

PUB/MH I-42 (Revised based on IFF12)

Reference: 2011 Annual Report Page 78, Accounting Changes/ 2012 Annual Report

Please re-file IFF11-2 Pages 31 and 33 including an additional line items quantifying the net impact of accounting changes reflected in the IFF. Please provide a further detailed schedule on the net amount, including narrative descriptions of each of the accounting changes and cite specific handbook sections.

ANSWER:

Please see the following schedules for an update to this response in reference to IFF12:

Schedule A presents the net impacts of accounting changes by operating statement line item under CGAAP and IFRS. Narratives referencing the changes are provided following the schedules.

Schedule B presents the net impacts of the accounting changes to Retained Earnings.

Schedules C & D reflect the impact of the accounting changes in the income statement and balance sheet of IFF12 respectively.

Schedule E provides an update to the Summary of Accounting Changes to OM&A as previously provided in Appendix 5.6 (page 5 of 13) updated for IFF12 which assumes the deferral of IFRS until 2014/15.

SCHEDULE A - ACCOUNTING CHANGES - IFF12

	Actual	Actual	Actual	Actual	Forecast -->										Ref
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Electric only (in millions of \$'s)															
OM&A															
CGAAP Changes															
<u>Intangibles</u>															
DSM	1	1	1	1	1	1	1	1	2	2	2	2	2	2	
Planning Studies	3	2	2	2	2	2	2	2	2	2	2	2	2	3	
IT Application	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	5	4	4	4	4	4	4	5	5	5	5	5	5	5	1
<u>Overhead Capitalized</u>															
Stores	5	5	5	5	5	6	6	6	6	6	6	6	6	6	2
Admin & General		4	24	24	51	52	53	54	55	56	58	59	60	61	3
Store & Admin General	5	9	29	29	56	58	59	60	61	62	64	65	66	68	
Change in Discount Rate on Pension & Other Benefits				3	8	10	5	5	5	5	5	6	6	6	4
Subtotal CGAAP Changes	10	13	33	37	69	72	68	70	71	72	74	75	77	78	
IFRS Changes															
DSM							23	22	21	20	19	18	17	17	5
Site Remediation							5	5	5	5	5	5	5	5	5
Regulatory Costs							1	1	2	1	1	1	1	1	5
Pension							-	2	4	5	7	9	11	12	6
Employee Benefits (amortization of RHSA)							(3)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	6
Admin & General							37	38	38	39	40	41	41	42	7
Subtotal IFRS Changes							62	66	69	69	71	73	75	77	
Reclassifications															
Wire & Telecom Services	3	3	3	3	3	3	3	3	4	4	4	4	4	4	8
Funding Agreements		(5)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	9
Operating Expense Recoveries					8	8	9	9	9	9	9	10	10	10	10
Subtotal Reclassifications	3	(2)	(2)	(2)	6	6	6	7	7	7	7	7	7	7	
Total OM&A Accounting Changes	13	11	31	35	75	78	137	142	146	148	152	156	159	163	

SCHEDULE A - ACCOUNTING CHANGES - IFF12 cont'd

Electric only (in millions of \$'s)	Actual	Actual	Actual	Actual	Forecast -->										Ref
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
DEPRECIATION EXPENSE															
CGAAP Changes															
Administrative & General Overhead Capitalized Average Service Life				(35)	(0)	(1)	(1)	(2)	(3)	(3)	(4)	(4)	(5)	(6)	3
					(40)	(44)	(47)	(49)	(52)	(55)	(58)	(61)	(68)	(72)	11
Subtotal CGAAP Changes	-	-	-	(35)	(40)	(44)	(48)	(51)	(54)	(58)	(62)	(65)	(73)	(78)	
IFRS Changes															
Administrative & General Overhead Capitalized							(0)	(1)	(2)	(3)	(3)	(4)	(5)	(6)	7
Reduction in Rate Regulated Assets							(38)	(38)	(37)	(35)	(33)	(31)	(30)	(28)	5
Change to Equal Life Group Depreciatin Method							36	38	39	40	41	43	52	58	12
Removal of Net Salvage from depreciation rates							(63)	(66)	(68)	(73)	(77)	(81)	(97)	(107)	13
Subtotal IFRS Changes	-	-	-	-	-	-	(65)	(67)	(69)	(71)	(72)	(74)	(80)	(84)	
Total Depreciation Accounting Changes	-	-	-	(35)	(40)	(44)	(113)	(118)	(123)	(129)	(134)	(139)	(152)	(162)	
FINANCE EXPENSE															
CGAAP Changes					0	0	0	0	0	0	1	1	1	1	
IFRS Changes					-	-	2	2	3	3	3	3	4	4	
Total Finance Expense Accounting Changes	-	-	-	-	0	0	2	3	3	3	4	4	5	5	14
CAPITAL TAX EXPENSE															
CGAAP Changes					0	0	0	0	0	1	1	1	1	1	
IFRS Changes					-	-	(3)	(3)	(3)	(3)	(3)	(3)	(2)	(2)	
Total Capital Tax Expense Accounting Changes	-	-	-	-	0	0	(3)	(3)	(3)	(2)	(2)	(2)	(1)	(1)	14

SCHEDULE B - ACCOUNTING CHANGES IMPACT TO RETAINED EARNINGS - IFF12

Electric only (in millions of \$'s)	Actual	Actual	Actual	Actual	Forecast -->										Total	
IMPACT TO RETAINED EARNINGS	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>		
CGAAP Changes																
Retrospective adjustment for intangible Assets		(35)														(35)
Annual change to OM&A	(10)	(13)	(33)	(37)	(69)	(72)	(68)	(70)	(71)	(72)	(74)	(75)	(77)	(78)	(78)	(820)
Annual change to Depreciation & Amortization	-	-	-	35	40	44	48	51	54	58	62	65	73	78	78	609
Wire & Teleom Services moved to MHI	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(48)
Annual change to Finance & Capital Tax Changes	-	-	-	-	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(3)	(12)
Total	(13)	(51)	(36)	(5)	(33)	(31)	(24)	(23)	(21)	(19)	(17)	(16)	(10)	(7)		(306)
IFRS Changes																
Annual change to OM&A	-	-	-	-	-	-	(62)	(66)	(69)	(69)	(71)	(73)	(75)	(77)	(77)	(562)
Annual change to Depreciation & Amortization	-	-	-	-	-	-	65	67	69	71	72	74	80	84	84	581
Annual change to Finance & Capital Tax Changes	-	-	-	-	-	-	1	1	0	0	(1)	(1)	(2)	(2)	(2)	(2)
Write Offs to:																
Power Smart Programs							(172)									(172)
Site Remediation							(32)									(32)
Acquisition (Centra & Manitoba Hydro)							(19)									(19)
Regulatory Costs							(2)									(2)
Administrative Overhead							(36)									(36)
Removal of Net Salvage Depreciation							60									60
Change to Equal Life Group Depreciation							(34)									(34)
Employee Benefits							(21)									(21)
Total	-	-	-	-	-	-	(253)	2	0	2	0	0	3	5		(240)
Total Annual Impact to Retained Earnings	(13)	(51)	(36)	(5)	(33)	(31)	(277)	(21)	(21)	(17)	(17)	(16)	(7)	(2)		(546)

Reference	Description	Accounting Handbook Reference
1	<p>The OM&A adjustments for intangible assets under CGAAP reflect a change (new section 3064 Goodwill and Intangible Assets) in the Canadian accounting standards for Goodwill and Intangible assets that was effective for MH April 1, 2009. The new standard was harmonized with IFRS and required research and promotional costs to be expensed as incurred with retrospective application. Approximately \$35 million was adjusted to retained earnings in fiscal 2009/10 for research and promotional costs included in opening intangible asset balances.</p> <p>Effective April 1, 2009 and forward, research and promotional costs associated with intangible assets are expensed as incurred</p>	<p>CGAAP – Section 3064 Goodwill and Intangible Assets</p> <p>.37 No intangible asset arising from research (or from the research phase of an internal project) should be recognized. Expenditure on research (or on the research phase of an internal project) should be recognized as an expense when it is incurred. [OCT. 2008]</p> <p>.52 In some cases, expenditure is incurred to provide future economic benefits to an entity, but no intangible asset or other asset is acquired or created that can be recognized,...Other examples of expenditure that is recognized as an expense when it is incurred include expenditure on:</p> <ul style="list-style-type: none"> (a) start-up activities (i.e., start-up costs), (b) training activities. (c) advertising and promotional activities.
2	<p>The OM&A adjustments for stores reflect a change in the accounting standards for costs eligible to be included in the cost of inventories. The CGAAP section 3031 Inventories is converged with IFRS and was effective for MH April 1, 2007. As per Section 3031, storage related overhead charges are no longer permitted in the cost of material in inventory.</p>	<p>CGAAP –Section 3031 Inventories</p> <p>.16 Examples of costs excluded from the cost of inventories and recognized as expenses in the period in which they are incurred are:</p> <ul style="list-style-type: none"> (a) abnormal amounts of wasted materials, labour or other production costs; (b) storage costs, unless those costs are necessary in the production process before a further production stage; (c) administrative overheads that do not contribute to bringing inventories to their present location and condition; and

Reference	Description	Accounting Handbook Reference
3	<p>The reduction in administrative and general overhead capitalized reflects adjustments made under CGAAP to become more consistent with other Canadian utilities. The adjustments result in the following:</p> <ul style="list-style-type: none"> • an annual increase in operating and administrative expense; • reductions in plant asset values for amounts no longer capitalized; and • reductions in depreciation expense as a result of reduced asset values. 	<p>CGAAP – Section 3061 Property, plant & equipment:</p> <p>.20 The cost of an item of property, plant and equipment includes direct construction or development costs (such as materials and labour), and overhead costs directly attributable to the construction or development activity.</p> <p>These changes were identified through discussions with other Canadian utilities.</p>
4	<p>The increase in the pension and employee benefits cost is a result of a reduction in the 2011/12 discount rate and the corresponding increase in current service cost for employee benefits.</p>	<p>CGAAP – Section 3461 Employee Future Benefits:</p> <p>.50 For a defined benefit plan, the discount rate used to determine the accrued benefit obligation should be an interest rate determined by reference to:</p> <p>(a) market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments; or</p> <p>(b) the interest rate inherent in the amount at which the accrued benefit obligation could be settled. [JAN. 2000]</p> <p>.054 The discount rate is re-evaluated at each measurement date. When long-term interest rates rise or decline, the discount rate changes in a similar manner.</p>

Reference	Description	Accounting Handbook Reference
5	<p>IFF 12 assumes rate-regulated accounting is not permitted under IFRS and thus, rate-regulated accounting will be eliminated upon transition. The impacts of this assumption are as follows</p> <ul style="list-style-type: none"> • upon transition to IFRS, a one-time adjustment to retained earnings will be made for unamortized rate-regulated account balances; • future expenditures on these items will be expensed as incurred resulting in an annual increase to operating and administrative expense; and • a reduction to depreciation and amortization for previously deferred regulatory accounts. 	<p>Unlike CGAAP and US GAAP, there is no specific IFRS standard that permits rate-regulated accounting. Generally, the application of the existing IFRS framework has not resulted in the recognition of regulatory assets and liabilities.</p>
6	<p>Overall, changes to the accounting for pension and benefits results in an increase in pension and benefit costs upon transition to IFRS. The primary pension accounting changes include:</p> <ul style="list-style-type: none"> • upon transition, unamortized pension gains and losses will be adjusted to accumulated other comprehensive income; • the elimination of “corridor” determined amortization for unrealized pension experience gains and losses as IFRS requires annual gains and losses to be recognized in Other Comprehensive Income; and • the use of the pension discount rate for recording expected returns on plan assets as opposed to the expected market interest rate of return as per CGAAP. 	<p>IFRS – IAS 19 Employee Benefits:</p> <p>.120 An entity shall recognise the components of defined benefit cost, except to the extent that another IFRS requires or permits their inclusion in the cost of an asset, as follows:</p> <ul style="list-style-type: none"> (a) service cost in profit or loss;... (c) re-measurements of the net defined benefit liability (asset) in other comprehensive income. <p>.125 Interest income on plan assets is a component of the return on plan assets, and is determined by multiplying the fair value of the plan assets by the discount rate specified in paragraph 83, both as determined at the start of the annual reporting period, taking account of any changes in the plan assets held during the period as a result of contributions and benefit payments.</p> <p>.103 An entity shall recognise past service cost as an expense at the earlier of the following dates:</p> <ul style="list-style-type: none"> (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits (see paragraph 165).

	<p>Employee benefits: The primary employee benefit related changes include:</p> <ul style="list-style-type: none"> • upon transition, unamortized past service adjustments will be adjusted to retained earnings; and • future annual benefits expense will be higher for the recognition of benefits attributed to unvested employees for benefits such as sick leave and severance. Such unvested benefits were not recognized under CGAAP, but are required to be recognized under IFRS. 	<p>Employee Benefits: .15 Accumulating paid absences are those that are carried forward and can be used in future periods if the current period's entitlement is not used in full. ,..., An obligation arises as employees render service that increases their entitlement to future paid absences. The obligation exists, and is recognised, even if the paid absences are non-vesting, although the possibility that employees may leave before they use an accumulated non-vesting entitlement affects the measurement of that obligation.</p>
7	<p>The reduction in administrative and general overhead capitalized reflects adjustments to comply with IFRS upon transition. IFRS does not permit the capitalization of general administrative and overhead costs. The adjustments result in the following:</p> <ul style="list-style-type: none"> • an annual increase in operating and administrative expense; • reductions in plant asset values for amounts no longer capitalized; and • reductions in depreciation expense as a result of reduced asset values. 	<p>IFRS - IAS 16 Property, plant & equipment: .19 Examples of costs that are not costs of an item of property, plant and equipment are:,... (d) administration and other general overhead costs.</p>
8	<p>The increase to OM&A resulting from Wire and Telecom services reflects a change in MH's financial reporting where the operations pertaining to Wire and Telecom services are now reported under Manitoba Hydro International.</p>	<p>No accounting standard reference applies</p>

Reference	Description	Accounting Handbook Reference
9	The reduction to OM&A resulting from Funding payments (Town of Gillam & Frontier School Division) reflect the re-classification of these expenditures from OM&A to Capital & Other taxes as this more appropriately reflects the nature of these expenditures.	CGAAP – Section 1000 Financial Statement Concepts 21 For the information provided in financial statements to be useful, it must be reliable. Information is reliable when it is in agreement with the actual underlying transactions and events, ... (a) ... Thus, transactions and events are accounted for and presented in a manner that conveys their substance rather than necessarily their legal or other form.
10	The adjustments for operating expense recoveries are to comply with the financial reporting requirements of IFRS. Revenues that were once netted against operating costs for financial reporting will be reported as revenue in the future as IFRS generally does not permit netting of revenues and expenses.	IFRS - IAS 1 Presentation of Financial Statements: . 32 An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an IFRS.
11	The net result of the depreciation study under CGAAP and the average service life approach is an overall reduction in annual depreciation expense for MH due to changes in the service lives for certain asset groups. This change is required to be implemented under Canadian GAAP.	CGAAP – 3061 Property, plant & equipment: .28 Amortization should be recognized in a rational and systematic manner appropriate to the nature of an item of property, plant and equipment with a limited life and its use by the enterprise. .33 The amortization method and estimates of the life and useful life of an item of property, plant and equipment should be reviewed on a regular basis. [DEC. 1990 *]
12	Upon adoption of IFRS, MH will be moving from the Average Service Life method of depreciation to the Equal Life Group method; increasing annual depreciation expense.	IFRS - IAS 16 Property, plant & equipment: The key IFRS reference supporting the move to the ELG method is: .43 Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. .68 The gain or loss arising from the de-recognition of an item of property, plant and equipment shall be included in profit or loss when the item is de-recognised. Gains shall not be classified as revenue.

Reference	Description	Accounting Handbook Reference
13	Upon adoption of IFRS, MH will be removing the impact of net salvage from depreciation rates; decreasing annual depreciation expense.	-The Inclusion of net salvage in depreciation rates is a regulatory practice applied under CGAAP by Canadian utilities. Given that IFRS does not recognize rate regulated activities, the practice of including negative salvage in depreciation rates will be discontinued upon transition to IFRS. No IFRS standard reference is available for rate-regulated accounting.
14	The CGAAP changes to finance expense and capital and other taxes reflect the cumulative impacts of changes 1 – 13 as identified in this chart.	Please see descriptions as provided in 1- 13.

SCHEDULE C - ACCOUNTING CHANGES - IMPACT ON IFF12	ELECTRIC OPERATIONS (MH12)									
	PROJECTED OPERATING STATEMENT									
	Net Impact of Accounting Changes (In Millions of Dollars)									
For the year ended March 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
General Consumers at approved rates	1,331	1,361	1,374	1,390	1,404	1,424	1,447	1,462	1,485	1,506
additional*	0	48	104	165	228	297	371	447	531	619
Extraprovincial	357	344	343	380	406	435	441	464	711	839
Other	6	6	6	6	6	7	7	7	7	7
CGAAP Changes: Reclassifications - Operating Expense Recoveries	8	8	9	9	9	9	9	10	10	10
	1,702	1,768	1,836	1,950	2,053	2,172	2,274	2,390	2,743	2,981
EXPENSES										
Operating and Administrative	380	393	406	413	420	442	448	461	480	490
CGAAP Accounting Changes:										
Reclassifications	6	6	6	7	7	7	7	7	7	7
Reduction in Administrative & General Overhead Capitalized to Plant & Intangibles	60	62	64	65	66	67	69	70	71	73
Pension Expense - Reduction in Discount Rate	8	10	5	5	5	5	5	6	6	6
IFRS Accounting Changes	-	-	62	66	69	69	71	73	75	77
Finance Expense	452	444	490	522	583	653	763	777	996	1,092
CGAAP Accounting Changes	-	-	-	-	-	-	1	1	1	1
IFRS Accounting Changes	-	-	2	2	3	3	3	3	4	4
Depreciation and Amortization	439	474	485	509	533	576	628	647	733	781
CGAAP Accounting Changes	(40)	(44)	(48)	(51)	(54)	(58)	(62)	(65)	(73)	(78)
IFRS Accounting Changes			(65)	(67)	(69)	(71)	(72)	(74)	(80)	(84)
Water Rentals and Assessments	117	116	112	112	112	112	112	113	121	126
Fuel and Power Purchased	143	166	179	191	206	221	230	231	253	264
Capital and Other Taxes	84	91	98	108	117	125	133	139	146	153
CGAAP Accounting Changes	-	-	-	-	-	1	1	1	1	1
Reclassifications	5	5	6	6	6	6	6	6	6	6
IFRS Accounting Changes	-	-	(3)	(3)	(3)	(3)	(3)	(3)	(2)	(2)
Corporate Allocation	9	9	8	8	8	8	8	8	8	8
	1,664	1,732	1,807	1,893	2,009	2,163	2,349	2,401	2,754	2,926
Non-controlling Interest	14	24	21	16	13	10	6	3	4	(3)
Net Income	53	60	50	73	57	19	(69)	(8)	(7)	52

SCHEDULE D - ACCOUNTING CHANGES - IMPACT ON IFF12 For the year ended March 31	ELECTRIC OPERATIONS (MH12) PROJECTED BALANCE SHEET FULL IFRS CASE (In Millions of Dollars)										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
	ASSETS										
	Plant in Service	15,502	16,621	17,386	18,635	19,286	22,928	23,465	26,615	30,796	31,439
CGAAP Accounting Changes pre 2013	(72)	(72)	(72)	(72)	(72)	(72)	(72)	(72)	(72)	(72)	
CGAAP Accounting Changes	(56)	(114)	(173)	(233)	(294)	(356)	(420)	(485)	(551)	(619)	
IFRS Accounting Changes	-	-	(37)	(75)	(113)	(152)	(192)	(233)	(274)	(316)	
Accumulated Depreciation	(5,248)	(5,655)	(6,050)	(6,497)	(6,981)	(7,517)	(8,107)	(8,719)	(9,417)	(10,167)	
CGAAP Accounting Changes pre 2013	35	35	35	35	35	35	35	35	35	35	
CGAAP Accounting Changes	40	84	132	183	237	295	357	422	495	573	
IFRS Accounting Changes	-	-	27	56	87	123	162	205	255	311	
Net Plant in Service	10,201	10,899	11,248	12,032	12,185	15,284	15,228	17,768	21,267	21,184	
Construction in Progress	2,108	2,878	4,198	5,128	6,794	5,439	6,879	5,422	3,038	4,821	
Current and Other Assets	1,869	1,735	1,752	1,939	2,151	2,388	2,205	2,335	2,420	2,086	
IFRS Accounting Changes	-	-	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	
Goodwill and Intangible Assets	196	184	172	159	151	144	139	135	132	132	
CGAAP Accounting Changes pre 2013	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	
CGAAP Accounting Changes	(3)	(6)	(9)	(12)	(15)	(18)	(21)	(24)	(27)	(31)	
Regulated Assets	236	232	224	213	203	192	183	174	166	160	
CGAAP Accounting Changes pre 2013	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	
CGAAP Accounting Changes	(1)	(3)	(4)	(6)	(7)	(9)	(10)	(12)	(14)	(15)	
IFRS Accounting Changes	-	-	(215)	(203)	(191)	(179)	(169)	(158)	(148)	(141)	
	14,590	15,902	16,987	18,873	20,892	22,863	24,056	25,262	26,456	27,817	
LIABILITIES AND EQUITY											
Long-Term Debt	9,428	11,199	12,741	14,614	16,304	18,077	19,972	20,739	22,062	23,412	
Current and Other Liabilities	2,086	1,569	1,726	1,710	2,017	2,220	1,598	2,061	1,955	1,934	
IFRS Accounting Changes	-	-	17	16	14	13	12	12	11	11	
Contributions in Aid of Construction	336	345	350	355	359	369	375	382	389	396	
Retained Earnings	2,580	2,671	2,740	2,834	2,912	2,948	2,896	2,904	2,904	2,958	
CGAAP Accounting Changes pre 2013	(105)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	
CGAAP Accounting Changes	(33)	(64)	(88)	(111)	(132)	(151)	(168)	(184)	(194)	(201)	
IFRS Accounting Changes	-	-	(252)	(250)	(250)	(247)	(247)	(247)	(243)	(239)	
Accumulated Other Comprehensive Income	299	287	219	172	133	102	83	63	40	12	
IFRS Accounting Changes	-	-	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	
	14,590	15,902	16,987	18,873	20,892	22,864	24,055	25,263	26,456	27,817	

SCHEDULE E - SUMMARY OF ACCOUNTING CHANGES - ELECTRIC OPERATIONS - IFF12

(in thousands of dollars)

	2009/10 <u>Actual</u>	2010/11 <u>Actual</u>	2011/12 <u>Actual</u>	2012/13 <u>Forecast</u>	2013/14 <u>Forecast</u>	2014/15 <u>Forecast</u>
<u>Reduction to Costs Capitalized</u>						
Stores Overhead	\$ 5,100	5,202	5,306	5,412	5,520	5,631
Executive Costs	2,000	2,040	2,081	2,122	2,165	2,208
Property Taxes on Facilities	2,000	2,040	2,081	2,122	2,165	2,208
Interest on Common Assets (Facilities & Equipment)		11,165	11,388	11,616	11,848	12,085
General & Administrative Departmental Costs		4,500	4,590	4,682	4,775	4,871
Interest on Motor Vehicles		3,780	3,856	3,933	4,011	4,092
IT Infrastructure & Related Support				17,100	17,442	17,791
Building Depreciation & Operating Costs				9,500	9,690	9,884
Technical & Softskills Training						10,659
Service Areas (Management Accounting, HR, Safety, etc.)						8,721
Administrative & Clerical Support Staff						8,721
Division & Department Manager						6,783
Fleet & Stores Administration						1,938
	<u>9,100</u>	<u>28,727</u>	<u>29,302</u>	<u>56,488</u>	<u>57,617</u>	<u>95,592</u>
<u>Intangible Assets</u>						
Ineligible for Capitalization	<u>4,080</u>	<u>4,162</u>	<u>4,245</u>	<u>4,330</u>	<u>4,416</u>	<u>4,505</u>
<u>Rate Regulated Accounts</u>						
Power Smart Program						22,913
Site Remediation						4,680
Regulatory Costs						829
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,422</u>
<u>Pension & Benefits</u>						
Change in Discount Rate			3,445	8,352	9,918	5,398
Health Spending						(3,215)
Past Service Pension Costs						(592)
	<u>-</u>	<u>-</u>	<u>3,445</u>	<u>8,352</u>	<u>9,918</u>	<u>1,591</u>
<u>Reclassifications</u>						
Wire & Telecom Services	3,060	3,121	3,184	3,247	3,312	3,378
Funding Payments (Town of Gillam & Frontier School Division)	(5,000)	(5,100)	(5,202)	(5,306)	(5,412)	(5,520)
Operating Expense Recoveries				8,300	8,466	8,635
	<u>(1,940)</u>	<u>(1,979)</u>	<u>(2,018)</u>	<u>6,241</u>	<u>6,366</u>	<u>6,493</u>
Total	<u>\$ 11,240</u>	<u>\$ 30,910</u>	<u>\$ 34,973</u>	<u>\$ 75,411</u>	<u>\$ 78,318</u>	<u>\$136,603</u>