Insurance

1. with the exception of quadriplegia, paraplegia and hemiplegia, the whole amount for which he or she is insured,
2. with respect to quadriplegia, paraplegia and hemiplegia, 200% of the amount for which he or she is insured, or 100% if Loss of Life occurs within 90 days after the date of the accident.

## Exposure & Disappearance

Benefits will also be paid for:

- losses caused by exposure to the elements, resulting from an accident within 365 days of the accident, and
- disappearance due to travel accidents (if a covered person's body is not found within 365 days of an accident in which their vehicle sinks or disappears, and there is no evidence that they survived, the benefit for loss of life is payable).

## Repatriation Benefit

The plan will pay for the preparation and transportation of the deceased for burial:

- up to \$10,000 if death occurs more than 50 km from the deceased's home, or
- up to \$10,000 if death occurs outside of Canada.

## Rehabilitation Benefit

The plan provides reimbursement of up to \$10,000 for expenses incurred for special training received within 2 years of the accident required in order for you to engage in a new occupation, if you are unable to perform your normal occupation as a result of an accidental loss. Payment will not be made for ordinary living, travelling or clothing expenses.

## Occupational Training Benefit

In the event of your accidental death, the plan provides reimbursement of up to \$10,000 for expenses incurred for training that qualifies your widowed spouse for a job for which he or she would not have otherwise engaged in, but for your death.

## Family Transportation Benefit

In the event you are on a trip covered by this plan, and are confined as an inpatient in a hospital because of injuries which result in a loss payable under the Loss Schedule and require the personal attendance of a member of your immediate family as recommended by the attending physician, the plan will pay up to \$10,000 for the expense incurred by the member for transportation by the most direct route by a licensed common carrier to be in attendance with you.

"**Member of the immediate family**" means the spouse or common law spouse, parent, grandparent, children over age 18, brother or sister of the insured person.

# Basic Accident Insurance

## Education Benefit

In the event of your accidental death, the plan provides a benefit of up to \$5,000 (or 5% of your insured amount, whichever is less) to your dependent child, provided the child was enrolled on a full-time basis in an institution of higher learning beyond the 12th grade level at the time of your death, or was enrolled in the 12th grade level and subsequently enrolls as a full-time student in an institution of higher learning within 365 days of your death.

The maximum benefit is in combination with the Education Benefit maximum provided under any other policy issued by the insurer, and is payable annually for a maximum of four (4) consecutive annual payments, provided the child continues to be enrolled in the institute of higher learning. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

If, at the time of your accidental death, you have no dependent child(ren) eligible for either the Education Benefit or the Day Care Benefit, the insurer will pay \$1,500 to your designated beneficiary.

## Day-Care Benefit

In the event of your accidental death, the plan provides a benefit of up to \$5,000 (or 5% of your insured amount, whichever is less) for reasonable and necessary expenses actually incurred for day-care, provided the child is enrolled in a day-care centre at the time of your death, or will subsequently enroll in a day-care centre within 365 days of your death.

The maximum benefit is in combination with the Day-Care Benefit maximum provided under any other policy issued by the insurer, for not more than four (4) consecutive years with respect to any one dependent child, provided the child continues to be enrolled in a day-care centre. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

**"Day-Care centre"** means a facility which is operated according to law, including laws and regulations applicable to day-care facilities, and which provides care and supervision for children in a group setting on a regular basis. Day-Care centre shall neither include a hospital, the child's home, care provided during school hours while a child is attending grades one (1) through twelve (12) nor any other day-care facility which does not charge a fee for services rendered.

**"Dependent child"** means a person who is either a natural child, step-child or legally adopted child of the insured employee, who is residing in his or her household, is under thirteen (13) years of age and dependent upon the insured employee for maintenance and support.

# Basic Accident Insurance

## Private Automobile Seat Belt Coverage

In the event you sustain an injury which results in a loss payable under the Loss Schedule, an additional amount equal to 10% of the amount payable will be paid if, at the time of the accident, you were driving or riding in a vehicle and wearing a properly fastened seat belt.

The driver of the vehicle must hold a current and valid driver's license of a rating authorizing him or her to operate such vehicle, and neither be intoxicated nor under the influence of drugs, unless such drugs are taken as prescribed by a physician, at the time of the accident.

## Home Alteration & Vehicle Modification Benefit

In the event you receive a payment under the Loss Schedule and subsequently require (due to the same cause for which payment was made under the Loss Schedule) the use of a wheelchair to be ambulatory, this benefit will pay up to \$10,000, upon presentation of proof of payment, for:

- the one-time cost of alterations to your residence to make it wheelchair accessible and habitable, and/or
- the one-time cost of modifications necessary to a motor vehicle, owned by you, to make the vehicle accessible or driveable for you.

Benefit payments will not be paid unless:

1. home alterations are made by a person or persons experienced in such alterations and recommended by a recognized organization, providing support and assistance to wheelchair users; and
2. vehicle modifications are carried out by a person or persons with experience in such matters and modifications are approved by the Provincial vehicle licensing authorities.

## Waiver of Premium

Premium payments are waived during any period in which you are totally disabled and premiums are being waived for your group life insurance coverage. Premiums will be waived until age 65, recovery or death, whichever occurs first, provided this plan remains in force.

# Basic Accident Insurance

## Conversion Privilege

Your basic accidental death and dismemberment insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your insurance to an individual policy provided this plan is still in force — *without* having to provide medical evidence. You must apply to convert prior to age 70 and within 31 days of the date your employment ends. If you should die accidentally or suffer a covered accidental loss during the 31-day conversion period, a benefit will be paid in accordance with the Loss Schedule, regardless of whether or not application for conversion has been made.



# Long Term Disability

## How the Plan Works

Please refer to the **Benefit Summary** for the amount of coverage available, and information regarding the elimination period and benefit period. Benefits are payable under the Long Term Disability plan after you have been totally and continuously disabled for the elimination period noted.

To qualify for long term disability benefits you must be "totally disabled". During the first **24 months** that you receive long term disability benefits, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this **24-month** period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.

Any benefits you receive from the Long Term Disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the Long Term Disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

# Long Term Disability

## Coordination with Other Disability Benefits

Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System, but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability net earnings (if benefits are non-taxable) or gross earnings (if benefits are taxable).

## Rehabilitation Benefit

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company. While you are participating in an approved rehabilitation program, your Long Term Disability benefit will not be discontinued. However, your monthly Long Term Disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

## When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

# Long Term Disability

## Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

## What's Not Covered

Your Long Term Disability plan does not cover:

- participation in a riot, insurrection, or commotion
- cosmetic surgeries
- untreated drugs and alcohol abuse
- impaired driving
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation or attempting to commit a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
  1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
  2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

# Healthcare

## How the Plan Works

Under the health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan. Please refer to the **Benefit Summary** at the beginning of this booklet, for maximum amounts.

The plan covers customary charges for the following services and supplies. All covered services and supplies must represent reasonable treatment. Treatment is considered reasonable if it is accepted by the Canadian medical profession, it is proven to be effective, and it is of a form, intensity, frequency and duration essential to diagnosis or management of the disease or injury.

## Covered Expenses

### Hospital

Daily charges up to semi-private hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

- the insured person was confined to hospital on an in-patient basis; and
- the accommodation was specifically elected in writing by the insured person.

**Note:** The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or co-payment fees (or similar charges).

### Prescription Drugs – Direct Payment Plan

Your prescription drug plan provides coverage for the following:

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives,
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

# Healthcare

The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs.

The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product. Where a prescription contains a written direction from the Physician or Dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your benefit card to the pharmacist. You will be required to pay any deductible, where applicable.

## **Ambulance**

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

## **Private Duty Nursing**

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), Registered Nursing Assistant (R.N.A.), Certified Nursing Assistant (C.N.A.) or Licensed Practical Nurse (L.P.N). who is not a relative, friend or member of the patient's household. A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.

# Healthcare

## **Professional Services / Paramedical Practitioners**

Services as outlined in the Benefit Summary.

## **Vision Care**

Glasses and contact lenses required to correct vision when provided by a licensed ophthalmologist, optometrist or optician. Charges for repairs are also included.

Eye examinations, including refractions, when they are performed by a licensed ophthalmologist or optometrist, and coverage is not available under your provincial government plan.

## **Medical Services and Supplies**

For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs. Rental or, at the plan's discretion, purchase of certain medical supplies, appliances and prosthetic devices prescribed by a physician.

Eligible Services and Supplies include:

- Crutches
- Canes
- Walkers
- Standard Wheelchairs
- Wheelchair Repairs
- Manual Hospital Beds
- Respiratory and Oxygen Equipment
- External prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- Braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,

# Healthcare

- Stock-item orthopaedic shoes when recommended by a physician or podiatrist,
- Custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O). and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe,
- Casted, custom-made orthotics which are recommended by a physician or podiatrist,
- Hearing aids (including charges for installation, repair, maintenance and batteries),
- Surgical stockings,
- Surgical brassieres,
- Wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment,
- Ileostomy, colostomy and incontinence supplies, and
- Microscopic and other similar diagnostic tests and services.

## **Accidental Dental Treatment**

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

# Healthcare

## Out of Country Travel

Emergency care outside Canada is covered if it is required as a result of a medical emergency arising while you or your dependent is temporarily outside Canada for vacation, business or education purposes. To qualify for benefits, you must be covered by the government health plan in your home province. A medical emergency is either a sudden, unexpected injury, or a sudden, unexpected illness or acute episode of disease that could not have been reasonably anticipated based on the patient's prior medical condition. Emergency care is covered medical treatment that is provided as a result of and immediately following a medical emergency.

If the patient's condition permits a return to Canada, benefits are limited to the lesser of:

- the amount payable under this plan for continued treatment outside Canada, and
- the amount payable under this plan for comparable treatment in Canada plus the cost of return transportation.

No benefits are paid for:

- any further medical care related to a medical emergency after the initial acute phase of treatment. This includes non-emergency continued management of the condition originally treated as an emergency,
- any subsequent and related episodes during the same absence from Canada,
- expenses related to pregnancy and delivery, including infant care:
  - after the 34th week of pregnancy, or
  - at any time during the pregnancy if the patient's medical history indicates a higher than normal risk of an early delivery or complications.

Non-emergency care outside Canada is covered for you and your dependents if:

- it is required as a result of a referral from your usual Canadian physician,
- it is not available in any Canadian province and must be obtained elsewhere for reasons other than waiting lists or scheduling difficulties,
- you are covered by the government health plan in your home province for a portion of the cost, and,
- a pre-authorization of benefits is approved by Canada Life before you leave Canada for treatment.



# Healthcare

No benefits will be paid for:

- investigational or experimental treatment
- transportation or accommodation charges.

The plan covers the following services and supplies when related to out-of-country care:

- treatment by a physician,
- diagnostic x-ray and laboratory services,
- hospital accommodation in a standard or semi-private ward or intensive care unit, if the confinement begins while you or your dependent is covered,
- medical supplies provided during a covered hospital confinement,
- paramedical services provided during a covered hospital confinement,
- hospital out-patient services and supplies,
- medical supplies provided out-of-hospital if they would have been covered in Canada,
- drugs,
- out-of-hospital services of a professional nurse,
- for emergency care only, ambulance services by a licensed ambulance company to the nearest centre where essential treatment is available

# Healthcare

## Global Medical Assistance Program

This program provides medical assistance through a worldwide communications network which operates 24 hours a day. The network locates medical services and obtains Canada Life's approval of covered services, when required as a result of a medical emergency arising while you or your dependent is travelling for vacation, business or education.

Coverage for travel within Canada is limited to emergencies arising more than 500 kilometres from home. You must be covered by the government health plan in your home province to be eligible for global medical assistance benefits.

The following services are covered, subject to Canada Life's prior approval:

- On-site hospital payment when required for admission, to a maximum of \$1,000,
- If suitable local care is not available, medical evacuation to the nearest suitable hospital while travelling in Canada. If travel is outside Canada, transportation will be provided to a hospital in Canada or to the nearest hospital outside Canada equipped to provide treatment. When services are covered under this provision, they are not covered under other provisions described in this booklet,
- Transportation and lodging for one family member joining a patient hospitalized for more than 7 days while travelling alone. Benefits will be paid for moderate quality lodgings up to \$1,500 and for a round trip economy class ticket,
- If you or a dependent is hospitalized while travelling with a companion, extra costs for moderate quality lodgings for the companion when the return trip is delayed due to your or your dependent's medical condition, to a maximum of \$1,500,
- The cost of comparable return transportation home for you or a dependent and one travelling companion if prearranged, prepaid return transportation is missed because you or your dependent is hospitalized. Coverage is provided only when the return fare is not refundable. A rental vehicle is not considered prearranged, prepaid return transportation,
- In case of death, preparation and transportation of the deceased home,
- Return transportation home for minor children travelling with you or a dependent who are left unaccompanied because of your or your dependent's hospitalization or death. Return or round-trip transportation for an escort for the children is also covered when considered necessary, and

# Healthcare

- Costs of returning your or your dependent's vehicle home or to the nearest rental agency when illness or injury prevents you or your dependent from driving, to a maximum of \$1,000. Benefits will not be paid for vehicle return if transportation reimbursement benefits are paid for the cost of comparable return transportation home

## Limitations

No benefits are paid for:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

# Dentalcare

## How the Plan Works

Your dental care plan has been developed to help you and your family maintain good dental health. The plan covers customary charges to the extent they do not exceed the dental fee guide level shown in the **Benefit Summary**.

All covered services and supplies must represent reasonable treatment. Treatment is considered reasonable if it is recognized by the Canadian Dental Association, it is proven to be effective, and it is of a form, frequency, and duration essential to the management of the person's dental health. To be considered reasonable, treatment must also be performed by a dentist or under a dentist's supervision, performed by a dental hygienist entitled by law to practise independently, or performed by a denturist.

The following expenses will be covered:

## Basic Coverage

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- bitewing x-rays (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 9-month period, or once in any 6-month period for dependent children under age 21,
- fluoride treatment (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- oral hygiene instruction (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,

# Dentalcare

- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
  1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
  2. provisional splinting; and
  3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

## **Removeable Prosthodontic Services and Supplies**

- initial provision of a full or partial removable denture,
- denture repairs, relines and rebases, and
- replacement of a removable denture, provided the new denture is necessary due to one of the following:
  1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
  2. the existing appliance is at least 36 months old and cannot be made serviceable; or
  3. the existing appliance is temporary and within 12 months of its installation it is replaced by a permanent denture. The total amount payable for both the temporary and permanent denture is the amount which would have been allowed for a permanent denture.

## **Fixed Prosthodontic and Major Restorative Services**

- crowns, onlays and inlays (only when function is impaired due to cuspal or incisal angle damage caused by trauma or decay), including gold foil restorations (only when approved by the Insurance Company), metal transfers, telescoping and splinting,
- veneers,
- initial provision of fixed bridgework, and
- replacement of a fixed bridgework or addition of teeth to bridgework provided the replacement or addition is due to one of the following:
  1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
  2. the existing appliance is at least 36 months old and cannot be made serviceable; or
  3. the existing appliance is temporary and, within 12 months of its installation, it is replaced by a permanent bridge. The total amount payable for both the temporary and permanent bridge is the amount which would have been allowed for a permanent bridge.

# Dentalcare

## Orthodontic Services and Supplies

- space maintainers,
- correction of malocclusion of the teeth,
- observation and adjustment,
- appliances for tooth guidance and uncomplicated tooth movement,
- appliances to control harmful habits,
- retention appliances, and
- fixed or cemented, unilateral and bilateral appliances.

## Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed \$500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

**Note:** If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.

# Dentalcare

## Limitations

No benefits are payable for:

- Services or treatment that are covered under any other plan, government plan or legally mandated program,
- Dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- Dental care required as a result of committing or attempting to commit an assault or criminal offense,
- Charges for broken appointments, third party examinations, travel to and from appointments, or completion of claim forms,
- Charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- Charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- Treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- Cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- Implants, or any services rendered in conjunction with implants,
- Anti-snoring or sleep apnea devices,
- Treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- Replacement of removable appliances which are lost, mislaid or stolen, or
- Laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

# Healthcare Spending Account

## How the Plan Works

A Health Care Spending (HCSA) is like a bank account through which you may be reimbursed for health and dental expenses up to a predetermined annual credit amount. Your employer will provide you with annual credits at the beginning of each plan year. These credits may be used to cover expenses not covered by group health plans or to top-up expenses not fully covered by group health plans, including deductibles and co-payment amounts. Also, since annual credits are in the form of before tax dollars, the HCSA is a tax-effective way of paying for your health-related expenses.

Unused credits at the end of any plan year are automatically forfeited. The plan year for this benefit runs from January 1st to December 31st. The maximum annual payment available under your account consists of the amount of credit directed to it at the beginning of the plan year, as indicated in the **Benefit Summary**.

## Eligibility

You are eligible for HCSA credits through your employer if you are covered for basic health benefits under your group health plan. In addition to the dependents eligible for coverage under your basic health plan, HCSA benefits are extended to a child who is no longer eligible for basic health benefits solely because of student age restrictions and to any other person for whom you are entitled to claim a medical expense tax credit under the Income Tax Act.

## Termination

Your HCSA coverage terminates when your basic health coverage terminates, when you elect to discontinue coverage (at any plan enrolment date) or when your employer discontinues the plan.

## Covered Expenses

The Income Tax Act governs the types of expenses that can be reimbursed under the HCSA. Coverage is provided for medical, vision and dental expenses that qualify for a medical expense tax credit. For a complete list of covered expenses, contact your Canada Revenue Agency District Office and ask for Income Tax Interpretation Bulletin IT-519R.

Canada Life will pay 100% of covered expenses that are incurred while you and your dependents are covered, up to a maximum annual payment equal to the credits in your HCSA. Expenses for medical and vision services and supplies are considered to be incurred when they are received. Dental expenses, other than orthodontic expenses, are considered to be incurred when treatment is completed. Orthodontic expenses are considered to be incurred on a periodic basis throughout the course of treatment.



# Healthcare Spending Account

## Limitations

No benefits are paid for:

- Expenses that private benefit plans are not permitted to cover by law;
- Services or supplies you are entitled to without charge by law or for which a charge is made only because you have coverage under a private benefit plan;
- Any portion of the expense for services or supplies for which benefits are payable under your basic health plan, another group plan or a government plan;
- Expenses arising from war, insurrection, or voluntary participation in a riot.

# Wellness | Lifestyle Spending Account

## How the Plan Works

The Wellness/Lifestyle Account provides support for health promotion/activity-based programs (goods and services) for eligible employees. You will be reimbursed dollar-for-dollar up to the annual maximum amount. The Wellness/Lifestyle Account provides financial support towards our employee's wellness. Eligible/claimable items must be purchased by the employee, for their own use. This is a taxable benefit.

Health Living Account funds cannot be carried over from year to year. Claims are paid from the Wellness/Lifestyle Account in the year that the expense was/is incurred. The plan year for the Wellness/Lifestyle Accounts runs from January 1st to December 31st.

## Eligible/claimable items

Below is a list of eligible claimable items under the Wellness/Lifestyle Account. This list is reviewed and may be amended from time to time.

- Certified Instruction (personal trainer) or instructed classes at a fitness facility
- Exercise equipment for home use (new or used), including:
- Durable home fitness equipment (treadmills, rowing machines, resistance training, elliptical machines, exercise bikes, universal gym systems, weights, etc.)
- Bicycles and parts (excludes payment of fees for service)
- Jogging or cycling strollers
- Canoe, kayak, paddle boat, water skis, paddleboard, windsurfer board
- Specialized fitness equipment (skates, skateboards, roller blades, bicycles, running shoes, hiking/walking boots and shoes, sports racquets, golf clubs, safety helmets, fishing rods, yoga mats, specialized athletic footwear and sports equipment – e.g. kanga boots/shoes, inversion table, etc.)
- Wearable fitness technology and health monitoring devices/trackers (e.g. Fitbit, Jawbone, Smartband, FuelBand, smart scales, etc.)
- Sports equipment (basketball, volleyball, baseball, tennis balls, football, medicine ball, badminton birdies, etc.)
- Snow kits/boots (downhill or cross country), snowboards/boots, safety helmets, snowshoes
- Walking/hiking stick, trekking pole
- Home exercise DVDs, program discs and videos (Wii Fit, Kinect, PlayStation, exercise accessories including balance board, etc.) Excludes game consoles and computer hardware
- Fitness centre membership fees
- Athletic facility fees, including:
- Court fees (racquetball, tennis, squash, badminton, etc.)

# Wellness | Lifestyle Spending Account

- Ski or snowboarding passes/lift tickets
- Fitness program fees (yoga, aerobics, kanga jump, aquasize, Pilates, jazzercise, Zumba, etc.)
- Organized sports leagues (hockey fees, etc.)
- Race registration fees
- Martial arts classes (Tai Chi, Karate, Taekwondo, Wrestling, Judo, etc.)
- Sports league fees (bowling, soccer, etc.)
- Fitness boot camp
- Weight management programs (excluding food)
- Vitamins
- Minerals
- Supplements
- Natural Health Products
- Herbal Remedies
- Alternative Healing Therapies (Reiki, Shiatsu, etc.)
- Health/Stress Management Programs (spa/wellness retreats)
- Smoking cessation programs and products

## **NOTE**

**Golf memberships/green fees, food items and articles of clothing are NOT eligible for reimbursement under this program.**

# Group Home & Auto

## How the Plan Works

To enhance your overall benefits package, your employer has endorsed MEARIE Management Inc's Group Home & Automobile Insurance Program. This Program is available to you on a completely voluntary basis, with all associated premiums being paid by you. The Program, sponsored by MEARIE Management Inc, accesses a number of different insurance companies, ensuring you are able to receive the right coverage, with the right insurer, at the right price. We will work with you to find the best option for your needs.

All our partner insurance companies have been providing group home and automobile insurance to groups and associations for many years, and have the financial strength and stability to ensure their claims-paying ability is second-to-none in the Canadian insurance marketplace.

### Products Available Residential

Homeowners  
Condominium Owners  
Seasonal/Secondary/Rented Residences  
Personal Articles

### Personal Automobiles

Automobiles  
Campers/Motor Homes  
Motorcycles  
Snowmobiles/Recreational Vehicles  
Trailers

## Payment Options

Multi-pay plans, or monthly payment plan with no interest or service fees.

## How to Obtain a Quote

To obtain a no-obligation quote or to get more information on your home and auto insurance needs, call MEARIE Management Inc's toll-free number 1-877-4MEARIE (1-877-463-2743), or visit our website at [www.mearie.ca](http://www.mearie.ca) and click the link Personal Insurance – Home and Auto to access our special pricing offers.

# Appendix

**Rate Table 1 - Employee Additional Term and Supplementary Life Insurance Monthly Rates**

Employee's Attained Age (as of January 1 <sup>st</sup> )	Smoker Monthly Rate (per \$1,000)	Male		Female	
		Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020	
35 – 39	\$0.060	\$0.039	\$0.033	\$0.028	
40 – 44	\$0.163	\$0.080	\$0.099	\$0.062	
45 – 49	\$0.285	\$0.142	\$0.169	\$0.098	
50 – 54	\$0.445	\$0.231	\$0.240	\$0.151	
55 – 59	\$0.757	\$0.383	\$0.395	\$0.231	
60 – 64	\$0.890	\$0.480	\$0.480	\$0.300	

**Notes:**

The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect. Monthly costs shown above are subject to applicable taxes.

**Rate Table 2 - Spouse Optional Life Insurance Monthly Rates**

Spouse's Attained Age (as of January 1 <sup>st</sup> )	Smoker Monthly Rate (per \$1,000)	Male		Female	
		Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)
Under 30	\$0.042	\$0.032	\$0.042	\$0.026	
30 – 39	\$0.069	\$0.035	\$0.054	\$0.032	
40 – 49	\$0.187	\$0.094	\$0.113	\$0.069	
50 – 59	\$0.615	\$0.307	\$0.312	\$0.187	
60 – 64	\$1.200	\$0.599	\$0.653	\$0.390	

**Notes:**

The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect. Monthly costs shown above are subject to applicable taxes.



**The MEARIE Group**

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## **ATTACHMENT 4-A.2**

### EPI Employee Benefit Booklet – IBEW Inside Division

# Notice of Disclaimer



## **The MEARIE Group Employee Benefit Program**

**Entegrus Powerlines Inc.**

**Class 3 | Inside Union**

**Effective January 1, 2025**



# Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

Please keep this handbook in a safe place. If changes are made to your benefits, an updated booklet will be provided to you.

This handbook is not an agreement and it does not create nor confer any contractual or other rights. The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

Any questions you have about your benefit program should be referred to your Plan Administrator.

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# Benefit Summary

This is a summary of the coverage your plan provides. You should read it together with the information in the rest of this booklet. Please see the related sections of this booklet for more information, including exclusions, limitations and other conditions that apply to your plan.

<b>Employer Name</b>	Entegrus Powerlines Inc.
<b>MEARIE Divisions</b>	0096, 0215, 0216, 0217, 0218
<b>Life &amp; Disability Insurer</b>	Canada Life   Policies 179743 – 179748 (inclusive)
<b>Basic AD&amp;D Insurer</b>	AIG   Policy BSC9028190
<b>Health &amp; Dental Insurer</b>	Canada Life   Policy 331157
<b>Benefit Classification</b>	Class 3   Inside Union

## Basic Life Insurance

Benefit	150% of regular annual earnings
Maximum	\$250,000
Non-Evidence Maximum	\$250,000
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

NOTE: Amounts that are not an even multiple of \$1,000 are rounded to the nearest \$1,000

## Employee Optional Life Insurance

Benefit	Units of \$10,000
Maximum	\$250,000
Non-Evidence Maximum	\$0*
Cost Sharing	100% employee-paid
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

\*Note: Evidence of Insurability satisfactory to the insurer, will be required for any Amount of Insurance. All amounts of life insurance under the basic life and optional life plans are subject to a combined overall maximum of \$600,000.

# Benefit Summary

## Spouse Optional Life Insurance

Benefit	Units of \$10,000
Maximum	\$250,000
Non-Evidence Maximum	\$0*
Cost Sharing	100% employee-paid
Waiting Period	3 months of continuous service
Termination	Age 65 of Member or Spouse, death of the Member, or earlier retirement

\*Note: Evidence of Insurability satisfactory to the insurer, will be required for any Amount of Insurance.

## Dependent Child Optional Life Insurance

Benefit	\$5,000
Maximum	\$5,000
Non-Evidence Maximum	\$0*
Cost Sharing	100% employee-paid
Waiting Period	3 months of continuous service
Termination	Age 65 of Member, date child no longer qualifies as an eligible dependent, or earlier retirement

\*Note: Evidence of Insurability satisfactory to the insurer, will be required for any Amount of Insurance.

## Basic Accident Insurance

Benefit	150% of regular annual earnings
Maximum	\$250,000
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

NOTE: Amounts that are not an even multiple of \$1,000 are rounded to the nearest \$1,000.

# Benefit Summary

## Long Term Disability (LTD) Insurance

Benefit	70% of monthly earnings
Overall Maximum	\$4,000
Non-Evidence Maximum	\$4,000
Benefit Elimination Period	180 calendar days
Maximum Benefit Period	To age 65
Cost Sharing	100% employer-paid (benefit is taxable)
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

## Extended Healthcare

Covered expenses will not exceed reasonable and customary charges

Deductible	Nil
Reimbursement Level	Myoelectric prostheses: 80% All other eligible expenses: 100% unless otherwise indicated

## Medical Services and Supplies:

(all items listed require a physician's note)

Hospital	Semi-Private or Private room
Convalescent Care	Semi-Private
Chronic Care	\$3 per day to a maximum of 120 days per calendar year
Private Duty Nursing	90, 8-hour shifts per calendar year
Hearing Aids	\$500 every 5 calendar years
Stock Item Orthopaedic Shoes	2 pairs per calendar year
Custom-made Orthopaedic Shoes	1 pair per calendar year
Custom-made Foot Orthotics	2 pairs per calendar year, to a maximum of \$225 per pair
Surgical Brassieres	4 per calendar year
Surgical Stockings	4 pairs per calendar year
Wigs for Cancer Patients	\$250 per lifetime

# Benefit Summary

## Prescription Drugs

Plan Type	Direct Payment Plan
	Mandatory Generic Substitution
Smoking Cessation	Not covered
Erectile Dysfunction	Not covered
Fertility Drugs	\$15,000 per lifetime

## Out of Country Travel

Emergency Care	Included
Global Medical Assistance	Included

## Paramedical Practitioners

Chiropractor	\$25 per visit to \$400 per calendar year X-rays covered at 50% to \$50 per calendar year
Dietician	\$25 for initial visit, \$15 for each subsequent visit to \$280 per calendar year (Physician Referral Required)
Massage Therapist	\$25 per visit to \$400 per calendar year (Physician Referral Required)
Naturopath	\$25 per visit to \$300 per calendar year
Osteopath	\$25 per visit to \$300 per calendar year
Physiotherapist/Sports Therapist	\$525 per calendar year (Physician Referral Required)
Podiatrist	\$25 per visit to \$300 per calendar year
Mental Health Practitioners (Psychologist, Social Worker and Psychotherapist)	\$100 for initial visit, \$80 each subsequent visit, subject to a combined maximum of \$750 per calendar year
Speech Therapist	\$60 for initial visit, \$40 for each subsequent visit to \$260 per calendar year (Physician Referral Required)

# Benefit Summary

<b>Vision Care</b>	
Glasses, Contact Lenses & Laser Vision Correction	\$400* every 24 months <small>*increases to \$500 effective January 1, 2027</small>
Eye examinations	One per calendar year
Lifetime Healthcare Maximum	Unlimited
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

# Benefit Summary

## Dental Care

Covered expenses will not exceed reasonable and customary charges

Fee Guide	Current
Deductible	Nil
Recall Visits	9 months 6 months for dependent children under the age of 19
Reimbursement Levels	
Basic Services	100%
Removable Prosthodontic Services	50%
Fixed Prosthodontic Services	50%
Major Services	50%
Orthodontic Services	50%
Plan Maximums	
Basic Services and Removable Prosthodontic Services	Unlimited
Fixed Prosthodontic Services and Major Services	\$2,000 per calendar year
Orthodontic Services	\$3,000 per dependent child, per lifetime
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement



# Benefit Summary

## Healthcare Spending Account

Plan Year	January 1 <sup>st</sup> to December 31 <sup>st</sup>
Benefit	\$600 per employee, per calendar year
Forfeiture	Unused 2025 credits (up to a maximum of \$150) will be rolled over to 2026. Thereafter, any unused credits at the end of any calendar year are forfeited.
Eligible Expenses	Canada Revenue Agency (CRA) Eligible Health & Dental Expenses
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous services
Termination	Age 65 or earlier retirement

## Wellness | Lifestyle Spending Account

Plan Year	January 1 <sup>st</sup> to December 31 <sup>st</sup>
Benefit	\$250 per employee, per calendar year
Forfeiture	Unused credits at the end of any calendar year are forfeited
Eligible Expenses	Refer to Eligible Expenses within booklet
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous services
Termination	Age 65 or earlier retirement

# General Information

## Enrolling in the Benefit Program

### Eligibility

If you are an active permanent full-time employee, you are first eligible to enroll in the benefit programs on the dates noted within the **Benefit Summary**.

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

Your dependents, as defined within the **Definitions Section**, may also be eligible for coverage.

### Extended Benefits for Surviving Dependents – ACTIVE EMPLOYEES

If you should die while insured under this plan, health and dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death **for a period of up to 2 years**, or earlier, if:

- your coverage – if still living – would otherwise cease due to attainment of age 65,
- your dependent would otherwise cease to qualify as an eligible dependent,
- your surviving spouse remarries,
- similar coverage is obtained elsewhere, or
- this plan terminates.

### Extended Benefits for Surviving Dependents – EARLY RETIREES

If you should die while insured under this plan, health and dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death until the earliest of the following:

- your coverage – if still living – would otherwise cease due to attainment of age 65,
- your dependent would otherwise cease to qualify as an eligible dependent,
- your surviving spouse remarries,
- similar coverage is obtained elsewhere, or
- this plan terminates.

# General Information

## Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

## When Coverage Terminates

Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain the benefit termination age(s) as indicated in the **Benefit Summary**,
- the date you retire (except for retirement benefits, if applicable), or
- the date the group plan is cancelled.

## If You Retire

Coverage for you and your dependents will stop on the date you retire. However, if you retire prior to your 65th birthday, but on or after your 55th birthday, and qualify to receive an early pension through OMERS, your dental and extended health coverage will be continued until you reach age 65.

If you retire on pension under an Early Retirement or Normal Retirement through OMERS, you will qualify to receive a paid-up life insurance policy upon your retirement. Coverage details are provided in the Basic Life Insurance section of this handbook.

# General Information

## **Not Actively at Work**

If you are not actively at work due to Maternity or Parental Leave of Absence, coverage may be continued for the period of leave to which you are entitled by legislation or outlined in the Collective Agreement. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to lay-off, unauthorized leave of absence (other than maternity or parental leave), strike or lock-out.

If you are not actively at work due to illness or injury:

- your life and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage.

# Definitions

**Accident:** Any event due to sudden and unforeseeable external causes that inflicts bodily injuries which are certified by a Physician, directly and independently of any other cause. It does not mean any form of disease, or degenerative process, an inguinal, femora, umbilical or incisional hernia, or any infection other than an infection of a visible, external cut or wound accidentally sustained.

**Actively at Work:** If it is a scheduled work day, you will be considered actively at work if you report for work at your usual place of employment or at some other location where your employer's business requires you to be and when you report that you are able to perform all the usual and customary duties of your occupation on a regular basis. If you are not at work due to it being a non-scheduled work-day, holiday or vacation day, you will be considered to be actively at work if on such date you are neither (i) hospital confined nor (ii) disabled to a degree that you could not then have reported to your usual place of employment or some other location where your employer's business requires you to be and perform all the usual and customary duties of your occupation on a regular basis.

**Annual Earnings:** Your annual gross base remuneration received from your employer and which your employer or policyholder as reported to the insurer. Earnings means the regular rate of pay of an employee paid by the participating employer, excluding overtime pay and any non-regular form of remuneration, but including bonuses based on the average of the previous 24 months.

**Calendar year:** The period from any January 1<sup>st</sup>, to the next December 31<sup>st</sup>, both inclusive.

**Employee:** A person who is employed by his employer and is an active permanent full-time employee under the age of 65. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

**Dependent:** The participants spouse or a child of the participant or of the spouse. If dependents are insured under this policy, "spouse" and "child" will be defined as:

- **Spouse**
  - the person who you are legally married to, or
  - a person who has continuously resided with you in a role like that of a marriage partner.

# Definitions

- **Dependent Children**

- Dependent children include your natural or legally adopted children, or step-children who:
  - are unmarried,
  - are not employed on a full-time basis,
  - are not eligible for insurance as an employee under this plan or any other group plan, and
  - are under 21 years of age, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.
- A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.
- A stepchild must be living with you to be an eligible dependent.

**Illness:** Any deterioration in health requiring regular, continuous and curative care actively provided by a Physician.

**Insured Person:** means the Employee, Retiree, his/her Spouse or Dependent Child, as the case may be.

**Insurer:** means The Canada Life Assurance Company or AIG Insurance.

**Medical Evidence:** Proof that you are insurable, satisfactory to the insurer.

**Non-Evidence Maximum:** The maximum benefit coverage you are eligible for without providing medical evidence (of insurability). To be eligible for amounts above the non-evidence maximum, you must provide medical evidence of insurability satisfactory to the insurer.

**Physician:** A person who is legally licensed and authorized to practice medicine and who is operating within the scope of his license.

**Reasonable and Customary (R&C):** The amount paid for a medical or dental service in a geographic area based on what the insurer in the area usually charge for the same or similar medical service. The R&C amount sometimes is used to determine the allowed amount.

# Definitions

**Specialist:** A physician licensed by the appropriate provincial licensing authority to practice medicine with a specialization.

**Training and Experience:** All the knowledge and skills the Employee acquired while in school, in the performance of his current or former professional activities or during his non-working hours.

**Totally Disabled:** Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation.

**Waiting Period:** means the period from the Employee's first day of active work which must pass before the Employee is eligible to be insured. Specified within the **Benefit Summary**.

# Using Your Plan

## Questions

Any questions you have about your benefit program may be referred to the Human Resources Department or by contacting the plan administrator, The MEARIE Group, at 1-800-668-9979, ext. 5330.

## Submitting Claims

### Life and Accident Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death or accidental dismemberment. Claims must be submitted no later than 12 months after the date of death and/or accident.

### Long Term Disability Benefits

Claim forms are available from your Plan Administrator. **Early filing of claims is recommended.** Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

### Prescription Drug Claims

Your employer will provide you with a benefits card. Present your card to the pharmacist with your prescription. Before your prescription is filled, an Assure Claims check will be done. Assure Claims is a series of seven checks that are electronically done on your drug claim history for increased safety and compliance monitoring. This has been designed to improve the health and quality of life for you and your dependents. Checks done include drug interaction, therapeutic duplication and duration of therapy, allowing the pharmacist to react prior to the drug being dispensed. Depending on the outcome of the checks, the pharmacist may refuse to dispense the prescribed drug. When your coverage ends, return your benefits card to your employer.

### Health, Vision and Paramedical Claims

The majority of healthcare claims – including claims for vision and paramedical services – may be submitted online. To use this online service, you will need to be registered for GroupNet for Plan Members and signed up for direct deposit of claim payments with eDetails. For online claim submissions, your Explanation of Benefits will only be available online. Online claims must be submitted to Canada Life as soon as possible, but no later than 6 months after you incur the expense. You must retain your receipt for 12 months from the date you submit your claim to Canada Life as a record of the transaction, and you must submit it to Canada Life on request.



# Using Your Plan

For all other Healthcare claims, access GroupNet for Plan Members to obtain a personalized claim form. Complete this form making sure it shows all required information. Attach your receipts to the claim form and return it to the Canada Life Benefit Payment Office as soon as possible, but no later than 15 months after you incur the expense.

## **Out of Country Claims**

Out-of-Country Claims (including those for Global Medical Assistance expenses) should be submitted to Canada Life as soon as possible after the expense is incurred. It is very important that you send your claims to the Canada Life Out-of-Country Claims Department immediately as your Provincial or Territorial Medical Plan has very strict time limitations.

Access GroupNet for Plan Members to obtain a personalized claim form or obtain the Statement of Claim Out-of-Country Expenses form from your employer. You must also obtain the Government Assignment form, and residents of British Columbia, Quebec and Newfoundland & Labrador must also obtain the Special Government Claim form. The Canada Life Out-of-Country Claims Department will forward the appropriate government forms to your attention when required.

You should complete all applicable forms, making sure all required information is included. Attach all original receipts and forward the claim to the Canada Life Out-of-Country Claims Department. Be sure to keep a copy for your own records. The plan will pay all eligible claims including your Provincial or Territorial Medical Plan portion. Your Provincial or Territorial Medical Plan will then reimburse the plan for the government's share of the expenses.

Out-of-country claims must be submitted within a certain time period that varies by province or territory. For the claims submission period applicable in your province or territory or for any other questions or for assistance in completing any of the forms, please contact Canada Life's Out-of-Country Claims Department at 1-800-957-9777.

## **Dental Claims**

Claims may be submitted online. Access GroupNet for Plan Members to obtain a personalized claim form and have your dental service provider complete the form. The completed claim form will contain the information necessary to enter the claim online. To use the online service, you will need to be registered for GroupNet for Plan Members and signed up for direct deposit of claim payments with eDetails. For online claim submissions, your Explanation of Benefits will only be available online. Online claims must be submitted to Canada Life as soon as possible, but no later than 6 months after the dental treatment. You must retain your receipt for 12 months from the date you submit your claim to Canada Life as a record of the transaction, and you must submit it to Canada Life on request.

# Using Your Plan

## **Healthcare Spending Account Claims**

The HCSA will reimburse you for the balance of the expense remaining after all other insurance plans have paid out. You must first submit all claims to any government and private insurance plans under which you or any eligible dependents are covered. This is important in order to avoid an over-payment from your HCSA and possible tax consequences. Once you have received reimbursement for the expense from all other plans, you may submit a claim against the HCSA. Claims against the HCSA must be submitted to the Canada Life Benefit Payment Office within 31 days after the end of the plan year in which the expenses are incurred. The standard Canada Life claim forms should be used when you do not want benefits reimbursed from your HCSA.

## **Wellness | Lifestyle Spending Account Claims**

For reimbursement, send a completed Wellness/Lifestyle Account claim form and mail receipt(s)/proof of purchase to Canada Life at:

**Canada Life | Winnipeg Benefit Payments | PO Box 3050 Station Main | Winnipeg MB R3C 0E6**

All claims must be received by Canada Life no later than January 31st of the following year.

### **Prior Authorization**

To determine whether coverage is provided for certain services or supplies, the plan administrator maintains a limited list of services and supplies that require prior authorization. For services and supplies, including a listing of the prior authorization drugs, go to [www.canadalife.com](http://www.canadalife.com). Prior authorization is intended to help ensure that a service or supply represents a reasonable treatment. If the use of a lower cost alternative service or supply represents reasonable treatment, you or your dependent may be required to provide medical evidence to the plan administrator why the lower cost alternative service or supply cannot be used before coverage may be provided for the service or supply.

# Using Your Plan

## **Coordination of Benefits**

Benefits for you or a dependent will be directly reduced by any amount payable under a government plan. If you or a dependent are entitled to benefits for the same expenses under another group plan or as both an employee and dependent under this plan or as a dependent of both parents under this plan, benefits will be co-ordinated so that the total benefits from all plans will not exceed expenses.

You and your spouse should first submit your own claims through your own group plan. Claims for dependent children should be submitted to the plan of the parent who has the earlier birth date in the calendar year (the year of birth is not considered). If you are separated or divorced, the plan which will pay benefits for your children will be determined in the following order:

1. the plan of the parent with custody of the child;
2. the plan of the spouse of the parent with custody of the child;
3. the plan of the parent without custody of the child;
4. the plan of the spouse of the parent without custody of the child

You may submit a claim to the plan of the other spouse for any amount which is not paid by the first plan.

# Basic Life Insurance

## How the Plan Works

If you should die, your basic life insurance plan will pay a benefit to your appointed beneficiary, regardless of the cause of death.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Benefits Provided

Please refer to the **Benefit Summary** for the amount of coverage available.

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under this plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Canada Life within 12 months from the onset of the disability, and periodically as requested by Canada Life thereafter. *Totally Disabled* means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. However, if you are insured for Long Term Disability benefits by Canada Life under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit. The insurer will require proof of the ongoing disability from time to time. This proof may be medical information from your physician(s) or a request to be examined by a physician of the insurer's choice. If you do not provide proof of disability within 3 months of the date requested, premiums will no longer be waived. If you are no longer disabled and do not return to work, or return to work but the policy has terminated, Life coverage will end. You may have the right to convert this coverage; please refer to "Conversion Privilege" in this section.

# Basic Life Insurance

## Conversion Privilege

Your coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Canada Life accompanied by payment of the first premium within 31 days of the date your Life Insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether application for conversion has been made.

<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

# Employee Supplementary Life Insurance

## How The Plan Works

The purchase of supplementary life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your supplementary life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Cost of Supplementary Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a “non-smoker” if you have not smoked for the last 12 months.)

**Monthly costs are provided in the Appendix (please refer to Rate Table 1).**

## Changing Your Coverage

There are times when you may need to change your coverage under the supplementary life insurance plan, either reducing or increasing the coverage, as appropriate.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided your spouse is not hospitalized.

Any request to reduce or cancel supplementary life insurance, will be effective on the later of the date you request or the first day of the month following the date your request is received.

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Supplementary Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Canada Life within 12 months from the onset of the disability, and periodically as requested by Canada Life thereafter.

# Employee Supplementary Life Insurance

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Canada Life under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

## Conversion Privilege

Your supplementary life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — without having to provide medical evidence. You must make written application for the individual policy to Canada Life accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

## What's Not Covered

No amount will be paid for that part of your Supplementary Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

# Spouse Optional Life Insurance

## How the Plan Works

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. If your spouse is insured through this program, benefits are payable to you in the event of the death of your covered spouse.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

## Changing Your Coverage

There are times when you may need to change your coverage under the spouse life insurance plan, either reducing or increasing the coverage, as appropriate.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided your spouse is not hospitalized.

Any request to reduce or cancel optional life insurance for your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (Note: If you subsequently apply to add or increase coverage for your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required).

## Cost of the Spouse Optional Life Plan

For Spouse Optional Life Insurance, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. **Monthly costs are provided in the Appendix (please refer to Rate Table 2).**

## Waiver Of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Spouse Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire, die, you reach age 65, or your spouse reaches age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Canada Life within 12 months from the onset of the disability, and periodically as requested by Canada Life thereafter.



# Spouse Optional Life Insurance

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Canada Life under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

## **Conversion Privilege**

Your spouse's life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — without having to provide medical evidence. You must make written application for the individual policy to Canada Life accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

# Dependent Child Optional Life Insurance

## How The Plan Works

The purchase of dependent optional life insurance is completely voluntary; you decide whether or not to participate. If your dependent child(ren) are (is) insured for life insurance coverage under the dependents' optional life plan, benefits are payable to you in the event of the death of your covered dependent child.

## Benefits Available

For eligible dependent children, the optional life insurance coverage available is noted in the **Benefit Summary**. Coverage is subject to medical evidence – proof that your dependent child(ren) is insurable, satisfactory to the insurer.

## Cost of Insurance

Please contact your Plan Administrator for additional information.

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your dependent child(ren)'s life insurance coverage under the Dependents' Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, or your spouse and/or dependent child(ren) no longer qualifies as an eligible dependent, whichever occurs first. "Totally disabled" means that you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience. The life waiver benefit will continue in accordance with the terms of the policy regardless of whether or not the plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

## What's Not Covered

No amount will be paid for that part of your Dependents' Optional Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

# Basic Accident Insurance

## How The Plan Works

Your basic accidental death and dismemberment insurance covers you 24 hours a day, 7 days a week, anywhere in the world. Benefits from this plan are paid in addition to any life or disability insurance that you receive.

In the event of your accidental death, your accident insurance plan will pay a benefit to your appointed beneficiary. Benefits for all other covered accidental losses are payable to *you*.

You may name anyone you choose to receive benefits payable under the plan in the event of your accidental death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Benefits Provided

Please refer to the **Benefit Summary** for the amount of coverage available.

# Basic Accident Insurance

If An Accident Results In:	Amount Payable
Quadriplegia (total paralysis of both arms and legs)	2 X insured amount
Paraplegia (total paralysis of both legs)	2 X insured amount
Hemiplegia (total paralysis of the arm and leg on one side of the body)	2 X insured amount
Loss of life	whole amount
Loss of both hands, both feet or both eyes	whole amount
Loss of use of both arms or both hands	whole amount
Loss of one hand and one foot	whole amount
Loss of one hand and one eye or one foot and one eye	whole amount
Loss of speech and hearing in both ears	whole amount
Loss of use of both feet	whole amount
Loss of one arm or one leg	3/4 of insured amount
Loss of use of one arm or one leg	3/4 of insured amount
Loss of one hand, one foot or one eye	2/3 of insured amount
Loss of use of one hand or one foot	2/3 of insured amount
Loss of speech or hearing in both ears	2/3 of insured amount
Loss of thumb and index finger or at least 4 fingers of one hand	1/3 of insured amount
Loss of hearing in one ear	1/3 of insured amount
Loss of all toes of one foot	1/4 of insured amount

Only one of the amounts payable (the largest applicable) is paid for injuries to the same limb caused by any one accident.

The maximum payable for all losses suffered by one covered person in any one accident will not exceed the following:

# Basic Accident Insurance

1. with the exception of quadriplegia, paraplegia and hemiplegia, the whole amount for which he or she is insured,
2. with respect to quadriplegia, paraplegia and hemiplegia, 200% of the amount for which he or she is insured, or 100% if Loss of Life occurs within 90 days after the date of the accident.

## Exposure & Disappearance

Benefits will also be paid for:

- losses caused by exposure to the elements, resulting from an accident within 365 days of the accident, and
- disappearance due to travel accidents (if a covered person's body is not found within 365 days of an accident in which their vehicle sinks or disappears, and there is no evidence that they survived, the benefit for loss of life is payable).

## Repatriation Benefit

The plan will pay for the preparation and transportation of the deceased for burial:

- up to \$10,000 if death occurs more than 50 km from the deceased's home, or
- up to \$10,000 if death occurs outside of Canada.

## Rehabilitation Benefit

The plan provides reimbursement of up to \$10,000 for expenses incurred for special training received within 2 years of the accident required in order for you to engage in a new occupation, if you are unable to perform your normal occupation as a result of an accidental loss. Payment will not be made for ordinary living, travelling or clothing expenses.

## Occupational Training Benefit

In the event of your accidental death, the plan provides reimbursement of up to \$10,000 for expenses incurred for training that qualifies your widowed spouse for a job for which he or she would not have otherwise engaged in, but for your death.

## Family Transportation Benefit

In the event you are on a trip covered by this plan, and are confined as an inpatient in a hospital because of injuries which result in a loss payable under the Loss Schedule and require the personal attendance of a member of your immediate family as recommended by the attending physician, the plan will pay up to \$10,000 for the expense incurred by the member for transportation by the most direct route by a licensed common carrier to be in attendance with you.

"**Member of the immediate family**" means the spouse or common law spouse, parent, grandparent, children over age 18, brother or sister of the insured person.

# Basic Accident Insurance

## Education Benefit

In the event of your accidental death, the plan provides a benefit of up to \$5,000 (or 5% of your insured amount, whichever is less) to your dependent child, provided the child was enrolled on a full-time basis in an institution of higher learning beyond the 12th grade level at the time of your death, or was enrolled in the 12th grade level and subsequently enrolls as a full-time student in an institution of higher learning within 365 days of your death.

The maximum benefit is in combination with the Education Benefit maximum provided under any other policy issued by the insurer, and is payable annually for a maximum of four (4) consecutive annual payments, provided the child continues to be enrolled in the institute of higher learning. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

If, at the time of your accidental death, you have no dependent child(ren) eligible for either the Education Benefit or the Day Care Benefit, the insurer will pay \$1,500 to your designated beneficiary.

## Day-Care Benefit

In the event of your accidental death, the plan provides a benefit of up to \$5,000 (or 5% of your insured amount, whichever is less) for reasonable and necessary expenses actually incurred for day-care, provided the child is enrolled in a day-care centre at the time of your death, or will subsequently enroll in a day-care centre within 365 days of your death.

The maximum benefit is in combination with the Day-Care Benefit maximum provided under any other policy issued by the insurer, for not more than four (4) consecutive years with respect to any one dependent child, provided the child continues to be enrolled in a day-care centre. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

**"Day-Care centre"** means a facility which is operated according to law, including laws and regulations applicable to day-care facilities, and which provides care and supervision for children in a group setting on a regular basis. Day-Care centre shall neither include a hospital, the child's home, care provided during school hours while a child is attending grades one (1) through twelve (12) nor any other day-care facility which does not charge a fee for services rendered.

**"Dependent child"** means a person who is either a natural child, step-child or legally adopted child of the insured employee, who is residing in his or her household, is under thirteen (13) years of age and dependent upon the insured employee for maintenance and support.

# Basic Accident Insurance

## Private Automobile Seat Belt Coverage

In the event you sustain an injury which results in a loss payable under the Loss Schedule, an additional amount equal to 10% of the amount payable will be paid if, at the time of the accident, you were driving or riding in a vehicle and wearing a properly fastened seat belt.

The driver of the vehicle must hold a current and valid driver's license of a rating authorizing him or her to operate such vehicle, and neither be intoxicated nor under the influence of drugs, unless such drugs are taken as prescribed by a physician, at the time of the accident.

## Home Alteration & Vehicle Modification Benefit

In the event you receive a payment under the Loss Schedule and subsequently require (due to the same cause for which payment was made under the Loss Schedule) the use of a wheelchair to be ambulatory, this benefit will pay up to \$10,000, upon presentation of proof of payment, for:

- the one-time cost of alterations to your residence to make it wheelchair accessible and habitable, and/or
- the one-time cost of modifications necessary to a motor vehicle, owned by you, to make the vehicle accessible or driveable for you.

Benefit payments will not be paid unless:

1. home alterations are made by a person or persons experienced in such alterations and recommended by a recognized organization, providing support and assistance to wheelchair users; and
2. vehicle modifications are carried out by a person or persons with experience in such matters and modifications are approved by the Provincial vehicle licensing authorities.

## Waiver of Premium

Premium payments are waived during any period in which you are totally disabled and premiums are being waived for your group life insurance coverage. Premiums will be waived until age 65, recovery or death, whichever occurs first, provided this plan remains in force.

# Basic Accident Insurance

## Conversion Privilege

Your basic accidental death and dismemberment insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your insurance to an individual policy provided this plan is still in force — *without* having to provide medical evidence. You must apply to convert prior to age 70 and within 31 days of the date your employment ends. If you should die accidentally or suffer a covered accidental loss during the 31-day conversion period, a benefit will be paid in accordance with the Loss Schedule, regardless of whether or not application for conversion has been made.



# Long Term Disability

## How the Plan Works

Please refer to the **Benefit Summary** for the amount of coverage available, and information regarding the elimination period and benefit period. Benefits are payable under the Long Term Disability plan after you have been totally and continuously disabled for the elimination period noted.

To qualify for long term disability benefits you must be "totally disabled". During the first **24 months** that you receive long term disability benefits, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this **24-month** period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.

Any benefits you receive from the Long Term Disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the Long Term Disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

# Long Term Disability

## Coordination with Other Disability Benefits

Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System, but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability net earnings (if benefits are non-taxable) or gross earnings (if benefits are taxable).

## Rehabilitation Benefit

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company. While you are participating in an approved rehabilitation program, your Long Term Disability benefit will not be discontinued. However, your monthly Long Term Disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

## When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

# Long Term Disability

## Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

## What's Not Covered

Your Long Term Disability plan does not cover:

- participation in a riot, insurrection, or commotion
- cosmetic surgeries
- untreated drugs and alcohol abuse
- impaired driving
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation or attempting to commit a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
  1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
  2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

# Healthcare

## How the Plan Works

Under the health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan. Please refer to the **Benefit Summary** at the beginning of this booklet, for maximum amounts.

The plan covers customary charges for the following services and supplies. All covered services and supplies must represent reasonable treatment. Treatment is considered reasonable if it is accepted by the Canadian medical profession, it is proven to be effective, and it is of a form, intensity, frequency and duration essential to diagnosis or management of the disease or injury.

## Covered Expenses

### Hospital

Daily charges up to semi-private hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

- the insured person was confined to hospital on an in-patient basis; and
- the accommodation was specifically elected in writing by the insured person.

**Note:** The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or co-payment fees (or similar charges).

### Prescription Drugs – Direct Payment Plan

Your prescription drug plan provides coverage for the following:

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives,
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

# Healthcare

The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs.

The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product. Where a prescription contains a written direction from the Physician or Dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your benefit card to the pharmacist. You will be required to pay any deductible, where applicable.

## **Ambulance**

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

## **Private Duty Nursing**

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), Registered Nursing Assistant (R.N.A.), Certified Nursing Assistant (C.N.A.) or Licensed Practical Nurse (L.P.N). who is not a relative, friend or member of the patient's household. A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.

# Healthcare

## **Professional Services / Paramedical Practitioners**

Services as outlined in the Benefit Summary.

## **Vision Care**

Glasses and contact lenses required to correct vision when provided by a licensed ophthalmologist, optometrist or optician. Charges for repairs are also included.

Eye examinations, including refractions, when they are performed by a licensed ophthalmologist or optometrist, and coverage is not available under your provincial government plan.

## **Medical Services and Supplies**

For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs. Rental or, at the plan's discretion, purchase of certain medical supplies, appliances and prosthetic devices prescribed by a physician.

Eligible Services and Supplies include:

- Crutches
- Canes
- Walkers
- Standard Wheelchairs
- Wheelchair Repairs
- Manual Hospital Beds
- Respiratory and Oxygen Equipment
- External prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- Braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,

# Healthcare

- Stock-item orthopaedic shoes when recommended by a physician or podiatrist,
- Custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O). and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe,
- Casted, custom-made orthotics which are recommended by a physician or podiatrist,
- Hearing aids (including charges for installation, repair, maintenance and batteries),
- Surgical stockings,
- Surgical brassieres,
- Wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment,
- Ileostomy, colostomy and incontinence supplies, and
- Microscopic and other similar diagnostic tests and services.

## **Accidental Dental Treatment**

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

# Healthcare

## Out of Country Travel

Emergency care outside Canada is covered if it is required as a result of a medical emergency arising while you or your dependent is temporarily outside Canada for vacation, business or education purposes. To qualify for benefits, you must be covered by the government health plan in your home province. A medical emergency is either a sudden, unexpected injury, or a sudden, unexpected illness or acute episode of disease that could not have been reasonably anticipated based on the patient's prior medical condition. Emergency care is covered medical treatment that is provided as a result of and immediately following a medical emergency.

If the patient's condition permits a return to Canada, benefits are limited to the lesser of:

- the amount payable under this plan for continued treatment outside Canada, and
- the amount payable under this plan for comparable treatment in Canada plus the cost of return transportation.

No benefits are paid for:

- any further medical care related to a medical emergency after the initial acute phase of treatment. This includes non-emergency continued management of the condition originally treated as an emergency,
- any subsequent and related episodes during the same absence from Canada,
- expenses related to pregnancy and delivery, including infant care:
  - after the 34th week of pregnancy, or
  - at any time during the pregnancy if the patient's medical history indicates a higher than normal risk of an early delivery or complications.

Non-emergency care outside Canada is covered for you and your dependents if:

- it is required as a result of a referral from your usual Canadian physician,
- it is not available in any Canadian province and must be obtained elsewhere for reasons other than waiting lists or scheduling difficulties,
- you are covered by the government health plan in your home province for a portion of the cost, and,
- a pre-authorization of benefits is approved by Canada Life before you leave Canada for treatment.



# Healthcare

No benefits will be paid for:

- investigational or experimental treatment
- transportation or accommodation charges.

The plan covers the following services and supplies when related to out-of-country care:

- treatment by a physician,
- diagnostic x-ray and laboratory services,
- hospital accommodation in a standard or semi-private ward or intensive care unit, if the confinement begins while you or your dependent is covered,
- medical supplies provided during a covered hospital confinement,
- paramedical services provided during a covered hospital confinement,
- hospital out-patient services and supplies,
- medical supplies provided out-of-hospital if they would have been covered in Canada,
- drugs,
- out-of-hospital services of a professional nurse,
- for emergency care only, ambulance services by a licensed ambulance company to the nearest centre where essential treatment is available

# Healthcare

## Global Medical Assistance Program

This program provides medical assistance through a worldwide communications network which operates 24 hours a day. The network locates medical services and obtains Canada Life's approval of covered services, when required as a result of a medical emergency arising while you or your dependent is travelling for vacation, business or education.

Coverage for travel within Canada is limited to emergencies arising more than 500 kilometres from home. You must be covered by the government health plan in your home province to be eligible for global medical assistance benefits.

The following services are covered, subject to Canada Life's prior approval:

- On-site hospital payment when required for admission, to a maximum of \$1,000,
- If suitable local care is not available, medical evacuation to the nearest suitable hospital while travelling in Canada. If travel is outside Canada, transportation will be provided to a hospital in Canada or to the nearest hospital outside Canada equipped to provide treatment. When services are covered under this provision, they are not covered under other provisions described in this booklet,
- Transportation and lodging for one family member joining a patient hospitalized for more than 7 days while travelling alone. Benefits will be paid for moderate quality lodgings up to \$1,500 and for a round trip economy class ticket,
- If you or a dependent is hospitalized while travelling with a companion, extra costs for moderate quality lodgings for the companion when the return trip is delayed due to your or your dependent's medical condition, to a maximum of \$1,500,
- The cost of comparable return transportation home for you or a dependent and one travelling companion if prearranged, prepaid return transportation is missed because you or your dependent is hospitalized. Coverage is provided only when the return fare is not refundable. A rental vehicle is not considered prearranged, prepaid return transportation,
- In case of death, preparation and transportation of the deceased home,
- Return transportation home for minor children travelling with you or a dependent who are left unaccompanied because of your or your dependent's hospitalization or death. Return or round-trip transportation for an escort for the children is also covered when considered necessary, and

# Healthcare

- Costs of returning your or your dependent's vehicle home or to the nearest rental agency when illness or injury prevents you or your dependent from driving, to a maximum of \$1,000. Benefits will not be paid for vehicle return if transportation reimbursement benefits are paid for the cost of comparable return transportation home

## Limitations

No benefits are paid for:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

# Dentalcare

## How the Plan Works

Your dental care plan has been developed to help you and your family maintain good dental health. The plan covers customary charges to the extent they do not exceed the dental fee guide level shown in the **Benefit Summary**.

All covered services and supplies must represent reasonable treatment. Treatment is considered reasonable if it is recognized by the Canadian Dental Association, it is proven to be effective, and it is of a form, frequency, and duration essential to the management of the person's dental health. To be considered reasonable, treatment must also be performed by a dentist or under a dentist's supervision, performed by a dental hygienist entitled by law to practise independently, or performed by a denturist.

The following expenses will be covered:

## Basic Coverage

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- bitewing x-rays (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 9-month period, or once in any 6-month period for dependent children under age 21,
- fluoride treatment (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- oral hygiene instruction (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,

# Dentalcare

- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
  1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
  2. provisional splinting; and
  3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

## **Removeable Prosthodontic Services and Supplies**

- initial provision of a full or partial removable denture,
- denture repairs, relines and rebases, and
- replacement of a removable denture, provided the new denture is necessary due to one of the following:
  1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
  2. the existing appliance is at least 36 months old and cannot be made serviceable; or
  3. the existing appliance is temporary and within 12 months of its installation it is replaced by a permanent denture. The total amount payable for both the temporary and permanent denture is the amount which would have been allowed for a permanent denture.

## **Fixed Prosthodontic and Major Restorative Services**

- crowns, onlays and inlays (only when function is impaired due to cuspal or incisal angle damage caused by trauma or decay), including gold foil restorations (only when approved by the Insurance Company), metal transfers, telescoping and splinting,
- veneers,
- initial provision of fixed bridgework, and
- replacement of a fixed bridgework or addition of teeth to bridgework provided the replacement or addition is due to one of the following:
  1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
  2. the existing appliance is at least 36 months old and cannot be made serviceable; or
  3. the existing appliance is temporary and, within 12 months of its installation, it is replaced by a permanent bridge. The total amount payable for both the temporary and permanent bridge is the amount which would have been allowed for a permanent bridge.

# Dentalcare

## Orthodontic Services and Supplies

- space maintainers,
- correction of malocclusion of the teeth,
- observation and adjustment,
- appliances for tooth guidance and uncomplicated tooth movement,
- appliances to control harmful habits,
- retention appliances, and
- fixed or cemented, unilateral and bilateral appliances.

## Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed \$500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

**Note:** If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.

# Dentalcare

## Limitations

No benefits are payable for:

- Services or treatment that are covered under any other plan, government plan or legally mandated program,
- Dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- Dental care required as a result of committing or attempting to commit an assault or criminal offense,
- Charges for broken appointments, third party examinations, travel to and from appointments, or completion of claim forms,
- Charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- Charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- Treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- Cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- Implants, or any services rendered in conjunction with implants,
- Anti-snoring or sleep apnea devices,
- Treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- Replacement of removable appliances which are lost, mislaid or stolen, or
- Laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

# Healthcare Spending Account

## How the Plan Works

A Health Care Spending (HCSA) is like a bank account through which you may be reimbursed for health and dental expenses up to a predetermined annual credit amount. Your employer will provide you with annual credits at the beginning of each plan year. These credits may be used to cover expenses not covered by group health plans or to top-up expenses not fully covered by group health plans, including deductibles and co-payment amounts. Also, since annual credits are in the form of before tax dollars, the HCSA is a tax-effective way of paying for your health-related expenses.

Unused credits at the end of any plan year are automatically forfeited. The plan year for this benefit runs from January 1st to December 31st. The maximum annual payment available under your account consists of the amount of credit directed to it at the beginning of the plan year, as indicated in the **Benefit Summary**.

## Eligibility

You are eligible for HCSA credits through your employer if you are covered for basic health benefits under your group health plan. In addition to the dependents eligible for coverage under your basic health plan, HCSA benefits are extended to a child who is no longer eligible for basic health benefits solely because of student age restrictions and to any other person for whom you are entitled to claim a medical expense tax credit under the Income Tax Act.

## Termination

Your HCSA coverage terminates when your basic health coverage terminates, when you elect to discontinue coverage (at any plan enrolment date) or when your employer discontinues the plan.

## Covered Expenses

The Income Tax Act governs the types of expenses that can be reimbursed under the HCSA. Coverage is provided for medical, vision and dental expenses that qualify for a medical expense tax credit. For a complete list of covered expenses, contact your Canada Revenue Agency District Office and ask for Income Tax Interpretation Bulletin IT-519R.

Canada Life will pay 100% of covered expenses that are incurred while you and your dependents are covered, up to a maximum annual payment equal to the credits in your HCSA. Expenses for medical and vision services and supplies are considered to be incurred when they are received. Dental expenses, other than orthodontic expenses, are considered to be incurred when treatment is completed. Orthodontic expenses are considered to be incurred on a periodic basis throughout the course of treatment.



# Healthcare Spending Account

## Limitations

No benefits are paid for:

- Expenses that private benefit plans are not permitted to cover by law;
- Services or supplies you are entitled to without charge by law or for which a charge is made only because you have coverage under a private benefit plan;
- Any portion of the expense for services or supplies for which benefits are payable under your basic health plan, another group plan or a government plan;
- Expenses arising from war, insurrection, or voluntary participation in a riot.

# Wellness | Lifestyle Spending Account

## How the Plan Works

The Wellness/Lifestyle Account provides support for health promotion/activity-based programs (goods and services) for eligible employees. You will be reimbursed dollar-for-dollar up to the annual maximum amount. The Wellness/Lifestyle Account provides financial support towards our employee's wellness. Eligible/claimable items must be purchased by the employee, for their own use. This is a taxable benefit.

Health Living Account funds cannot be carried over from year to year. Claims are paid from the Wellness/Lifestyle Account in the year that the expense was/is incurred. The plan year for the Wellness/Lifestyle Accounts runs from January 1st to December 31st.

## Eligible/claimable items

Below is a list of eligible claimable items under the Wellness/Lifestyle Account. This list is reviewed and may be amended from time to time.

- Certified Instruction (personal trainer) or instructed classes at a fitness facility
- Exercise equipment for home use (new or used), including:
- Durable home fitness equipment (treadmills, rowing machines, resistance training, elliptical machines, exercise bikes, universal gym systems, weights, etc.)
- Bicycles and parts (excludes payment of fees for service)
- Jogging or cycling strollers
- Canoe, kayak, paddle boat, water skis, paddleboard, windsurfer board
- Specialized fitness equipment (skates, skateboards, roller blades, bicycles, running shoes, hiking/walking boots and shoes, sports racquets, golf clubs, safety helmets, fishing rods, yoga mats, specialized athletic footwear and sports equipment – e.g. kanga boots/shoes, inversion table, etc.)
- Wearable fitness technology and health monitoring devices/trackers (e.g. Fitbit, Jawbone, Smartband, FuelBand, smart scales, etc.)
- Sports equipment (basketball, volleyball, baseball, tennis balls, football, medicine ball, badminton birdies, etc.)
- Snow kits/boots (downhill or cross country), snowboards/boots, safety helmets, snowshoes
- Walking/hiking stick, trekking pole
- Home exercise DVDs, program discs and videos (Wii Fit, Kinect, PlayStation, exercise accessories including balance board, etc.) Excludes game consoles and computer hardware
- Fitness centre membership fees
- Athletic facility fees, including:
- Court fees (racquetball, tennis, squash, badminton, etc.)

# Wellness | Lifestyle Spending Account

- Ski or snowboarding passes/lift tickets
- Fitness program fees (yoga, aerobics, kanga jump, aquasize, Pilates, jazzercise, Zumba, etc.)
- Organized sports leagues (hockey fees, etc.)
- Race registration fees
- Martial arts classes (Tai Chi, Karate, Taekwondo, Wrestling, Judo, etc.)
- Sports league fees (bowling, soccer, etc.)
- Fitness boot camp
- Weight management programs (excluding food)
- Vitamins
- Minerals
- Supplements
- Natural Health Products
- Herbal Remedies
- Alternative Healing Therapies (Reiki, Shiatsu, etc.)
- Health/Stress Management Programs (spa/wellness retreats)
- Smoking cessation programs and products

## **NOTE**

**Golf memberships/green fees, food items and articles of clothing are NOT eligible for reimbursement under this program.**

# Group Home & Auto

## How the Plan Works

To enhance your overall benefits package, your employer has endorsed MEARIE Management Inc's Group Home & Automobile Insurance Program. This Program is available to you on a completely voluntary basis, with all associated premiums being paid by you. The Program, sponsored by MEARIE Management Inc, accesses a number of different insurance companies, ensuring you are able to receive the right coverage, with the right insurer, at the right price. We will work with you to find the best option for your needs.

All our partner insurance companies have been providing group home and automobile insurance to groups and associations for many years, and have the financial strength and stability to ensure their claims-paying ability is second-to-none in the Canadian insurance marketplace.

### Products Available Residential

Homeowners  
Condominium Owners  
Seasonal/Secondary/Rented Residences  
Personal Articles

### Personal Automobiles

Automobiles  
Campers/Motor Homes  
Motorcycles  
Snowmobiles/Recreational Vehicles  
Trailers

## Payment Options

Multi-pay plans, or monthly payment plan with no interest or service fees.

## How to Obtain a Quote

To obtain a no-obligation quote or to get more information on your home and auto insurance needs, call MEARIE Management Inc's toll-free number 1-877-4MEARIE (1-877-463-2743), or visit our website at [www.mearie.ca](http://www.mearie.ca) and click the link Personal Insurance – Home and Auto to access our special pricing offers.

# Appendix

**Rate Table 1 - Employee Additional Term and Supplementary Life Insurance Monthly Rates**

Employee's Attained Age (as of January 1 <sup>st</sup> )	Smoker Monthly Rate (per \$1,000)	Male		Female	
		Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020	\$0.020
35 – 39	\$0.060	\$0.039	\$0.033	\$0.028	\$0.028
40 – 44	\$0.163	\$0.080	\$0.099	\$0.062	\$0.062
45 – 49	\$0.285	\$0.142	\$0.169	\$0.098	\$0.098
50 – 54	\$0.445	\$0.231	\$0.240	\$0.151	\$0.151
55 – 59	\$0.757	\$0.383	\$0.395	\$0.231	\$0.231
60 – 64	\$0.890	\$0.480	\$0.480	\$0.300	\$0.300

**Notes:**

The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect. Monthly costs shown above are subject to applicable taxes.

**Rate Table 2 - Spouse Optional Life Insurance Monthly Rates**

Spouse's Attained Age (as of January 1 <sup>st</sup> )	Smoker Monthly Rate (per \$1,000)	Male		Female	
		Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)
Under 30	\$0.042	\$0.032	\$0.042	\$0.026	\$0.026
30 – 39	\$0.069	\$0.035	\$0.054	\$0.032	\$0.032
40 – 49	\$0.187	\$0.094	\$0.113	\$0.069	\$0.069
50 – 59	\$0.615	\$0.307	\$0.312	\$0.187	\$0.187
60 – 64	\$1.200	\$0.599	\$0.653	\$0.390	\$0.390

**Notes:**

The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect. Monthly costs shown above are subject to applicable taxes.



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## **ATTACHMENT 4-A.3**

### EPI Employee Benefit Booklet – IBEW Outside Division

# Notice of Disclaimer



## **The MEARIE Group Employee Benefit Program**

### **Entegrus Powerlines Inc.** **Class 1 | Outside Union**

**Effective January 1, 2025**



# Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

Please keep this handbook in a safe place. If changes are made to your benefits, an updated booklet will be provided to you.

This handbook is not an agreement and it does not create nor confer any contractual or other rights. The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

Any questions you have about your benefit program should be referred to your Plan Administrator.

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# Benefit Summary

This is a summary of the coverage your plan provides. You should read it together with the information in the rest of this booklet. Please see the related sections of this booklet for more information, including exclusions, limitations and other conditions that apply to your plan.

<b>Employer Name</b>	Entegrus Powerlines Inc.
<b>MEARIE Divisions</b>	0096, 0215, 0216, 0217, 0218
<b>Life &amp; Disability Insurer</b>	Canada Life   Policies 179743 – 179748 (inclusive)
<b>Basic AD&amp;D Insurer</b>	AIG   Policy BSC9028190
<b>Health &amp; Dental Insurer</b>	Canada Life   Policy 331157
<b>Benefit Classification</b>	Class 1   Outside Union

## Basic Life Insurance

Benefit	150% of regular annual earnings
Maximum	\$250,000
Non-Evidence Maximum	\$250,000
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous service
Reduction Schedule	50% at age 65
Termination	Age 70 or earlier retirement

NOTE: Amounts that are not an even multiple of \$1,000 are rounded to the nearest \$1,000

## Employee Optional Life Insurance

Benefit	Units of \$10,000
Maximum	\$250,000
Non-Evidence Maximum	\$0*
Cost Sharing	100% employee-paid
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

\*Note: Evidence of Insurability satisfactory to the insurer, will be required for any Amount of Insurance. All amounts of life insurance under the basic life and optional life plans are subject to a combined overall maximum of \$600,000.

# Benefit Summary

## Spouse Optional Life Insurance

Benefit	Units of \$10,000
Maximum	\$250,000
Non-Evidence Maximum	\$0*
Cost Sharing	100% employee-paid
Waiting Period	3 months of continuous service
Termination	Age 65 of Member or Spouse, death of the Member, or earlier retirement

\*Note: Evidence of Insurability satisfactory to the insurer, will be required for any Amount of Insurance.

## Dependent Child Optional Life Insurance

Benefit	\$5,000
Maximum	\$5,000
Non-Evidence Maximum	\$0*
Cost Sharing	100% employee-paid
Waiting Period	3 months of continuous service
Termination	Age 65 of Member, date child no longer qualifies as an eligible dependent, or earlier retirement

\*Note: Evidence of Insurability satisfactory to the insurer, will be required for any Amount of Insurance.

## Basic Accident Insurance

Benefit	150% of regular annual earnings
Maximum	\$250,000
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous service
Reduction Schedule	50% at age 65
Termination	Age 70 or earlier retirement

NOTE: Amounts that are not an even multiple of \$1,000 are rounded to the nearest \$1,000.

# Benefit Summary

## Long Term Disability (LTD) Insurance

Benefit	70% of monthly earnings
Overall Maximum	\$4,000
Non-Evidence Maximum	\$4,000
Benefit Elimination Period	180 calendar days
Maximum Benefit Period	To age 65
Cost Sharing	100% employer-paid (benefit is taxable)
Waiting Period	3 months of continuous service
Termination	Age 65 or earlier retirement

## Extended Healthcare

Covered expenses will not exceed reasonable and customary charges

Deductible	Nil
Reimbursement Level	Myoelectric prostheses: 80% All other eligible expenses: 100% unless otherwise indicated

## Medical Services and Supplies:

(all items listed require a physician's note)

Hospital	Semi-Private or Private room
Convalescent Care	Semi-Private
Chronic Care	\$3 per day to a maximum of 120 days per calendar year
Private Duty Nursing	90, 8-hour shifts per calendar year
Hearing Aids	\$500 every 5 calendar years
Stock Item Orthopaedic Shoes	2 pairs per calendar year
Custom-made Orthopaedic Shoes	1 pair per calendar year
Custom-made Foot Orthotics	2 pairs per calendar year, to a maximum of \$225 per pair
Surgical Brassieres	4 per calendar year
Surgical Stockings	4 pairs per calendar year
Wigs for Cancer Patients	\$250 per lifetime

# Benefit Summary

## Prescription Drugs

Plan Type	Direct Payment Plan
	Mandatory Generic Substitution
Dispensing Fee Cap	\$15 per prescription
Smoking Cessation	Not covered
Erectile Dysfunction	Not covered
Fertility Drugs	\$15,000 per lifetime

## Out of Country Travel

Emergency Care	Included
Global Medical Assistance	Included

## Paramedical Practitioners

Chiropractor	\$25 per visit to \$400 per calendar year X-rays covered at 50% to \$50 per calendar year
Dietician	\$25 for initial visit, \$15 for each subsequent visit to \$280 per calendar year (Physician Referral Required)
Massage Therapist	\$400 per calendar year (Physician Referral Required)
Naturopath	\$25 per visit to \$300 per calendar year
Osteopath	\$25 per visit to \$300 per calendar year
Physiotherapist/Sports Therapist	\$525 per calendar year (Physician Referral Required)
Podiatrist	\$25 per visit to \$300 per calendar year
Mental Health Practitioners (Psychologist, Social Worker and Psychotherapist)	\$100 for initial visit, \$80 each subsequent visit, subject to a combined maximum of \$750 per calendar year
Speech Therapist	\$60 for initial visit, \$40 for each subsequent visit to \$260 per calendar year (Physician Referral Required)

# Benefit Summary

## Vision Care

Glasses, Contact Lenses & Laser Vision Correction	\$400* every 24 months
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Eye examinations	One per calendar year
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\*Increases to \$500 every 24 months effective January 1, 2027

Lifetime Healthcare Maximum	Unlimited
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Cost Sharing	100% employer-paid
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Waiting Period	3 months of continuous service
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Termination	Age 70 or earlier retirement
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# Benefit Summary

## Dental Care

Covered expenses will not exceed reasonable and customary charges

Fee Guide	Current
Deductible	Nil
Recall Visits	9 months 6 months for dependent children under the age of 19
Reimbursement Levels	
Basic Services	100%
Removable Prosthodontic Services	50%
Fixed Prosthodontic Services	50%
Major Services	50%
Orthodontic Services	50%
Plan Maximums	
Basic Services and Removable Prosthodontic Services	Unlimited
Fixed Prosthodontic Services and Major Services	\$2,000 per calendar year
Orthodontic Services	\$3,000 per dependent child, per lifetime
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous service
Termination	Age 70 or earlier retirement



# Benefit Summary

## Healthcare Spending Account

Plan Year	January 1 <sup>st</sup> to December 31 <sup>st</sup>
Benefit	\$600 per employee, per calendar year
Forfeiture	Unused 2025 credits (up to a maximum of \$150) will be rolled over to 2026. Thereafter, any unused credits at the end of any calendar year are forfeited.
Eligible Expenses	Canada Revenue Agency (CRA) Eligible Health & Dental Expenses
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous services
Termination	Age 70 or earlier retirement

## Wellness | Lifestyle Spending Account

Plan Year	January 1 <sup>st</sup> to December 31 <sup>st</sup>
Benefit	\$250 per employee, per calendar year
Forfeiture	Unused credits at the end of any calendar year are forfeited
Eligible Expenses	Refer to Eligible Expenses within booklet
Cost Sharing	100% employer-paid
Waiting Period	3 months of continuous services
Termination	Age 65 or earlier retirement

# General Information

## Enrolling in the Benefit Program

### Eligibility

If you are an active permanent full-time employee, you are first eligible to enroll in the benefit programs on the dates noted within the **Benefit Summary**.

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

Your dependents, as defined within the **Definitions Section**, may also be eligible for coverage.

### Extended Benefits for Surviving Dependents – ACTIVE EMPLOYEES

If you should die while insured under this plan, health and dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death **for a period of up to 5 years**, or earlier, if:

- your coverage – if still living – would otherwise cease due to attainment of age 65,
- your dependent would otherwise cease to qualify as an eligible dependent,
- your surviving spouse remarries,
- similar coverage is obtained elsewhere, or
- this plan terminates.

### Extended Benefits for Surviving Dependents – EARLY RETIREES

If you should die while insured under this plan, health and dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death until the earliest of the following:

- your coverage – if still living – would otherwise cease due to attainment of age 65,
- your dependent would otherwise cease to qualify as an eligible dependent,
- your surviving spouse remarries,
- similar coverage is obtained elsewhere, or
- this plan terminates.

# General Information

## Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

## When Coverage Terminates

Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain the benefit termination age(s) as indicated in the **Benefit Summary**,
- the date you retire (except for retirement benefits, if applicable), or
- the date the group plan is cancelled.

## If You Retire

Coverage for you and your dependents will stop on the date you retire. However, if you retire prior to your 65th birthday, but on or after your 55th birthday, and qualify to receive an early pension through OMERS, your dental and extended health coverage will be continued until you reach age 65.

If you retire on pension under an Early Retirement or Normal Retirement through OMERS, you will qualify to receive a paid-up life insurance policy upon your retirement. Coverage details are provided in the Basic Life Insurance section of this handbook.

# General Information

## **Not Actively at Work**

If you are not actively at work due to Maternity or Parental Leave of Absence, coverage may be continued for the period of leave to which you are entitled by legislation or outlined in the Collective Agreement. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to lay-off, unauthorized leave of absence (other than maternity or parental leave), strike or lock-out.

If you are not actively at work due to illness or injury:

- your life and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage.

# Definitions

**Accident:** Any event due to sudden and unforeseeable external causes that inflicts bodily injuries which are certified by a Physician, directly and independently of any other cause. It does not mean any form of disease, or degenerative process, an inguinal, femora, umbilical or incisional hernia, or any infection other than an infection of a visible, external cut or wound accidentally sustained.

**Actively at Work:** If it is a scheduled work day, you will be considered actively at work if you report for work at your usual place of employment or at some other location where your employer's business requires you to be and when you report that you are able to perform all the usual and customary duties of your occupation on a regular basis. If you are not at work due to it being a non-scheduled work-day, holiday or vacation day, you will be considered to be actively at work if on such date you are neither (i) hospital confined nor (ii) disabled to a degree that you could not then have reported to your usual place of employment or some other location where your employer's business requires you to be and perform all the usual and customary duties of your occupation on a regular basis.

**Annual Earnings:** Your annual gross base remuneration received from your employer and which your employer or policyholder as reported to the insurer. Earnings means the regular rate of pay of an employee paid by the participating employer, excluding overtime pay and any non-regular form of remuneration, but including bonuses based on the average of the previous 24 months.

**Calendar year:** The period from any January 1<sup>st</sup>, to the next December 31<sup>st</sup>, both inclusive.

**Employee:** A person who is employed by his employer and is an active permanent full-time employee under the age of 65. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

**Dependent:** The participants spouse or a child of the participant or of the spouse. If dependents are insured under this policy, "spouse" and "child" will be defined as:

- **Spouse**
  - the person who you are legally married to, or
  - a person who has continuously resided with you in a role like that of a marriage partner.

# Definitions

- **Dependent Children**

- Dependent children include your natural or legally adopted children, or step-children who:
  - are unmarried,
  - are not employed on a full-time basis,
  - are not eligible for insurance as an employee under this plan or any other group plan, and
  - are under 21 years of age, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.
- A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.
- A stepchild must be living with you to be an eligible dependent.

**Illness:** Any deterioration in health requiring regular, continuous and curative care actively provided by a Physician.

**Insured Person:** means the Employee, Retiree, his/her Spouse or Dependent Child, as the case may be.

**Insurer:** means The Canada Life Assurance Company or AIG Insurance.

**Medical Evidence:** Proof that you are insurable, satisfactory to the insurer.

**Non-Evidence Maximum:** The maximum benefit coverage you are eligible for without providing medical evidence (of insurability). To be eligible for amounts above the non-evidence maximum, you must provide medical evidence of insurability satisfactory to the insurer.

**Physician:** A person who is legally licensed and authorized to practice medicine and who is operating within the scope of his license.

**Reasonable and Customary (R&C):** The amount paid for a medical or dental service in a geographic area based on what the insurer in the area usually charge for the same or similar medical service. The R&C amount sometimes is used to determine the allowed amount.

# Definitions

**Specialist:** A physician licensed by the appropriate provincial licensing authority to practice medicine with a specialization.

**Training and Experience:** All the knowledge and skills the Employee acquired while in school, in the performance of his current or former professional activities or during his non-working hours.

**Totally Disabled:** Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation.

**Waiting Period:** means the period from the Employee's first day of active work which must pass before the Employee is eligible to be insured. Specified within the **Benefit Summary**.

# Using Your Plan

## Questions

Any questions you have about your benefit program may be referred to the Human Resources Department or by contacting the plan administrator, The MEARIE Group, at 1-800-668-9979, ext. 5330.

## Submitting Claims

### Life and Accident Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death or accidental dismemberment. Claims must be submitted no later than 12 months after the date of death and/or accident.

### Long Term Disability Benefits

Claim forms are available from your Plan Administrator. **Early filing of claims is recommended.** Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

### Prescription Drug Claims

Your employer will provide you with a benefits card. Present your card to the pharmacist with your prescription. Before your prescription is filled, an Assure Claims check will be done. Assure Claims is a series of seven checks that are electronically done on your drug claim history for increased safety and compliance monitoring. This has been designed to improve the health and quality of life for you and your dependents. Checks done include drug interaction, therapeutic duplication and duration of therapy, allowing the pharmacist to react prior to the drug being dispensed. Depending on the outcome of the checks, the pharmacist may refuse to dispense the prescribed drug. When your coverage ends, return your benefits card to your employer.

### Health, Vision and Paramedical Claims

The majority of healthcare claims – including claims for vision and paramedical services – may be submitted online. To use this online service, you will need to be registered for GroupNet for Plan Members and signed up for direct deposit of claim payments with eDetails. For online claim submissions, your Explanation of Benefits will only be available online. Online claims must be submitted to Canada Life as soon as possible, but no later than 6 months after you incur the expense. You must retain your receipt for 12 months from the date you submit your claim to Canada Life as a record of the transaction, and you must submit it to Canada Life on request.



# Using Your Plan

For all other Healthcare claims, access GroupNet for Plan Members to obtain a personalized claim form. Complete this form making sure it shows all required information. Attach your receipts to the claim form and return it to the Canada Life Benefit Payment Office as soon as possible, but no later than 15 months after you incur the expense.

## **Out of Country Claims**

Out-of-Country Claims (including those for Global Medical Assistance expenses) should be submitted to Canada Life as soon as possible after the expense is incurred. It is very important that you send your claims to the Canada Life Out-of-Country Claims Department immediately as your Provincial or Territorial Medical Plan has very strict time limitations.

Access GroupNet for Plan Members to obtain a personalized claim form or obtain the Statement of Claim Out-of-Country Expenses form from your employer. You must also obtain the Government Assignment form, and residents of British Columbia, Quebec and Newfoundland & Labrador must also obtain the Special Government Claim form. The Canada Life Out-of-Country Claims Department will forward the appropriate government forms to your attention when required.

You should complete all applicable forms, making sure all required information is included. Attach all original receipts and forward the claim to the Canada Life Out-of-Country Claims Department. Be sure to keep a copy for your own records. The plan will pay all eligible claims including your Provincial or Territorial Medical Plan portion. Your Provincial or Territorial Medical Plan will then reimburse the plan for the government's share of the expenses.

Out-of-country claims must be submitted within a certain time period that varies by province or territory. For the claims submission period applicable in your province or territory or for any other questions or for assistance in completing any of the forms, please contact Canada Life's Out-of-Country Claims Department at 1-800-957-9777.

## **Dental Claims**

Claims may be submitted online. Access GroupNet for Plan Members to obtain a personalized claim form and have your dental service provider complete the form. The completed claim form will contain the information necessary to enter the claim online. To use the online service, you will need to be registered for GroupNet for Plan Members and signed up for direct deposit of claim payments with eDetails. For online claim submissions, your Explanation of Benefits will only be available online. Online claims must be submitted to Canada Life as soon as possible, but no later than 6 months after the dental treatment. You must retain your receipt for 12 months from the date you submit your claim to Canada Life as a record of the transaction, and you must submit it to Canada Life on request.

# Using Your Plan

## **Healthcare Spending Account Claims**

The HCSA will reimburse you for the balance of the expense remaining after all other insurance plans have paid out. You must first submit all claims to any government and private insurance plans under which you or any eligible dependents are covered. This is important in order to avoid an over-payment from your HCSA and possible tax consequences. Once you have received reimbursement for the expense from all other plans, you may submit a claim against the HCSA. Claims against the HCSA must be submitted to the Canada Life Benefit Payment Office within 31 days after the end of the plan year in which the expenses are incurred. The standard Canada Life claim forms should be used when you do not want benefits reimbursed from your HCSA.

## **Wellness | Lifestyle Spending Account Claims**

For reimbursement, send a completed Wellness/Lifestyle Account claim form and mail receipt(s)/proof of purchase to Canada Life at:

**Canada Life | Winnipeg Benefit Payments | PO Box 3050 Station Main | Winnipeg MB R3C 0E6**

All claims must be received by Canada Life no later than January 31st of the following year.

### **Prior Authorization**

To determine whether coverage is provided for certain services or supplies, the plan administrator maintains a limited list of services and supplies that require prior authorization. For services and supplies, including a listing of the prior authorization drugs, go to [www.canadalife.com](http://www.canadalife.com). Prior authorization is intended to help ensure that a service or supply represents a reasonable treatment. If the use of a lower cost alternative service or supply represents reasonable treatment, you or your dependent may be required to provide medical evidence to the plan administrator why the lower cost alternative service or supply cannot be used before coverage may be provided for the service or supply.

# Using Your Plan

## **Coordination of Benefits**

Benefits for you or a dependent will be directly reduced by any amount payable under a government plan. If you or a dependent are entitled to benefits for the same expenses under another group plan or as both an employee and dependent under this plan or as a dependent of both parents under this plan, benefits will be co-ordinated so that the total benefits from all plans will not exceed expenses.

You and your spouse should first submit your own claims through your own group plan. Claims for dependent children should be submitted to the plan of the parent who has the earlier birth date in the calendar year (the year of birth is not considered). If you are separated or divorced, the plan which will pay benefits for your children will be determined in the following order:

1. the plan of the parent with custody of the child;
2. the plan of the spouse of the parent with custody of the child;
3. the plan of the parent without custody of the child;
4. the plan of the spouse of the parent without custody of the child

You may submit a claim to the plan of the other spouse for any amount which is not paid by the first plan.

# Basic Life Insurance

## How the Plan Works

If you should die, your basic life insurance plan will pay a benefit to your appointed beneficiary, regardless of the cause of death.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Benefits Provided

Please refer to the **Benefit Summary** for the amount of coverage available.

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under this plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Canada Life within 12 months from the onset of the disability, and periodically as requested by Canada Life thereafter. *Totally Disabled* means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. However, if you are insured for Long Term Disability benefits by Canada Life under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit. The insurer will require proof of the ongoing disability from time to time. This proof may be medical information from your physician(s) or a request to be examined by a physician of the insurer's choice. If you do not provide proof of disability within 3 months of the date requested, premiums will no longer be waived. If you are no longer disabled and do not return to work, or return to work but the policy has terminated, Life coverage will end. You may have the right to convert this coverage; please refer to "Conversion Privilege" in this section.

# Basic Life Insurance

## Conversion Privilege

Your coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Canada Life accompanied by payment of the first premium within 31 days of the date your Life Insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether application for conversion has been made.

<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

# Employee Supplementary Life Insurance

## How The Plan Works

The purchase of supplementary life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your supplementary life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Cost of Supplementary Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a “non-smoker” if you have not smoked for the last 12 months.)

**Monthly costs are provided in the Appendix (please refer to Rate Table 1).**

## Changing Your Coverage

There are times when you may need to change your coverage under the supplementary life insurance plan, either reducing or increasing the coverage, as appropriate.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided your spouse is not hospitalized.

Any request to reduce or cancel supplementary life insurance, will be effective on the later of the date you request or the first day of the month following the date your request is received.

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Supplementary Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Canada Life within 12 months from the onset of the disability, and periodically as requested by Canada Life thereafter.

# Employee Supplementary Life Insurance

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Canada Life under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

## Conversion Privilege

Your supplementary life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — without having to provide medical evidence. You must make written application for the individual policy to Canada Life accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

## What's Not Covered

No amount will be paid for that part of your Supplementary Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

# Spouse Optional Life Insurance

## How the Plan Works

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. If your spouse is insured through this program, benefits are payable to you in the event of the death of your covered spouse.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

## Changing Your Coverage

There are times when you may need to change your coverage under the spouse life insurance plan, either reducing or increasing the coverage, as appropriate.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided your spouse is not hospitalized.

Any request to reduce or cancel optional life insurance for your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (Note: If you subsequently apply to add or increase coverage for your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required).

## Cost of the Spouse Optional Life Plan

For Spouse Optional Life Insurance, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. **Monthly costs are provided in the Appendix (please refer to Rate Table 2).**

## Waiver Of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Spouse Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire, die, you reach age 65, or your spouse reaches age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Canada Life within 12 months from the onset of the disability, and periodically as requested by Canada Life thereafter.



# Spouse Optional Life Insurance

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Canada Life under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

## **Conversion Privilege**

Your spouse's life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — without having to provide medical evidence. You must make written application for the individual policy to Canada Life accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

# Dependent Child Optional Life Insurance

## How The Plan Works

The purchase of dependent optional life insurance is completely voluntary; you decide whether or not to participate. If your dependent child(ren) are (is) insured for life insurance coverage under the dependents' optional life plan, benefits are payable to you in the event of the death of your covered dependent child.

## Benefits Available

For eligible dependent children, the optional life insurance coverage available is noted in the **Benefit Summary**. Coverage is subject to medical evidence – proof that your dependent child(ren) is insurable, satisfactory to the insurer.

## Cost of Insurance

Please contact your Plan Administrator for additional information.

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your dependent child(ren)'s life insurance coverage under the Dependents' Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, or your spouse and/or dependent child(ren) no longer qualifies as an eligible dependent, whichever occurs first. "Totally disabled" means that you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience. The life waiver benefit will continue in accordance with the terms of the policy regardless of whether or not the plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

## What's Not Covered

No amount will be paid for that part of your Dependents' Optional Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

# Basic Accident Insurance

## How The Plan Works

Your basic accidental death and dismemberment insurance covers you 24 hours a day, 7 days a week, anywhere in the world. Benefits from this plan are paid in addition to any life or disability insurance that you receive.

In the event of your accidental death, your accident insurance plan will pay a benefit to your appointed beneficiary. Benefits for all other covered accidental losses are payable to *you*.

You may name anyone you choose to receive benefits payable under the plan in the event of your accidental death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Benefits Provided

Please refer to the **Benefit Summary** for the amount of coverage available.

# Basic Accident Insurance

If An Accident Results In:	Amount Payable
Quadriplegia (total paralysis of both arms and legs)	2 X insured amount
Paraplegia (total paralysis of both legs)	2 X insured amount
Hemiplegia (total paralysis of the arm and leg on one side of the body)	2 X insured amount
Loss of life	whole amount
Loss of both hands, both feet or both eyes	whole amount
Loss of use of both arms or both hands	whole amount
Loss of one hand and one foot	whole amount
Loss of one hand and one eye or one foot and one eye	whole amount
Loss of speech and hearing in both ears	whole amount
Loss of use of both feet	whole amount
Loss of one arm or one leg	3/4 of insured amount
Loss of use of one arm or one leg	3/4 of insured amount
Loss of one hand, one foot or one eye	2/3 of insured amount
Loss of use of one hand or one foot	2/3 of insured amount
Loss of speech or hearing in both ears	2/3 of insured amount
Loss of thumb and index finger or at least 4 fingers of one hand	1/3 of insured amount
Loss of hearing in one ear	1/3 of insured amount
Loss of all toes of one foot	1/4 of insured amount

Only one of the amounts payable (the largest applicable) is paid for injuries to the same limb caused by any one accident.

The maximum payable for all losses suffered by one covered person in any one accident will not exceed the following:

# Basic Accident Insurance

1. with the exception of quadriplegia, paraplegia and hemiplegia, the whole amount for which he or she is insured,
2. with respect to quadriplegia, paraplegia and hemiplegia, 200% of the amount for which he or she is insured, or 100% if Loss of Life occurs within 90 days after the date of the accident.

## Exposure & Disappearance

Benefits will also be paid for:

- losses caused by exposure to the elements, resulting from an accident within 365 days of the accident, and
- disappearance due to travel accidents (if a covered person's body is not found within 365 days of an accident in which their vehicle sinks or disappears, and there is no evidence that they survived, the benefit for loss of life is payable).

## Repatriation Benefit

The plan will pay for the preparation and transportation of the deceased for burial:

- up to \$10,000 if death occurs more than 50 km from the deceased's home, or
- up to \$10,000 if death occurs outside of Canada.

## Rehabilitation Benefit

The plan provides reimbursement of up to \$10,000 for expenses incurred for special training received within 2 years of the accident required in order for you to engage in a new occupation, if you are unable to perform your normal occupation as a result of an accidental loss. Payment will not be made for ordinary living, travelling or clothing expenses.

## Occupational Training Benefit

In the event of your accidental death, the plan provides reimbursement of up to \$10,000 for expenses incurred for training that qualifies your widowed spouse for a job for which he or she would not have otherwise engaged in, but for your death.

## Family Transportation Benefit

In the event you are on a trip covered by this plan, and are confined as an inpatient in a hospital because of injuries which result in a loss payable under the Loss Schedule and require the personal attendance of a member of your immediate family as recommended by the attending physician, the plan will pay up to \$10,000 for the expense incurred by the member for transportation by the most direct route by a licensed common carrier to be in attendance with you.

"**Member of the immediate family**" means the spouse or common law spouse, parent, grandparent, children over age 18, brother or sister of the insured person.

# Basic Accident Insurance

## Education Benefit

In the event of your accidental death, the plan provides a benefit of up to \$5,000 (or 5% of your insured amount, whichever is less) to your dependent child, provided the child was enrolled on a full-time basis in an institution of higher learning beyond the 12th grade level at the time of your death, or was enrolled in the 12th grade level and subsequently enrolls as a full-time student in an institution of higher learning within 365 days of your death.

The maximum benefit is in combination with the Education Benefit maximum provided under any other policy issued by the insurer, and is payable annually for a maximum of four (4) consecutive annual payments, provided the child continues to be enrolled in the institute of higher learning. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

If, at the time of your accidental death, you have no dependent child(ren) eligible for either the Education Benefit or the Day Care Benefit, the insurer will pay \$1,500 to your designated beneficiary.

## Day-Care Benefit

In the event of your accidental death, the plan provides a benefit of up to \$5,000 (or 5% of your insured amount, whichever is less) for reasonable and necessary expenses actually incurred for day-care, provided the child is enrolled in a day-care centre at the time of your death, or will subsequently enroll in a day-care centre within 365 days of your death.

The maximum benefit is in combination with the Day-Care Benefit maximum provided under any other policy issued by the insurer, for not more than four (4) consecutive years with respect to any one dependent child, provided the child continues to be enrolled in a day-care centre. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

**"Day-Care centre"** means a facility which is operated according to law, including laws and regulations applicable to day-care facilities, and which provides care and supervision for children in a group setting on a regular basis. Day-Care centre shall neither include a hospital, the child's home, care provided during school hours while a child is attending grades one (1) through twelve (12) nor any other day-care facility which does not charge a fee for services rendered.

**"Dependent child"** means a person who is either a natural child, step-child or legally adopted child of the insured employee, who is residing in his or her household, is under thirteen (13) years of age and dependent upon the insured employee for maintenance and support.

# Basic Accident Insurance

## Private Automobile Seat Belt Coverage

In the event you sustain an injury which results in a loss payable under the Loss Schedule, an additional amount equal to 10% of the amount payable will be paid if, at the time of the accident, you were driving or riding in a vehicle and wearing a properly fastened seat belt.

The driver of the vehicle must hold a current and valid driver's license of a rating authorizing him or her to operate such vehicle, and neither be intoxicated nor under the influence of drugs, unless such drugs are taken as prescribed by a physician, at the time of the accident.

## Home Alteration & Vehicle Modification Benefit

In the event you receive a payment under the Loss Schedule and subsequently require (due to the same cause for which payment was made under the Loss Schedule) the use of a wheelchair to be ambulatory, this benefit will pay up to \$10,000, upon presentation of proof of payment, for:

- the one-time cost of alterations to your residence to make it wheelchair accessible and habitable, and/or
- the one-time cost of modifications necessary to a motor vehicle, owned by you, to make the vehicle accessible or driveable for you.

Benefit payments will not be paid unless:

1. home alterations are made by a person or persons experienced in such alterations and recommended by a recognized organization, providing support and assistance to wheelchair users; and
2. vehicle modifications are carried out by a person or persons with experience in such matters and modifications are approved by the Provincial vehicle licensing authorities.

## Waiver of Premium

Premium payments are waived during any period in which you are totally disabled and premiums are being waived for your group life insurance coverage. Premiums will be waived until age 65, recovery or death, whichever occurs first, provided this plan remains in force.

# Basic Accident Insurance

## Conversion Privilege

Your basic accidental death and dismemberment insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your insurance to an individual policy provided this plan is still in force — *without* having to provide medical evidence. You must apply to convert prior to age 70 and within 31 days of the date your employment ends. If you should die accidentally or suffer a covered accidental loss during the 31-day conversion period, a benefit will be paid in accordance with the Loss Schedule, regardless of whether or not application for conversion has been made.



# Long Term Disability

## How the Plan Works

Please refer to the **Benefit Summary** for the amount of coverage available, and information regarding the elimination period and benefit period. Benefits are payable under the Long Term Disability plan after you have been totally and continuously disabled for the elimination period noted.

To qualify for long term disability benefits you must be "totally disabled". During the first **24 months** that you receive long term disability benefits, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this **24-month** period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.

Any benefits you receive from the Long Term Disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the Long Term Disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

# Long Term Disability

## Coordination with Other Disability Benefits

Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System, but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability net earnings (if benefits are non-taxable) or gross earnings (if benefits are taxable).

## Rehabilitation Benefit

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company. While you are participating in an approved rehabilitation program, your Long Term Disability benefit will not be discontinued. However, your monthly Long Term Disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

## When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

# Long Term Disability

## Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

## What's Not Covered

Your Long Term Disability plan does not cover:

- participation in a riot, insurrection, or commotion
- cosmetic surgeries
- untreated drugs and alcohol abuse
- impaired driving
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation or attempting to commit a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
  1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
  2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

# Healthcare

## How the Plan Works

Under the health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan. Please refer to the **Benefit Summary** at the beginning of this booklet, for maximum amounts.

The plan covers customary charges for the following services and supplies. All covered services and supplies must represent reasonable treatment. Treatment is considered reasonable if it is accepted by the Canadian medical profession, it is proven to be effective, and it is of a form, intensity, frequency and duration essential to diagnosis or management of the disease or injury.

## Covered Expenses

### Hospital

Daily charges up to semi-private hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

- the insured person was confined to hospital on an in-patient basis; and
- the accommodation was specifically elected in writing by the insured person.

**Note:** The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or co-payment fees (or similar charges).

### Prescription Drugs – Direct Payment Plan

Your prescription drug plan provides coverage for the following:

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives,
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

# Healthcare

The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs.

The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product. Where a prescription contains a written direction from the Physician or Dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your benefit card to the pharmacist. You will be required to pay any deductible, where applicable.

## **Ambulance**

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

## **Private Duty Nursing**

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), Registered Nursing Assistant (R.N.A.), Certified Nursing Assistant (C.N.A.) or Licensed Practical Nurse (L.P.N). who is not a relative, friend or member of the patient's household. A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.

# Healthcare

## **Professional Services / Paramedical Practitioners**

Services as outlined in the Benefit Summary.

## **Vision Care**

Glasses and contact lenses required to correct vision when provided by a licensed ophthalmologist, optometrist or optician. Charges for repairs are also included.

Eye examinations, including refractions, when they are performed by a licensed ophthalmologist or optometrist, and coverage is not available under your provincial government plan.

## **Medical Services and Supplies**

For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs. Rental or, at the plan's discretion, purchase of certain medical supplies, appliances and prosthetic devices prescribed by a physician.

Eligible Services and Supplies include:

- Crutches
- Canes
- Walkers
- Standard Wheelchairs
- Wheelchair Repairs
- Manual Hospital Beds
- Respiratory and Oxygen Equipment
- External prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- Braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,

# Healthcare

- Stock-item orthopaedic shoes when recommended by a physician or podiatrist,
- Custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O). and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe,
- Casted, custom-made orthotics which are recommended by a physician or podiatrist,
- Hearing aids (including charges for installation, repair, maintenance and batteries),
- Surgical stockings,
- Surgical brassieres,
- Wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment,
- Ileostomy, colostomy and incontinence supplies, and
- Microscopic and other similar diagnostic tests and services.

## **Accidental Dental Treatment**

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

# Healthcare

## Out of Country Travel

Emergency care outside Canada is covered if it is required as a result of a medical emergency arising while you or your dependent is temporarily outside Canada for vacation, business or education purposes. To qualify for benefits, you must be covered by the government health plan in your home province. A medical emergency is either a sudden, unexpected injury, or a sudden, unexpected illness or acute episode of disease that could not have been reasonably anticipated based on the patient's prior medical condition. Emergency care is covered medical treatment that is provided as a result of and immediately following a medical emergency.

If the patient's condition permits a return to Canada, benefits are limited to the lesser of:

- the amount payable under this plan for continued treatment outside Canada, and
- the amount payable under this plan for comparable treatment in Canada plus the cost of return transportation.

No benefits are paid for:

- any further medical care related to a medical emergency after the initial acute phase of treatment. This includes non-emergency continued management of the condition originally treated as an emergency,
- any subsequent and related episodes during the same absence from Canada,
- expenses related to pregnancy and delivery, including infant care:
  - after the 34th week of pregnancy, or
  - at any time during the pregnancy if the patient's medical history indicates a higher than normal risk of an early delivery or complications.

Non-emergency care outside Canada is covered for you and your dependents if:

- it is required as a result of a referral from your usual Canadian physician,
- it is not available in any Canadian province and must be obtained elsewhere for reasons other than waiting lists or scheduling difficulties,
- you are covered by the government health plan in your home province for a portion of the cost, and,
- a pre-authorization of benefits is approved by Canada Life before you leave Canada for treatment.



# Healthcare

No benefits will be paid for:

- investigational or experimental treatment
- transportation or accommodation charges.

The plan covers the following services and supplies when related to out-of-country care:

- treatment by a physician,
- diagnostic x-ray and laboratory services,
- hospital accommodation in a standard or semi-private ward or intensive care unit, if the confinement begins while you or your dependent is covered,
- medical supplies provided during a covered hospital confinement,
- paramedical services provided during a covered hospital confinement,
- hospital out-patient services and supplies,
- medical supplies provided out-of-hospital if they would have been covered in Canada,
- drugs,
- out-of-hospital services of a professional nurse,
- for emergency care only, ambulance services by a licensed ambulance company to the nearest centre where essential treatment is available

# Healthcare

## Global Medical Assistance Program

This program provides medical assistance through a worldwide communications network which operates 24 hours a day. The network locates medical services and obtains Canada Life's approval of covered services, when required as a result of a medical emergency arising while you or your dependent is travelling for vacation, business or education.

Coverage for travel within Canada is limited to emergencies arising more than 500 kilometres from home. You must be covered by the government health plan in your home province to be eligible for global medical assistance benefits.

The following services are covered, subject to Canada Life's prior approval:

- On-site hospital payment when required for admission, to a maximum of \$1,000,
- If suitable local care is not available, medical evacuation to the nearest suitable hospital while travelling in Canada. If travel is outside Canada, transportation will be provided to a hospital in Canada or to the nearest hospital outside Canada equipped to provide treatment. When services are covered under this provision, they are not covered under other provisions described in this booklet,
- Transportation and lodging for one family member joining a patient hospitalized for more than 7 days while travelling alone. Benefits will be paid for moderate quality lodgings up to \$1,500 and for a round trip economy class ticket,
- If you or a dependent is hospitalized while travelling with a companion, extra costs for moderate quality lodgings for the companion when the return trip is delayed due to your or your dependent's medical condition, to a maximum of \$1,500,
- The cost of comparable return transportation home for you or a dependent and one travelling companion if prearranged, prepaid return transportation is missed because you or your dependent is hospitalized. Coverage is provided only when the return fare is not refundable. A rental vehicle is not considered prearranged, prepaid return transportation,
- In case of death, preparation and transportation of the deceased home,
- Return transportation home for minor children travelling with you or a dependent who are left unaccompanied because of your or your dependent's hospitalization or death. Return or round-trip transportation for an escort for the children is also covered when considered necessary, and

# Healthcare

- Costs of returning your or your dependent's vehicle home or to the nearest rental agency when illness or injury prevents you or your dependent from driving, to a maximum of \$1,000. Benefits will not be paid for vehicle return if transportation reimbursement benefits are paid for the cost of comparable return transportation home

## Limitations

No benefits are paid for:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

# Dentalcare

## How the Plan Works

Your dental care plan has been developed to help you and your family maintain good dental health. The plan covers customary charges to the extent they do not exceed the dental fee guide level shown in the **Benefit Summary**.

All covered services and supplies must represent reasonable treatment. Treatment is considered reasonable if it is recognized by the Canadian Dental Association, it is proven to be effective, and it is of a form, frequency, and duration essential to the management of the person's dental health. To be considered reasonable, treatment must also be performed by a dentist or under a dentist's supervision, performed by a dental hygienist entitled by law to practise independently, or performed by a denturist.

The following expenses will be covered:

## Basic Coverage

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- bitewing x-rays (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 9-month period, or once in any 6-month period for dependent children under age 21,
- fluoride treatment (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- oral hygiene instruction (once in any 9-month period, or once in any 6-month period for dependent children under age 21),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,

# Dentalcare

- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
  1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
  2. provisional splinting; and
  3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

## **Removeable Prosthodontic Services and Supplies**

- initial provision of a full or partial removable denture,
- denture repairs, relines and rebases, and
- replacement of a removable denture, provided the new denture is necessary due to one of the following:
  1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
  2. the existing appliance is at least 36 months old and cannot be made serviceable; or
  3. the existing appliance is temporary and within 12 months of its installation it is replaced by a permanent denture. The total amount payable for both the temporary and permanent denture is the amount which would have been allowed for a permanent denture.

## **Fixed Prosthodontic and Major Restorative Services**

- crowns, onlays and inlays (only when function is impaired due to cuspal or incisal angle damage caused by trauma or decay), including gold foil restorations (only when approved by the Insurance Company), metal transfers, telescoping and splinting,
- veneers,
- initial provision of fixed bridgework, and
- replacement of a fixed bridgework or addition of teeth to bridgework provided the replacement or addition is due to one of the following:
  1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
  2. the existing appliance is at least 36 months old and cannot be made serviceable; or
  3. the existing appliance is temporary and, within 12 months of its installation, it is replaced by a permanent bridge. The total amount payable for both the temporary and permanent bridge is the amount which would have been allowed for a permanent bridge.

# Dentalcare

## Orthodontic Services and Supplies

- space maintainers,
- correction of malocclusion of the teeth,
- observation and adjustment,
- appliances for tooth guidance and uncomplicated tooth movement,
- appliances to control harmful habits,
- retention appliances, and
- fixed or cemented, unilateral and bilateral appliances.

## Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed \$500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

**Note:** If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.

# Dentalcare

## Limitations

No benefits are payable for:

- Services or treatment that are covered under any other plan, government plan or legally mandated program,
- Dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- Dental care required as a result of committing or attempting to commit an assault or criminal offense,
- Charges for broken appointments, third party examinations, travel to and from appointments, or completion of claim forms,
- Charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- Charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- Treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- Cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- Implants, or any services rendered in conjunction with implants,
- Anti-snoring or sleep apnea devices,
- Treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- Replacement of removable appliances which are lost, mislaid or stolen, or
- Laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

# Healthcare Spending Account

## How the Plan Works

A Health Care Spending (HCSA) is like a bank account through which you may be reimbursed for health and dental expenses up to a predetermined annual credit amount. Your employer will provide you with annual credits at the beginning of each plan year. These credits may be used to cover expenses not covered by group health plans or to top-up expenses not fully covered by group health plans, including deductibles and co-payment amounts. Also, since annual credits are in the form of before tax dollars, the HCSA is a tax-effective way of paying for your health-related expenses.

Unused credits at the end of any plan year are automatically forfeited. The plan year for this benefit runs from January 1st to December 31st. The maximum annual payment available under your account consists of the amount of credit directed to it at the beginning of the plan year, as indicated in the **Benefit Summary**.

## Eligibility

You are eligible for HCSA credits through your employer if you are covered for basic health benefits under your group health plan. In addition to the dependents eligible for coverage under your basic health plan, HCSA benefits are extended to a child who is no longer eligible for basic health benefits solely because of student age restrictions and to any other person for whom you are entitled to claim a medical expense tax credit under the Income Tax Act.

## Termination

Your HCSA coverage terminates when your basic health coverage terminates, when you elect to discontinue coverage (at any plan enrolment date) or when your employer discontinues the plan.

## Covered Expenses

The Income Tax Act governs the types of expenses that can be reimbursed under the HCSA. Coverage is provided for medical, vision and dental expenses that qualify for a medical expense tax credit. For a complete list of covered expenses, contact your Canada Revenue Agency District Office and ask for Income Tax Interpretation Bulletin IT-519R.

Canada Life will pay 100% of covered expenses that are incurred while you and your dependents are covered, up to a maximum annual payment equal to the credits in your HCSA. Expenses for medical and vision services and supplies are considered to be incurred when they are received. Dental expenses, other than orthodontic expenses, are considered to be incurred when treatment is completed. Orthodontic expenses are considered to be incurred on a periodic basis throughout the course of treatment.



# Healthcare Spending Account

## Limitations

No benefits are paid for:

- Expenses that private benefit plans are not permitted to cover by law;
- Services or supplies you are entitled to without charge by law or for which a charge is made only because you have coverage under a private benefit plan;
- Any portion of the expense for services or supplies for which benefits are payable under your basic health plan, another group plan or a government plan;
- Expenses arising from war, insurrection, or voluntary participation in a riot.

# Wellness | Lifestyle Spending Account

## How the Plan Works

The Wellness/Lifestyle Account provides support for health promotion/activity-based programs (goods and services) for eligible employees. You will be reimbursed dollar-for-dollar up to the annual maximum amount. The Wellness/Lifestyle Account provides financial support towards our employee's wellness. Eligible/claimable items must be purchased by the employee, for their own use. This is a taxable benefit.

Health Living Account funds cannot be carried over from year to year. Claims are paid from the Wellness/Lifestyle Account in the year that the expense was/is incurred. The plan year for the Wellness/Lifestyle Accounts runs from January 1st to December 31st.

## Eligible/claimable items

Below is a list of eligible claimable items under the Wellness/Lifestyle Account. This list is reviewed and may be amended from time to time.

- Certified Instruction (personal trainer) or instructed classes at a fitness facility
- Exercise equipment for home use (new or used), including:
- Durable home fitness equipment (treadmills, rowing machines, resistance training, elliptical machines, exercise bikes, universal gym systems, weights, etc.)
- Bicycles and parts (excludes payment of fees for service)
- Jogging or cycling strollers
- Canoe, kayak, paddle boat, water skis, paddleboard, windsurfer board
- Specialized fitness equipment (skates, skateboards, roller blades, bicycles, running shoes, hiking/walking boots and shoes, sports racquets, golf clubs, safety helmets, fishing rods, yoga mats, specialized athletic footwear and sports equipment – e.g. kanga boots/shoes, inversion table, etc.)
- Wearable fitness technology and health monitoring devices/trackers (e.g. Fitbit, Jawbone, Smartband, FuelBand, smart scales, etc.)
- Sports equipment (basketball, volleyball, baseball, tennis balls, football, medicine ball, badminton birdies, etc.)
- Snow kits/boots (downhill or cross country), snowboards/boots, safety helmets, snowshoes
- Walking/hiking stick, trekking pole
- Home exercise DVDs, program discs and videos (Wii Fit, Kinect, PlayStation, exercise accessories including balance board, etc.) Excludes game consoles and computer hardware
- Fitness centre membership fees
- Athletic facility fees, including:
- Court fees (racquetball, tennis, squash, badminton, etc.)

# Wellness | Lifestyle Spending Account

- Ski or snowboarding passes/lift tickets
- Fitness program fees (yoga, aerobics, kanga jump, aquasize, Pilates, jazzercise, Zumba, etc.)
- Organized sports leagues (hockey fees, etc.)
- Race registration fees
- Martial arts classes (Tai Chi, Karate, Taekwondo, Wrestling, Judo, etc.)
- Sports league fees (bowling, soccer, etc.)
- Fitness boot camp
- Weight management programs (excluding food)
- Vitamins
- Minerals
- Supplements
- Natural Health Products
- Herbal Remedies
- Alternative Healing Therapies (Reiki, Shiatsu, etc.)
- Health/Stress Management Programs (spa/wellness retreats)
- Smoking cessation programs and products

## **NOTE**

**Golf memberships/green fees, food items and articles of clothing are NOT eligible for reimbursement under this program.**

# Group Home & Auto

## How the Plan Works

To enhance your overall benefits package, your employer has endorsed MEARIE Management Inc's Group Home & Automobile Insurance Program. This Program is available to you on a completely voluntary basis, with all associated premiums being paid by you. The Program, sponsored by MEARIE Management Inc, accesses a number of different insurance companies, ensuring you are able to receive the right coverage, with the right insurer, at the right price. We will work with you to find the best option for your needs.

All our partner insurance companies have been providing group home and automobile insurance to groups and associations for many years, and have the financial strength and stability to ensure their claims-paying ability is second-to-none in the Canadian insurance marketplace.

### Products Available Residential

Homeowners  
Condominium Owners  
Seasonal/Secondary/Rented Residences  
Personal Articles

### Personal Automobiles

Automobiles  
Campers/Motor Homes  
Motorcycles  
Snowmobiles/Recreational Vehicles  
Trailers

## Payment Options

Multi-pay plans, or monthly payment plan with no interest or service fees.

## How to Obtain a Quote

To obtain a no-obligation quote or to get more information on your home and auto insurance needs, call MEARIE Management Inc's toll-free number 1-877-4MEARIE (1-877-463-2743), or visit our website at [www.mearie.ca](http://www.mearie.ca) and click the link Personal Insurance – Home and Auto to access our special pricing offers.

# Appendix

**Rate Table 1 - Employee Additional Term and Supplementary Life Insurance Monthly Rates**

Employee's Attained Age (as of January 1 <sup>st</sup> )	Smoker Monthly Rate (per \$1,000)	Male		Female	
		Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020	
35 – 39	\$0.060	\$0.039	\$0.033	\$0.028	
40 – 44	\$0.163	\$0.080	\$0.099	\$0.062	
45 – 49	\$0.285	\$0.142	\$0.169	\$0.098	
50 – 54	\$0.445	\$0.231	\$0.240	\$0.151	
55 – 59	\$0.757	\$0.383	\$0.395	\$0.231	
60 – 64	\$0.890	\$0.480	\$0.480	\$0.300	

**Notes:**

The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect. Monthly costs shown above are subject to applicable taxes.

**Rate Table 2 - Spouse Optional Life Insurance Monthly Rates**

Spouse's Attained Age (as of January 1 <sup>st</sup> )	Smoker Monthly Rate (per \$1,000)	Male		Female	
		Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)
Under 30	\$0.042	\$0.032	\$0.042	\$0.026	
30 – 39	\$0.069	\$0.035	\$0.054	\$0.032	
40 – 49	\$0.187	\$0.094	\$0.113	\$0.069	
50 – 59	\$0.615	\$0.307	\$0.312	\$0.187	
60 – 64	\$1.200	\$0.599	\$0.653	\$0.390	

**Notes:**

The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect. Monthly costs shown above are subject to applicable taxes.



**The MEARIE Group**

**3700 Steeles Avenue West, Suite 1100**

**Vaughan, Ontario | L4L 8K8**

**Direct 905.265.5300 | Toll 1.800.668.9979**

**Fax 905.265.5301 | Email [mearie@mearie.ca](mailto:mearie@mearie.ca)**

**Web [mearie.ca](http://mearie.ca)**

## **ATTACHMENT 4-B**

# EPI Post-Employment Benefits Actuary Report, Mondelis Actuarial



December 8, 2022

Kelly Ladd  
 Manager of Accounting  
 Entegrus  
 320 Queen Street  
 Chatham, ON N7M 5K2

Dear Kelly:

Re: **Entegrus and St. Thomas Energy Post-Employment Benefits Accounting 2022**

This report provides the post-employment benefits disclosure requirements for the fiscal period ending December 31, 2022. Obligations for the Entegrus divisions and the St. Thomas Energy division were determined via a full valuation as at December 31, 2022. The previous full valuation was performed as at December 31, 2019.

Below is a table summarizing the change in the balance sheet liability from 2021.

	2021	2022	2022	2022	2022	2022
Balance Sheet Liability	Total	Entegrus	Powerlines	Transmission	STEnergy	Total
Amount at start of year	4,578,686	85,501	2,932,239	26,347	1,139,114	4,183,201
Expense in year	264,658	6,755	166,328	2,140	68,797	244,020
Recognize (gain)/loss	(276,940)	(14,666)	(276,631)	(24,330)	(705,360)	(1,020,987)
Employer contributions	(383,203)	(8,884)	(283,541)	(4,157)	(61,497)	(358,079)
Amount at end of year	4,183,201	68,706	2,538,395	0	441,055	3,048,156



**PREMIUM RATES**

Retiree premium rates provided by the plan sponsor effective December 31, 2022 are shown in the following table. The rates below are paid entirely by the employer upon retirement for members in the Post-Employment Benefits plan. The rates shown do not include provincial sales tax.

Benefit Division		Health		Dental		GMA	
		Single	Family	Single	Family	Single	Family
215	1	152.68	341.56	50.86	131.74	0.55	0.55
215	20		338.16		131.74		0.55
215	38		341.56		131.74		0.55
216	3	88.8	199.14	41.64	107.82	0.55	0.55
216	4		193.33		107.82		0.55
216	21		193.33		107.82		0.55
216	35	88.8		41.64		0.55	
216	37		199.14		107.82		0.55
216	40		199.14		107.82		0.55
217	5	96.5	254.09	35.88	82.03	0.55	0.55
217	6		243.22		82.03		0.55
217	19	92.59	244.44	35.88	82.03	0.55	0.55
217	22		243.22		82.03		0.55
217	23		254.09		82.03		0.55
217	39		254.09		82.03		0.55
218	9	181.37	376.11	32.56	74.04	0.55	0.55
218	10	181.37		32.56		0.55	
96	28		250.58		135.39		0.55
96	36		243.93		129.79		0.55

**MEMBERSHIP DATA**

The following tables summarize the data provided by the plan sponsor for the December 31, 2022 valuation for Post-employment Benefits.

Age Group	Entegrus	Powerlines	Transmission	St Thomas	Total
<b>Number of Active Employees</b>					
20 to 25	0	6	0	0	6
25 to 30	0	12	0	0	12
30 to 35	0	13	0	0	13
35 to 40	0	22	0	0	22
40 to 45	1	26	0	0	27
45 to 50	0	10	0	0	10
50 to 55	0	21	0	0	21
55 to 60	2	8	0	0	10
60 to 65	0	3	0	0	3
65 to 70	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
Totals	3	123	0	0	126

<b>Average Service</b>					
20 to 25	0.0	1.3	0.0	0.0	1.3
25 to 30	0.0	3.0	0.0	0.0	3.0
30 to 35	0.0	4.2	0.0	0.0	4.2
35 to 40	0.0	7.0	0.0	0.0	7.0
40 to 45	7.6	10.8	0.0	0.0	10.7
45 to 50	0.0	9.6	0.0	0.0	9.6
50 to 55	0.0	18.7	0.0	0.0	18.7
55 to 60	17.3	25.0	0.0	0.0	23.4
60 to 65	0.0	21.3	0.0	0.0	21.3
65 to 70	0.0	31.2	0.0	0.0	31.2
Totals	14.1	11.0	0.0	0.0	11.0

<b>Number of Retirees</b>					
55 to 60	0	9	0	0	9
60 to 65	1	21	0	3	25
65 to 70	0	2	0	7	9
70 to 75	0	0	0	9	9
75 to 80	0	3	0	3	6
80 to 85	0	4	0	4	8
85 to 90	0	8	0	1	9
90 to 95	0	4	0	1	5
95 to 100	<u>0</u>	<u>6</u>	<u>0</u>	<u>1</u>	<u>7</u>
Totals	1	57	0	29	87

## PLAN PROVISIONS

### Post-employment Plans – Entegrus, Powerlines, Transmission

Retired employees receive life insurance, health and dental coverage insurance. Coverage is paid by the employer and is summarized below:

- Future retirees will be insured for \$5,000 of life insurance, as well as health and dental coverage, for the period from their retirement until their attainment of age 65.
- Certain existing retirees are covered for life insurance amounts related to earnings prior to retirement, as well as health and dental coverage, with benefits payable for life.
- Health and dental coverage is continued to dependent survivors of employees who die in active employment for the lesser of two years or the period to the date the employee's coverage would have ended.
- Employees who retire after January 1, 2020 with an OMERS pension will be provided with a health care spending account of \$700 annually for non-union members (wellness account also provided for this group), \$400 annually for outside union members, and \$300 annually for inside union members, for the period from their retirement until the earlier of death or attainment of age 65. An administration fee of 4% of claims has been included.

### Post-employment Plans – St. Thomas Energy

All retired employees receive life insurance. Employees who retire with an OMERS pension receive health and dental coverage insurance, and a health care spending account (HCSA). Coverage is paid by the employer and is provided according to the following schedule:

- Retirees will be insured for life insurance from their retirement to the remainder of their lifetime, with the amount of coverage depending on the years of service.
  - \$2,000 for future retirees with less than 10 years of service.
  - 50% of final annual earnings, reducing by 2.5% of final annual earnings each year thereafter for 10 years, to a final benefit equal to 25% of final annual earnings, for future retirees with 10 years of service or more.
  - Certain existing retirees are covered for life insurance amounts related to earnings prior to retirement, from their retirement to the remainder of their lifetime.
- Retirees eligible for health and dental coverage will be covered for the period from their retirement until their attainment of age 65.
  - Health and dental coverage is continued to dependent survivors of a deceased retiree for the period up until the date the retiree's coverage would have ended.
- Employees who retire with an OMERS pension will be provided with a health care spending account of \$200 annually per family member for the period from their retirement until the earlier of death or attainment of age 65. An administration fee of 4% of claims has been included.

## ATTESTATION

We are pleased to provide the following certifications:

- a) We are aware that our work will be used for audit evidence;
- b) I am a member in good standing of the Canadian Institute of Actuaries;
- c) We have been engaged by Entegrus' management to perform the extrapolation;
- d) The extrapolation has been prepared in accordance with the standards of the Canadian Institute of Actuaries;
- e) Our calculations include all employee future benefit plans of the Company required to be included in the calculations for which we have been retained;
- f) The plan is a defined benefit plan;
- g) The amounts derived from the extrapolation are in accordance with IFRS accounting standards;
- h) We have included the effect of all known commitments in our calculations;
- i) No settlements or curtailments have occurred in the fiscal period covered by this report;
- j) The calculations have been prepared using best estimate assumptions, as proposed by us for management use; the discount rate was chosen by management and is 4.88%, which is the Ontario Energy Board deemed Long-Term debt rate for 2023;
- k) This letter, which includes the contents of our report, includes the following:
  - i) A description of the participant groups covered.
  - ii) A description of the plan benefits.
  - iii) A description of the actuarial valuation method used to determine the accrued benefit obligation.
  - iv) The significant actuarial assumptions used in the calculations are as follows:
    - A rate of 4.88% per year was chosen by management for use as at December 31, 2022. A discount rate of 3.49% per year was used to establish liabilities at December 31, 2021.
    - No assets have or are expected to be accumulated for the plan.
    - Salary growth rate of 2.5% per year is used where life insurance benefits are related to salaries (STEnergy).
    - Only the impact of employer contributions to the plans is considered.
    - Mortality is based on the Canadian Pensioner Mortality Table (CPM2014) projected on a generational basis using CPM Improvement Scale B.
    - Termination of employment is based on the Ontario Medium Scale.
    - Retirement at the greater of age 59 or current age plus 1 year is presumed.
    - Inflation of 2.5% per year is assumed.
    - At retirement employees are presumed to have the same family status as they currently have, but that the retiree would have at most only one dependent.
    - Health care trend rates of 8% at the end of the first year after December 31, 2022, reducing to the 3.5% after 10 years are assumed.
    - Dental care trend rates equal to 3.5% in all years are assumed.
    - The value of projected benefits is prorated over the attribution period to determine the amount of expense to charge to various periods. The accrued obligation represents the present value of benefits assigned to periods prior to the valuation date.

- It is presumed that the settlement cost of life insurance benefits would be 10% of the life insurance amount per claim.
  - v) Gains and losses are recognized immediately through the balance sheet.
  - vi) The plan is unfunded.
  - vii) The attribution method is based on prorating benefits over each employee's period of service to the attainment of age 55.
  - viii) IAS 19 was adopted prior to the current reporting period.
  - ix) The valuation allowance is zero.
  - x) No settlements or curtailments have occurred.
  - xi) No significant non-routine events occurred in the fiscal period covered by this report.
  - xii) No deviations from the benefit plan have occurred in the fiscal period covered by this report.
- l) We have confirmed with management that the plan provisions are up to date for use in this report.
- m) Management has agreed to advise us of any changes to the plan provisions and events which occur between the valuation date and the date of our report that would have a material effect on the valuation.
- n) No matters have come to our attention that have occurred prior to the date of the completion of this report which would have a material effect on our calculations.
- o) We have relied upon the data as provided by the employer. We have compared current year data with data provided in the previous valuation and have determined that the current data is consistent with prior data.
- p) We affirmatively update the representations made in (a) through (o) above.

### Calculations

On the basis of the assumptions and methods noted above, we have determined the present value of benefit obligations related to service through 2022. The attached tables show the calculated obligation amounts at the fiscal year end dates as requested.

Please contact us should you require additional information.

Sincerely,



Harish Pawagi

harish.pawagi@mondelis.com

Fellow, Society of Actuaries

Fellow, Canadian Institute of Actuaries

Att.

## EXHIBITS

Fiscal Year	Totals 2021	Entegrus 2022	Powerlines 2022	Transmission 2022	St. Thomas Energy 2022	Totals 2022
<b>Discount rate</b>						
At start of year	2.85%					3.49%
At end of year	3.49%					4.88%
<b>Interest rate on assets</b>	n/a					n/a
<b>CPI increase assumption</b>	2.50%					2.50%
<b>Termination rates used</b>	Yes					Yes
<b>Retirement Age</b>	59.0					59.0
<b>Health Care Initial Trend Rate</b>	8.00%					8.00%
Ultimate Trend Rate	3.50%					3.50%
<b>Dental Trend Rate</b>	3.50%					3.50%
<b>Expected Avg Remaining Service Lifetime</b>			11.2			
<b>Number of employees at start of year</b>	128	3	99	1	25	128
<b>Number of employees at end of year</b>	128	3	123	0	0	126
<b>Number of retirees at end of year</b>	84	1	57	0	29	87
<b>Reconcile Obligation</b>						
Obligation at start of year	4,578,685	85,501	2,932,239	26,347	1,139,114	4,183,201
Current service cost	121,877	4,087	75,542	1,339	32,694	113,662
Past service cost	0	0	0	0	0	0
Benefit payments	(383,203)	(8,884)	(283,541)	(4,157)	(61,497)	(358,079)
Interest on obligation	<u>142,781</u>	<u>2,668</u>	<u>90,786</u>	<u>801</u>	<u>36,103</u>	<u>130,358</u>
Expected obligation at end of year	4,460,141	83,372	2,815,026	24,330	1,146,415	4,069,143
Actual obligation at end of year	4,183,201	68,706	2,538,395	0	441,055	3,048,156
Total (Gain)/Loss recognized in year	(276,940)	(14,666)	(276,631)	(24,330)	(705,360)	(1,020,987)

<b>Fiscal Year</b>	<b>Totals 2021</b>	<b>Entegrus 2022</b>	<b>Powerlines 2022</b>	<b>Transmission 2022</b>	<b>St. Thomas Energy 2022</b>	<b>Totals 2022</b>
<b>Reconcile Assets</b>						
Assets at start of year	0	0	0	0	0	0
Member contributions	0	0	0	0	0	0
Employer contributions	383,203	8,884	283,541	4,157	61,497	358,079
Benefit payments	(383,203)	(8,884)	(283,541)	(4,157)	(61,497)	(358,079)
Expected interest on assets	0	0	0	0	0	0
Expected asset at end of year	0	0	0	0	0	0
Actual asset at end of year	0	0	0	0	0	0
(Gain)/Loss recognized in year	0	0	0	0	0	0
<b>Expense</b>						
Current service cost	121,877	4,087	75,542	1,339	32,694	113,662
Past service cost	0	0	0	0	0	0
Interest on obligation	142,781	2,668	90,786	801	36,103	130,358
Interest on assets	0	0	0	0	0	0
Amortize transition amount	0	0	0	0	0	0
Amortize plan improvements	0	0	0	0	0	0
Amortize gains and losses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Pension expense	264,658	6,755	166,328	2,140	68,797	244,020
<b>Unamortized (Gains) &amp; Losses</b>						
Unamortized (gain)/loss at start of year	0	0	0	0	0	0
(Gain)/Loss in year	(276,940)	(14,666)	(276,631)	(24,330)	(705,360)	(1,020,987)
Amortization in year	<u>276,940</u>	<u>14,666</u>	<u>276,631</u>	<u>24,330</u>	<u>705,360</u>	<u>1,020,987</u>
Unamortized (gain)/loss at end of year	0	0	0	0	0	0

<b>Fiscal Year</b>	<b>Totals 2021</b>	<b>Entegrus 2022</b>	<b>Powerlines 2022</b>	<b>Transmission 2022</b>	<b>St. Thomas Energy 2022</b>	<b>Totals 2022</b>
<b>Deferred Expense/(Prepaid asset)</b>						
Amount at start of year	4,578,686	85,501	2,932,239	26,347	1,139,114	4,183,201
Expense in year	264,658	6,755	166,328	2,140	68,797	244,020
Recognize (gain)/loss	(276,940)	(14,666)	(276,631)	(24,330)	(705,360)	(1,020,987)
Employer contributions	<u>(383,203)</u>	<u>(8,884)</u>	<u>(283,541)</u>	<u>(4,157)</u>	<u>(61,497)</u>	<u>(358,079)</u>
Amount at end of year	4,183,201	68,706	2,538,395	0	441,055	3,048,156
<b>Reconcile funded status to Prepaid asset</b>						
Funded status	(4,183,201)	(68,706)	(2,538,395)	0	(441,055)	(3,048,156)
Unamortized transition amount	0	0	0	0	0	0
Unamortized prior service costs	0	0	0	0	0	0
Unamortized (gains) & losses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(Deferred expense)/Prepaid asset	(4,183,201)	(68,706)	(2,538,395)	0	(441,055)	(3,048,156)
<b>Sensitivity Testing: Change in obligation</b>						
1% increase in trend rates	230,000	3,000	201,000	0	<1,000	204,000
1% decrease in trend rates	(203,000)	(3,000)	(177,000)	0	<1,000	(180,000)



<b>Fiscal Year</b>	<b>Totals 2021</b>	<b>Entegrus 2022</b>	<b>Powerlines 2022</b>	<b>Transmission 2022</b>	<b>St. Thomas Energy 2022</b>	<b>Totals 2022</b>
<b>Expected benefit payments</b>						
in 1st year following fiscal year						269,000
in 2nd year following fiscal year						286,000
in 3rd year following fiscal year						261,000
in 4th year following fiscal year						244,000
in 5th year following fiscal year						248,000
in 6th through 10th years following fiscal year						1,149,000
<b>Sources of (Gain)/Loss</b>						
Discount rate change (3.49% to 4.88%)		(5,326)	(322,656)	0	(76,266)	(404,248)
Other sources (membership, trend rate, premium rate)		<u>(9,340)</u>	<u>46,025</u>	<u>(24,330)</u>	<u>(629,094)</u>	<u>(616,739)</u>
Total (Gain)/Loss recognized in year		(14,666)	(276,631)	(24,330)	(705,360)	(1,020,987)

# **ATTACHMENT 4-C**

## EPI Purchasing Policy



Policy: Purchasing

Policy Number: FIN-03

Approval Date: August 1, 2025

Review Date: July 31, 2026

Owner: CFO and VP IT

## **1.0 Purpose**

The procurement process strives to ensure the most cost effective and efficient products and services are purchased and that all purchased items meet regulatory and safety compliance standards. Purchasing practices must include a review of potential health and safety hazards to ensure that potential hazards are adequately controlled.

## **2.0 Scope**

This policy applies to all Entegrus staff who are authorized to purchase goods and services for use in the workplace.

## **3.0 Objectives**

- 3.1 Obtaining goods or services for specified quality and quantity at the best price with sufficient lead time for delivery.
- 3.2 Obtaining quotations and/or issuing tenders in accordance with company guidelines. On occasion, when departments require cost estimates to determine whether to proceed with a purchase, suppliers must be advised that these are study estimates only, and that any purchases will go through the standard purchasing process. All information, including alternate quotes, are to be submitted to the purchaser unless otherwise instructed.
- 3.3 Completing traditional purchase transactions by issuing purchase orders to ensure deliveries and schedules are met.
- 3.4 Maintaining inventory levels consistent with the needs and schedules of the department, and at practical levels based on historical use and emergency stock requirements.
- 3.5 Safely disposing of all obsolete and surplus material after receiving notification from all affected departments.
- 3.6 Maintaining the highest professional, ethical and moral business practices, including those required by Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

- 3.7 Consulting with the Health and Safety Manager or other staff with expertise in order to obtain information relating to specialized technical or other purchasing specifications and needs.
- 3.8 Obtaining supplier or manufacturer catalogues, specifications and related information.
- 3.9 Sourcing potential suppliers, interviewing sales representatives, informing all applicable departments of the information received regarding new or existing materials, equipment, processes and techniques and retaining on file for reference.
- 3.10 Arranging for relevant training and/or demonstrations from the supplier as necessary.
- 3.11 Working closely with staff and others to ensure proper material specification and compliance with minimum legal and regulatory standards.

#### **4.0 Definitions**

##### **4.1 Request for Quotation (RFQ)**

A request for prices on specific goods and/or services from selected vendors, which are submitted verbally, in writing or electronically. The RFQ provides a detailed description of the goods and services to be purchased. The RFQ evaluation is typically based upon quality and price. RFQs are best suited to standardized products and services.

##### **4.2 Request for Tender (RFT)**

A document used to request sealed supplier responses for goods and/or services based on a defined need, such as delivery requirements, performance specifications, terms and conditions. An RFT focuses the evaluation criteria predominantly on quality, price and delivery requirements. RFTs may be invitational (i.e., three or more suppliers are asked to submit a bid) or open (i.e., the bid document is available to any supplier that deems itself capable of meeting the needs and specifications defined in the RFT).

##### **4.3 Request for Proposal (RFP)**

A document used to request suppliers to provide solutions for the delivery of complex products or services or to provide alternative options or solutions. The process uses predefined evaluation criteria (price is not the only factor). The RFP leaves all or part of the precise structure and format of the response to the discretion of the proponents.

#### 4.4 Request for Information (RFI)

The purpose of an RFI is to gather general supplier or product information. This mechanism may be used when researching a contemplated procurement and the characteristics of the ideal solution have not yet been determined. RFIs normally contribute to the final version of a subsequent RFP.

#### 4.5 Purchase Order

A purchasing document that is a legal contract and is used to formalize a transaction with a vendor. Purchase Orders must be provided to the vendor prior to receiving the goods and/or services.

#### 4.6 Blanket Purchase Order

A special type of Purchase Order that is open for use for a specific period of time, generally a calendar year. It is intended for repetitive purchases of goods or services.

#### 4.7 Corporate Credit Card

A company-provided credit card intended to facilitate the purchase and payment of goods and/or services.

#### 4.8 Emergency Situations

Emergency Situation requirements shall be defined as items or services, which have to be sourced quickly, generally outside normal working hours where time is of the essence. Examples of situations that may require emergency items include: correction of safety problems, loss of service, large economic loss, spill of pollutants, inconvenience to the public, etc. Emergency procedures may require temporary suspension of provisions of the Purchasing Policy as determined by a Director or Executive member of the Entegrus group of companies.

#### 4.9 Limits of Authority

Limits of Authority are set as per section 6.1 below and represent the minimum authority required. Approval for purchasing supplies and services is based on the total estimated dollar value, including any agreed-upon renewals, and is exclusive of applicable taxes. Purchases shall not be split in order to bypass approval limits.

#### 4.10 Verbal Authorization

Employees are advised that a verbal authorization or commitment on their part to a vendor to proceed with the supply of goods or services, can form a legal contract that is valid and enforceable under law the same as any written contract document. Employees may not enter into verbal agreements with other parties on behalf of the Company unless an Emergency Situation exists as defined in section 4.8 of this policy.

## **5.0 Purchasing Methods**

Goods or services with a value exceeding \$15,000 should be acquired through a competitive process such as RFQ or RPF/RFT, except when the sole source procurement criteria described in paragraph 5.3 below are met or in Emergency Situations.

### **5.1 RFQ**

Quotations shall be obtained from approved suppliers for materials or services to maintain competitive pricing. Purchasing, at its discretion, may source materials based on email or facsimile quotations as dictated by circumstances.

Standard practice will be to solicit quotes from at least three vendors whenever possible. As a minimum, Formal Written Quotes shall be sought from any vendor when a Purchase exceeds \$15,000.

### **5.2 RFT/RFP**

An RFT or RFP will be used for the purchases of goods and services relating to significant projects. The decision as to whether to use an RFT or RFP will be made by the user department. RFTs shall be forwarded to the Finance department for entry into the Bids & Tenders electronic tendering system. RFTs/RFPs will include, as a minimum, the following information:

- 5.2.1 A description of the goods or services required
- 5.2.2 Full disclosure of the evaluation criteria, process and methodology to be used in assessing submissions, including identification of criteria considered mandatory, any technical standards that need to be met, and methods of weighting and the criteria
- 5.2.3 A period of irrevocability where bids cannot be withdrawn
- 5.2.4 Documents will have a minimum response time of 14 calendar days and must have a closing date set on a normal working day during normal business hours.
- 5.2.5 Review committee consisting of the user department and Purchasing.

The review committee will evaluate the submissions and select the successful vendor. This decision must be documented and signed off by each member of the review committee.

### **5.3 Sole Source Procurement**

Sole source procurement may be considered in the following instances:

- 5.3.1 When the goods and services can be obtained only from one person or firm;
- 5.3.2 The expertise of an individual organization or individual is deemed to be specifically required by the company;
- 5.3.3 When competition is precluded because of the existence of patent rights, copyrights, secret processes, control of raw material or other such conditions;
- 5.3.4 When it is the only product or service that has been approved by the company for use in the distribution system;
- 5.3.5 When the procurement is for electric power or energy, gas, water or other utility services where it would not be practical to allow a contractor other than the utility company itself to work upon the system;
- 5.3.6 When the procurement is for technical services in connection with the assembly, installation or servicing of equipment of a highly technical or specialized nature;
- 5.3.7 When the procurement is for parts or components to be used as replacements in support of equipment specifically designed by the manufacturer;
- 5.3.8 The contractor is already at work on the site (based on an existing Purchase Order) and it would not be practical to engage another contractor; or,
- 5.3.9 Specific Health and Safety items as approved by the Manager of Health and Safety.

## **6.0 Purchasing Procedures**

### **6.1 Limits of Authority**

President and CEO – above \$1,000,000

Vice President – up to \$1,000,000

Director – up to \$200,000

Manager – up to \$50,000

Supervisor, Engineer (P. Eng.), Data Scientist – up to \$10,000

Specialist, Analyst, Generalist, Engineer-in-Training, Network/Database Administrator, Coordinator – up to \$5,000

Executive Assistant, Administrative Assistant – up to \$2,500

## 6.2 Purchase Orders

An approved and signed Purchase Order is required for all purchases greater than \$5,000, except in the instances noted below. This requirement also applies to project change orders and other modifications (e.g., changes required due to revised engineering specifications} to the original project terms.

All Purchase Orders require supervisor approval in accordance with the Limits of Authority (see Section 6.1) prior to submitting the Purchase Order to the vendor.

Purchase Order exceptions:

- 6.2.1 Purchases, project change orders, and other modifications less than \$5,000 do not require a Purchase Order. These expenditures require supervisor approval in accordance with the Limits of Authority (see Section 6.1).
- 6.2.2 A Purchase Order is not required for the following exceptions, regardless of dollar value, where an alternate approval procedure is in place. All such approvals must comply with the Limits of Authority (see Section 6.1).
  - 6.2.2.1 Purchases using Corporate Credit Cards
  - 6.2.2.2 Training and education (e.g., conferences, courses, conventions, memberships)
  - 6.2.2.3 Employee expenses (e.g., allowances, meals, travel expenses)
  - 6.2.2.4 Expenses subject to a master service agreement
  - 6.2.2.5 General business expenses, including but not limited to:
    - a) Payroll deduction remittances
    - b) Medical services
    - c) Insurance premiums
    - d) Tax remittances
    - e) Audit services
    - f) Legal services (see Section 6.7)
    - g) Consulting services (see Section 6.7)
    - h) Banking services
    - i) Postage
    - j) Inspections
    - k) Licences and permits
    - l) Advertising
    - m) Ontario Energy Board assessment fees
    - n) Meeting expenses
    - o) Donations
    - p) Sponsorships
    - q) Utilities (e.g., water, telephone)



### 6.3 Inventory Items – New

Purchases will be initiated based on established stock order points and advice from user departments. Vendor contracts may be used for repeat purchases, for a specified period of time.

### 6.4 Inventory Items – Used

Opportunities to purchase used material will come from a variety of sources. A list of material for sale will be obtained from the vendor and if Entegrus is interested in the items, a bid will be submitted to the vendor. Whenever feasible, the products should be inspected in person prior to submitting a bid. Purchases should be made subject to testing by Entegrus (possibly performed by a 3rd party in accordance with regulation 22/04, if applicable) and payment should not be made until after the products have tested satisfactorily.

### 6.5 Non-Inventory Items (Including Capital Purchases)

This category covers items that are not held in stock but are ordered based on requests from the user department. Examples of these types of items are furniture, office equipment, tools, IT equipment, vehicles, capital projects for the utility infrastructure, and services such as building repairs and maintenance.

For sub-contractor services, the sub-contractor shall be approved by the Entegrus Contractor Compliance process prior to commencing any work.

### 6.6 Emergency Items / Services

This category covers items that have to be sourced quickly, generally outside normal working hours where time is of the essence and are not held in stock. Initiation of emergency purchases are the responsibility of the affected department, generally outside of normal working hours and may require suspension of the provisions of the Purchasing Policy. Any suspension of the Purchasing Policy shall be reported in writing or electronically by the affected department to the Director of Procurement & Operational Services on the first regular working day following the emergency. Details on the purchase and determining factors for suspension of the Purchasing Policy shall be included in the information provided.

### 6.7 Consulting Services

This category covers the sourcing of the services of outside consulting and legal firms to provide services that are included in the approved budget. The

user department or Purchasing may source consulting/legal services. If necessary, a Non-Disclosure Agreement (NDA) should be used.

For each agreement the following should be defined in writing prior to any work beginning:

- clearly defined project scope
- deliverables with due dates
- payment schedule

All non-budgeted consulting/legal services require the approval of a Vice President or the President and CEO.

#### 6.8 Performance Bonds

Performance bonds are required for all capital construction projects in which the vendor's quote (i.e., exclusive of goods and materials supplied) exceeds \$100,000. The contractor shall, prior to the commencement of the work, provide:

- (a) a labour and material payment bond in the amount of 50% of the Contract Price; and
- (b) a performance bond in the amount of 50% of the Contract Price.

Any requirement for performance bonds will be defined in the tender documents.

In instances of breach of contractual performance obligations where a performance bond has been provided, the Director of Procurement & Operational Services will use discretion in determining the necessary and appropriate remediation options to pursue to satisfactorily complete the project in the most efficient manner.

#### 6.9 New Materials and Equipment

All materials purchased for use to construct a utility electrical distribution system must meet the requirements of Ontario Regulation 22/04. New equipment and material that has not previously been used must be brought to the attention of the Engineering department to ensure regulatory and operations requirements are satisfied.

When new health and safety related equipment is being proposed, it must be brought to the attention of the Manager of Health and Safety to ensure regulatory and health and safety requirements are satisfied.

#### 6.10 Supplier Approval and Review

Materials, supplies, equipment or services may not be purchased from contractors or suppliers that are not approved on the Contractor Compliance Software and the Approved Suppliers List, except for administrative items and in Emergency Situations (as defined in Sections 4.8 and 6.6 of this policy). New contractors and suppliers may only be approved once the contractor and vendor pre-approval process has been satisfactorily completed. Any deviation from this requirement will require Director approval.

Supplier performance will be reviewed annually. Suppliers who fail to deliver satisfactory products, and/or do not deliver on time despite requests for corrective actions, will be removed from the Approved Supplier List. Any supplier of goods or services who knowingly contravenes this policy may be prohibited from bidding on future contracts or performing work on behalf of the Company.

Any supplier of goods and/or services who knowingly misrepresents any detail pertaining to a good or service considered for purchase, or misrepresents the qualifications or experience of an employee, may be prohibited from bidding on future contracts for the supply of goods and/or services.

#### 6.11 Corporate Credit Cards

Corporate Credit Cards are used for the purchase of goods and services for Entegrus. Corporate Credit Cards may be used for training, travel, meals, accommodations and small value materials and supplies. Restrictions and exemptions can apply to any card with a supervisor's approval.

Monthly statements are sent to cardholders directly. Each cardholder is responsible to review their monthly statements and provide a transaction summary (with appropriate general ledger coding) to the Finance department by the established monthly deadlines. Monthly transaction summaries (with all supporting documentation) must be reviewed and approved by the employee's immediate supervisor. Failure to provide an approved transaction summary to Finance by the established deadline may result in cancellation of the employee's Corporate Credit Card.

#### 6.12 Confidentiality

6.12.1 Sealed bids and quotes shall remain confidential from third parties.

6.12.2 Personal, proprietary and third party information will be protected.

- 6.12.3 The confidentiality of information received during the course of business must be respected and not used for personal gain
- 6.12.4 Any personal interest that may impinge or may be construed to impinge on an employee's impartiality in any circumstance in the performance of their duties must be reported to their Director and/or Vice President/President.

## **7.0 Health & Safety**

### **7.1 Compliance**

All goods and/or services purchased by Entegrus must comply with all appropriate federal, provincial and municipal legislation, regulations and standards as well as all Entegrus policies and procedures.

The requirements of the Regulations for Industrial Establishments with regard to Section 7, Pre-Start Safety Review shall be met.

The purchaser, in consultation with the Health and Safety Manager or other knowledgeable staff person, will ensure compliance with health and safety legal, and regulatory requirements.

All chemical purchases must be administered by the purchasing department.

Safety Data Sheets (SDSs) and appropriate labels must be obtained with each delivery of any controlled product as defined by the Workplace Hazardous Material Information System (WHMIS) legislation. It is the responsibility of the Purchaser to ensure that a SDS is available and on file.

In addition to meeting ESA regulatory requirements, electrical equipment and conductors shall meet the Ontario Electrical Safety Code, CSA Standards, and other applicable legal and regulatory requirements.

### **7.2 Accessibility for Persons with Disabilities**

Entegrus will have regard for persons with disabilities in any decision to purchase goods and services. Entegrus is committed to accessibility principles in accordance with the Accessibility for Ontarians with Disabilities Act, 2005.

## **8.0 Policy Review and Update**

This policy will be reviewed annually and updated to reflect operational or regulatory changes.

## **9.0    References**

## **10.0   Approval**

This policy is approved by the Executive Team and is effective as of August 1, 2025.

<b>Name:</b> Chris Towne <b>Title:</b> CFO and VP IT <b>Signature:</b> (Signed) <b>Date:</b> August 1, 2025	<b>Name:</b> Jim Hogan <b>Title:</b> President and CEO <b>Signature:</b> (Signed) <b>Date:</b> August 1, 2025
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