

1 Q. **Employee Future Benefit actuarial gains and losses**

2 Please provide a copy the last actuarial valuation completed for Hydro.

3

4

5 A. Please refer to CA-NLH-132 Attachment 1 (Revision 1). Please note that CA-NLH-
6 132 Attachment 1 (Revision 1, Dec 3-14) contains redactions. These redactions are
7 required to provide information that is consistent with that provided in CA-NLH-132
8 Attachment 1. The Attachment 1 to the original version of this response was
9 prepared to provide this information with respect to Hydro only. At the time of
10 providing the revision to this response, the information from the supplier was
11 provided with regard to a number of Nalcor companies, therefore, the redactions
12 were required to remove the extraneous information and to be consistent in
13 content with the original response filing.



7071 Bayers Road, Suite 3007
Halifax, Nova Scotia B3L 2C2

NFLD11

February 4, 2014

CONFIDENTIAL

Ms. Elizabeth Lewis, CA
Assistant Corporate Controller
Nalcor Energy
Hydro Place, 500 Columbus Drive
St. John's, NL A1B 4K7

Dear Elizabeth:

RE: Fiscal 2013 Accounting Figures – Canadian GAAP

As requested, we are writing to provide disclosure figures in accordance with CICA 3461 and IAS19R for the post-employment benefits other than pensions (OPEBs) provided by Nalcor Energy (the “Company”) for Fiscal 2013, including the 2013 expense (herein referred to as “OPEB Expense”).

Introduction

The disclosure figures presented in this letter are based on the following OPEBs provided by the Company:

- > Extended health care benefits;
- > Dental benefits;
- > Life insurance benefits;
- > Retirement allowance;
- > Transitional allowance provided to [REDACTED] employees;
- > SERP benefits

This year’s disclosure is based on an extrapolation to December 31, 2013 of the OPEB valuation as at December 31, 2012.

Ms. Elizabeth Lewis

January 31, 2014

CICA 3461 for Fiscal 2013

The CICA 3461 fiscal 2013 benefit cost is based on our valuation as at December 31, 2012.

The following table shows the OPEB expense for fiscal 2013 to be reported under CICA 3461:

Fiscal 2013 OPEB Expense (in \$000's)

	Hydro					
CICA 3461	8,669.4					

Under CICA 3461, the Company continues to amortize experience gains and losses and past service costs over the Average Remaining Service Period ("ARSP") of each division (Hydro, 12.4; [REDACTED]). In the total expense figure noted above, an amount of [REDACTED] is in respect of the amortization component.

The following table shows the development of the Accrued Benefit Liability on the Company's balance sheet at the end of fiscal 2013.

Accrued Benefit Liability/(Asset) on Balance Sheet for Fiscal 2013 (in \$000's)

	Hydro					
Accrued Benefit Liability/(Asset) at January 1, 2013	60,361.0					
Fiscal 2013 OPEB Expense/(Income)	8,669.4					
(Fiscal 2013 Company Contributions) ¹	(2,427.9)					
Accrued Benefit Liability/(Asset) at December 31, 2013	66,605.5					

1. The actual 2013 contributions were provided by the Company by email on January 31, 2014

Please refer to Appendix D for results of the sensitivity analysis and refer to Appendix E for detailed accounting figures for Fiscal 2013.

Ms. Elizabeth Lewis
January 31, 2014

IAS19R for Fiscal 2013

The IAS19R fiscal 2013 benefit cost is based on our valuation as at December 31, 2012.

The following table shows the OPEB expense for fiscal 2013 to be reported under IAS19R:

Fiscal 2013 OPEB Expense (in \$000's)

	Hydro					
IAS19R	6,959.4					

Under IFRS, re-measurement items (experience gains and losses) are recognized as Other Comprehensive Income ("OCI") and are not included in the expense noted above.

The following table shows the development of the Accrued Benefit Liability on the Company's balance sheet at the end of fiscal 2013.

Accrued Benefit Liability/(Asset) on Balance Sheet for Fiscal 2013 (in \$000's)

	Hydro					
Accrued Benefit Liability/(Asset) at January 1, 2013	90,528.1					
Fiscal 2013 OPEB Expense/(Income)	6,959.4					
(Fiscal 2013 Company Contributions) ¹	(2,427.9)					
Amount Recognized in OCI	(7,262.3)					
Accrued Benefit Liability/(Asset) at December 31, 2013	87,797.3					

1. The actual 2013 contributions were provided by the Company by email on January 31, 2014

Please refer to Appendix D for results of the sensitivity analysis and refer to Appendix E for detailed accounting figures for Fiscal 2013.

Ms. Elizabeth Lewis
January 31, 2014

Actuarial Method and Assumptions

The actuarial method and assumptions used to determine the Accrued Benefit Obligation ("ABO") and annual fiscal 2013 expense in respect of the OPEB are summarized in Appendix A to this letter. The key assumption, the discount rate used to calculate both the ABO as at December 31, 2012 and the 2013 OPEB Expense, was 4.00% per year. The discount rate used to determine the ABO as at December 31, 2013 was 5.00% per year. These interest rates were determined using the methodology suggested for use in the Canadian Institute of Actuaries' Educational Note regarding the setting of discount rates for accounting purposes (issued in September 2011). The duration of the OPEB liabilities is between 18 and 19 and the yield for AA Canadian corporate bonds of the same duration as at December 31, 2012 was approximately 4.00% per year. As at December 31, 2013, this yield has increased to 5.00% per year.

While the increase in discount rate over fiscal 2013 creates an actuarial gain, the gain is offset to a large extent by the transition to a different mortality table. As at December 31, 2012, the mortality table utilized was UP94 with generational projection using Scale AA. For the December 31, 2013 ABO valuation, the mortality assumptions were strengthened by utilizing the CPM-RPP2014 Table with generational projection using improvement scale 'CPM-A' and no size adjustment, as detailed in the draft report of the Canadian Institute of Actuaries on the recently completed Canadian Pensioner Mortality experience study.

Three additional members (two retirees and one active employee) entitled to SERP benefits who had not been included in the December 31, 2012 valuation data were identified this year. These individuals have been reflected in the current year calculations, and the additional liability has been recognized as an actuarial loss at December 31, 2013.

Claims and premiums information was provided to us by the Company. Please refer to Appendix A for a summary of the claims cost and premium amounts used in our valuation.

Data and Plan Provisions

The Company has confirmed that since the last valuation there have been no material changes to the membership or OPEB provisions.

The data used in our valuation was the active member and retiree data as at December 31, 2012, as provided to us by the Company. We have made basic data checks to ensure that age, service and salary are reasonable for the purposes of the valuation.

The data used in our valuation with respect to the SERP benefits was provided in a series of e-mails between your office and ours over the period from September 16th to the middle of November 2013, and on January 31, 2014.

Ms. Elizabeth Lewis
January 31, 2014

Please refer to Appendix B for a summary of the data used in our valuation.

Please refer to Appendix C for a summary of the benefits valued. If there are any other benefits that we have not included in our calculations, please let us know and we will update the letter and our calculations accordingly.

Actuarial Opinion

We performed an extrapolation to December 31, 2013 of the formal valuation of the OPEBs as at December 31, 2012. We have confirmed with the Company that since the valuation date, there are neither modifications to the OPEB provisions nor any extraordinary changes to the membership that would materially affect the results of this actuarial valuation.

We hereby certify that, in our opinion, as at December 31, 2013:

- > The post-employment benefits other than pension for the Company are defined benefits as per CICA Handbook Section 3461 (CICA 3461) and International Accounting Standard 19-Revised (IAS19R).
- > The projected unit credit method prorated on service was used for the accounting valuation and the determination of the expense (income). It was applied in a manner consistent with CICA 3461 and IAS19R.
- > We are members in good standing of the Canadian Institute of Actuaries (CIA). Among the signatories of this opinion, at least one actuary holds the title of Fellow. We have all the necessary qualifications to carry out the work required to prepare the results contained in this document.
- > Our valuation and extrapolation were made in accordance with the standards of the CIA. The financial statement items resulting from our valuation and extrapolation thereof have been prepared in accordance with generally accepted accounting principles. We are aware that the Company's auditors intend to take into account our work. Our actuarial valuation and extrapolation thereof were performed using best-estimate assumptions developed by the Company as provided for in the accounting standard. Since best-estimate assumptions were used, we understand that they do not include any provision for adverse deviation.
- > The discount rate selected by the Company was determined based on the guidance provided by the Educational Note published by the Canadian Institute of Actuaries in September 2011. We do not express any opinion on the assumptions. The main assumptions used are detailed in Appendix A.
- > We have confirmed with the Company that the OPEB provisions are up to date as at the date of our valuation report. We have compared the provisions with the previous actuarial valuation and have validated any amendment that occurred on the basis of the values produced on the membership data. We have not been informed of any event that has occurred thereafter and that would materially affect the results of the actuarial valuation, the extrapolation or the financial statements of the Company or the OPEBs.

Ms. Elizabeth Lewis
January 31, 2014

Furthermore, we hereby declare that in our opinion:

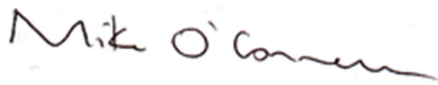
- > The membership data upon which this valuation is based are sufficient and reliable for the purposes of the valuation.
- > The methods employed in the valuation are appropriate for the purposes of the valuation.

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

Actuarial valuation results are only estimates. Actuarial valuations are performed based on assumptions and methods that are in accordance with sound actuarial principles. Emerging experience differing from these assumptions may result in gains or losses. These gains or losses will be revealed in future actuarial valuations.


We trust that the above is satisfactory. Please do not hesitate to contact us if you require any further information.

Yours truly,



Mike O'Connell, F.C.I.A.
Partner

Encl.

This report and any enclosures have been peer reviewed by: 
Stephen Kelloway, F.C.I.A.

Appendix A – Actuarial Assumptions and Methods

Actuarial Cost Method

The projected unit credit method of funding has been used for the valuation. Under this method, the accrued benefit obligation is equal to the actuarial present value of all future benefits (net of retiree cost sharing), taking into account the assumptions described below, multiplied by the ratio of an employee's service at the valuation date to total service at the full eligibility date. The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered in that period.

For each member who is at or past the full eligibility date and each pensioner, the accrued benefit obligation is determined as the actuarial present value of all future post-retirement benefits that will be paid on their behalf.

Calculation of Medical Cost

Medavie Blue Cross provided extended health care and dental claims for the retirees for the period between September 2009 and August 2012, as follows. Health claims were adjusted by a 7% increase in order to account for group travel claims which could not be provided.

	Sep 1, 2009 to Aug 31, 2010	Sep 1, 2010 to Aug 31, 2011	Sep 1, 2011 to Aug 31, 2012
Health	\$2,115,089	\$2,170,504	\$2,310,873
Dental	\$272,493	\$293,191	\$322,745

Exclude taxes and administrative charges.

We projected future cost levels by applying the cost increase assumptions to average costs based on the claims experience data. These rates were further adjusted for utilization at different ages. The following chart shows the estimated average annual true cost to the Company per covered retired individual with single coverage, at various ages:

	Age 55	Age 60	Age 65	Age 70	Age 75	Age 80
Extended Health Care	1,089	1,390	1,773	2,007	2,270	2,569
Dental	281	274	268	261	255	248

Note that the costs shown above represent the total estimated cost per covered individual at each age. Family coverage is assumed to be twice the amount shown. All retirees are responsible for paying 50% of the extended health care premiums and 25% of the dental premiums based on the following premium scale as at January 1, 2013:

(100% of premiums)	Single	Family
Health	\$1,779	\$3,619
Dental	\$259	\$540

Life Insurance

Individuals are responsible for paying 50% of the life insurance premium after retirement. We have based our calculations on the actual amount of coverage for the retirees and on the expected coverage at retirement (based on their current salary and on the salary increase assumption) for the active members. We understand that the life insurance coverage is one times annual earnings at retirement but decreases to \$5,000 upon attainment of age 65 for retirees before 1/1/2007, otherwise it decreases to \$10,000.

Actuarial Assumptions

The actuarial assumptions used for the valuation are summarized in the following table. All rates and percentages are annualized.

Actuarial Assumptions – Economic Factors (per year)		
Valuation Date	December 31, 2012	
Discount Rates	4.00% (ABO as at December 31, 2012 and 2013 OPEB Expense); 5.00% (ABO as at December 31, 2013)	
Salary Increases	3.5%	
General Inflation	2.5%	
Dental Cost Increases	3.0%	
Extended Health Care Cost Increases	6% effective 1/1/13; reducing at to an ultimate rate of 4.5% over 8 years	
Dental Utilization Rates	0.5% Decrease every year	
Extended Health Care Utilization Rates	3% increase for each year prior to age 45 5% increase for each year between ages 45 and 65 2.5% increase for each year after age 65	
Extended Health Care and Dental Loading	4.5% ASO charge premium tax	4%
Travel Coverage Loading	7% on EHC Claims	
Life Insurance Loading	13.2% administration, risk & profit, stop loss 4% premium tax	
Actuarial Assumptions – Demographic Factors		
Mortality	ABO as at December 31, 2012 and 2013 OPEB Expense: 1994 Uninsured Pensioners Table with generational using Scale AA (UP94 generational); Unisex 80% male, 20% female ABO as at December 31, 2013: CPM-RPP2014 Table with generational projection using improvement scale CPM-A; Unisex 80% male, 20% female	
Retirement Age	One year after first age eligible to unreduced pension (earlier of age 55 with 30 years of service, age 60 with 5 years of service or age 65) Active members already older than one year after their first age eligible to an unreduced pension are assumed to retire at age 65	
Termination	2.5% per year up to age 40, trending down to zero between 40 and 45	
Age difference between member and spouse	Same age; 80% married at retirement	
Members electing coverage at retirement	100%; 80% electing family coverage	

Appendix B – Membership Data

For our valuation as at December 31, 2012, we used data that was provided to us by the Company and by Medavie Blue Cross as at December 31, 2012. We have reviewed the data for reasonableness, internal consistency, and we also checked individual member data against the previous valuation data as at December 31, 2009 and are satisfied that the data is sufficient and reliable for the purposes of this valuation.

Table B.1 – Active Members Data

	Hydro				
Active Members as at December 31, 2012					
Number	856				
Average age	45.0				
Average service	14.7				
Average salary	\$73,400				
Females	156				
Males	700				
Active Members as at December 31, 2009					
Number	890				
Average age	45.7				
Average service	15.7				
Average salary	\$61,500				
Females	158				
Males	732				

Table B.2 – Retired Member Data

	Hydro				
Retired Members as at December 31, 2012					
Number	683				
Average age	68.7				
Single coverage – Extended Health Care	161				
Family Coverage – Extended Health Care	497				
Single coverage – Dental	131				
Family Coverage – Dental	478				
Number with Life Insurance Coverage	590				
Average Current Life Insurance Coverage	\$29,900				
Retired Members as at December 31, 2009					
Number	604				
Average age	67.9				
Single coverage – Extended Health Care	141				
Family Coverage – Extended Health Care	440				
Single coverage – Dental	107				
Family Coverage – Dental	417				
Number with Life Insurance Coverage	517				
Average Current Life Insurance Coverage	\$30,800				

Table B.3 – SERP Members Data (Hydro)

As at December 31, 2012	Actives	Retirees
Number	1	3
Average age	55.0	79.9
Average pension	*	\$23,491

* Not shown for purposes of confidentiality

Appendix C – Summary of Plan Provisions

The following tables summarize the main provisions of the OPEB provided to the employees and retirees of the Company. The summary is based on information provided by the Company.

First Eligibility age	Age 55
Life Insurance	
Benefit	1 times the annual earnings at retirement, reducing to \$5,000 upon attainment of age 65 for retirees before 1/1/2007, otherwise it decreases to \$10,000
Cost Sharing	50% of premiums paid by the Company and 50% paid by the retirees
Dental	
Benefits	80% Basic – no maximum 70% Major, \$1,250 calendar year maximum Premium is 75% paid by the Company and 25% paid by the retirees
Extended Health Care	
Coinsurance	80%
Out of Province	Covered
Private duty nursing	\$25,000 maximum per calendar year
Drug coverage	Member pays dispensing fee
Vision	100% - one pair of spectacle lenses and frame per 24 month, to a maximum of \$200
Hearing Aids	\$500 maximum every 5 years
Paramedical practitioner	Different maximums for each covered practitioner
Hospital Coverage	100%, Semi-private
Cost sharing	50% of premiums paid by the Company and 50% paid by the retirees
Retirement Allowance	
Benefit	One week of salary per year of service at retirement, to a maximum of 26 weeks
Transitional Allowance	
Eligibility	██████████ employees with 20 years of service or more
Benefit	\$500 per year of service
SERP Benefits	
Member A	Retiree, \$4,143.58/month (Non-Indexed), Spousal benefit: 60% of SERP Pension
Member B	Retiree, \$923.53/month (Non- Indexed), Spousal benefit: 50% of SERP Pension
Member C	Beneficiary \$805.70/month (Non-Indexed)
Member D	Active, the pension payable to member on his retirement date is 2% of Best Base Salary plus Best Incentive bonus for each year of service.

The surviving spousal benefit is 60% of the pension payable to Member. Pension payments are indexed annually in line with increases in CPI

We understand that Health and Dental coverage may continue to a surviving spouse after the member's death and that the spouse is responsible for paying 100% of the premiums.

Appendix D – Sensitivity Results

The following two tables provide the sensitivity of the fiscal 2013 IAS19R disclosure figures to changes in the discount rate or the assumed health care cost trend rates.

Table D.1 Sensitivity to a 25 Basis Point Change in Discount Rate (in \$000's)

	Hydro					
0.25% Increase in Discount Rate:						
Combined Change in Service Cost and Interest on ABO	(166.2)					
Change in ABO at end of period	(3,714.6)					
0.25% Decrease in Discount Rate:						
Combined Change in Service Cost and Interest on ABO	178.4					
Change in ABO at end of period	3,973.4					

Table D.2 Sensitivity to 1% Change in Assumed Health Care Cost Trend Rates (in \$000's)

	Hydro					
1% Increase in Trend Rates:						
Combined Change in Service Cost and Interest on ABO	1,652.2					
Change in ABO at end of period	16,544.6					
1% Decrease in Trend Rates:						
Combined Change in Service Cost and Interest on ABO	(1,187.9)					
Change in ABO at end of period	(12,698.9)					

The figures shown above represent the change relative to the figure disclosed. For example, for a 0.25% decrease in the discount rate, the December 31, 2013 ABO for

Alternatively, as a second example, for a 1% decrease in the assumed health care inflation, the December 31, 2013 ABO for Hydro would be \$75,160,800 (equal to the disclosed ABO as at December 31, 2013 of \$87,859,700 less the decrease of \$12,698,900 from table D.2 above).

Appendix E – Detailed Results

Detailed Results-IAS19R

Fiscal 2013

EXPENSE

Fiscal year commencing January 1:

	Hydro 2013					
CURRENT SERVICE COST	3,256,600					
INTEREST ON ACCRUED BENEFITS	3,702,800					
INTEREST ON ASSETS	0					
STRAIGHT LINE AMORTIZATION OF:						
- Opening Deficit / (Asset)	0					
- Experience Loss/(Gain)	0					
- Past Service Costs	0					0
PENSION EXPENSE (INCOME)	6,959,400					

ACCRUED BENEFIT LIABILITY

OPENING BALANCE	90,528,100					
TRANSFER	0					
EXPENSE (INCOME)	6,959,400					
AMOUNT RECOGNIZED OCI (G)/L	-7,262,300					
(COMPANY CONTRIBUTIONS) (Jan to Dec)	-2,427,900					
CLOSING BALANCE	87,797,300					

WORKSHEETS

Fiscal year commencing January 1:

	Hydro 2013					
1. FINANCIAL POSITION OF THE PLAN AT BEGINNING OF PERIOD						
Assets	0					
Liabilities	90,528,100					
Transfer	0					
Surplus (Deficit)	-90,528,100					
2. PLAN COSTS FOR BENEFITS ACCRUING DURING THE PERIOD						
Employee Contributions	0					
Company Normal Cost	3,256,600					
Total	3,256,600					

Detailed Results-IAS19R

Fiscal 2013

WORKSHEETS

Fiscal year commencing January 1:

Assumed Discount Rate:
3. PROJECTIONS TO END OF PERIOD

ASSETS

Opening Value
 Company & Members Contributions
 Transfers from Insurance Companies
 Interest
 Annuity payments by Royal Trust
 Benefit Payouts
 Settlement Payout
 Projected Closing Value
 Investment Gain/(Loss)
Actual Closing Value

LIABILITIES

Opening Value
 Transfer
 Benefit Improvements
 Total Normal Cost
 Interest
 Benefit Payouts
 Curtailments
 Experience Loss due to Curtailment
 Liabilities Settled
 Projected Closing Value
 Gain / (Loss on ABO)
Actual Closing Value

SURPLUS

Hydro 2013					
4.00%					
0					
2,427,900					
0					
0					
0					
-2,427,900					
0					
0					
0					
0					
90,528,100					
0					
0					
3,256,600					
3,702,800					
-2,427,900					
0					
0					
0					
95,059,600					
7,262,300					
87,797,300					
-87,797,300					

Detailed Results-CICA 3461**Fiscal 2013**

Retroactive treatment of Transition Obligation - 10% corridor

EXPENSE

Fiscal year commencing January 1:

	Hydro 2013					
CURRENT SERVICE COST	3,256,600					
INTEREST ON ACCRUED BENEFITS	3,702,800					
INTEREST ON ASSETS	0					
STRAIGHT LINE AMORTIZATION OF:						
- Opening Deficit / (Asset)	0					
- Experience Loss/(Gain)	1,689,800					
- Past Service Costs	20,200					
PENSION EXPENSE (INCOME)	8,669,400					

ACCRUED BENEFIT LIABILITY

OPENING BALANCE	60,361,000					
TRANSFER	0					
EXPENSE (INCOME)	8,669,400					
(COMPANY CONTRIBUTIONS) (Jan to Dec)	-2,427,900					
CLOSING BALANCE	66,602,500					

WORKSHEETS

Fiscal year commencing January 1:

	Hydro 2013					
1. FINANCIAL POSITION OF THE PLAN AT BEGINNING OF PERIOD						
Assets	0					
Liabilities	90,528,100					
Transfer	0					
Surplus (Deficit)	-90,528,100					
2. PLAN COSTS FOR BENEFITS ACCRUING DURING THE PERIOD						
Employee Contributions	0					
Company Normal Cost	3,256,600					
Total	3,256,600					

Detailed Results-CICA 3461

Fiscal 2013

Retroactive treatment of Transition Obligation - 10% corridor

WORKSHEETS

Fiscal year commencing January 1:

Assumed Discount Rate:

3. PROJECTIONS TO END OF PERIOD

ASSETS

Opening Value

Company & Members Contributions

Transfers from Insurance Companies

Interest

Annuity payments by Royal Trust

Benefit Payouts

Settlement Payout

Projected Closing Value

Investment Gain/(Loss)

Actual Closing Value

LIABILITIES

Opening Value

Transfer

Benefit Improvements

Total Normal Cost

Interest

Benefit Payouts

Curtailments

Experience Loss due to Curtailment

Liabilities Settled

Projected Closing Value

Gain / (Loss on ABO)

Actual Closing Value

SURPLUS

Hydro 2013					
4.00%					
0					
2,427,900					
0					
0					
0					
-2,427,900					
0					
0					
0					
0					
90,528,100					
0					
0					
3,256,600					
3,702,800					
-2,427,900					
0					
0					
0					
95,059,600					
7,262,300					
87,797,300					
-87,797,300					

AMORTIZATION SCHEDULE

Fiscal year commencing January 1:

AMORTIZATIONS ESTABLISHED AS AT January 1, 2011

TRANSITIONAL OBLIGATION / (ASSET)

Opening Balance

Annual Component

Closing Balance

AMORTIZATIONS

Remaining amortization period at beginning of year

PAST SERVICE COST / (ASSET)

Opening Balance

Annual Component

Closing Balance

Remaining amortization period at end of year

AMORTIZATIONS

AGGREGATE NET ACTUARIAL LOSS / (GAIN)

10% Corridor

Opening Balance to Amortize

Annual Component

Amount not amortized

Transferred

Actuarial loss (gain) at end of period on

- Asset Return

- Accrued Benefit Obligation

Total actuarial loss (gain) not amortized

Average Remaining Service Period as at January 1, 201

Total Closing Unamortized Losses (Gains)

Hydro 2013					
0					
0					
0					
8.0					
161,100					
20,200					
140,900					
7.0					
30,006,000					
9,052,800					
20,953,200					
1,689,800					
28,316,200					
0					
0					
-7,262,300					
21,053,900					
12.4					
21,194,800					

Detailed Results-CICA 3461

Fiscal 2013

Retroactive treatment of Transition Obligation - 10% corridor

EXPENSE - NEW DISCLOSURE

Fiscal year commencing January 1:

	Hydro 2013					
COSTS ARISING IN PERIOD						
CURRENT SERVICE COST	3,256,600					
INTEREST ON ACCRUED BENEFITS	3,702,800					
ACTUAL RETURN ON ASSETS	0					
AMOUNTS ARISING FROM EVENTS IN THE PERIOD:						
- Actuarial Losses / (Gains) on ABO	-7,262,300					
- Past Service Costs (Gains)	0					
FUTURE BENEFIT COSTS BEFORE ADJUSTMENTS	-302,900					
ADJUSTMENTS TO RECOGNIZE LONG-TERM NATURE OF COSTS						
IMPACT OF DEFERRED RECOGNITION ON:						
- Opening Deficit / (Asset)	0					
- Current Year Return on Plan Assets**	0					
- Actuarial Loss (Gain) other than the current year return on	8,952,100					
- Past Service Costs*	20,200					
BENEFIT COST (INCOME) RECOGNIZED FOR THE PERIOD	8,669,400					

* Equal to (1) current year amortization of (gain)/loss subtract (2) (gain)/ loss incurred in the current year

** Actual return on plan assets, less expected return on plan assets determined on a market related basis