

**Status of Reserves and Reserve Funds**

**Provincial Gas Tax Reserve Fund (millions)**

Description	Actual				Projected Actual	Budget				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Opening balance	\$ 27.483	\$ 28.471	\$ 28.889	\$ 22.538	\$ 16.946	\$ 7.748	\$ 6.364	\$ 4.802	\$ 3.621	\$ 2.323
Provincial contributions	9.415	9.702	9.357	9.999	10.342	10.548	10.759	10.974	11.193	11.417
Investment income	0.496	0.443	0.443	0.519	0.450	0.268	0.268	0.268	0.268	0.268
Approved expenditure										
capital	(3.606)	(3.117)	(7.578)	(4.412)	(5.277)	(3.120)	(3.378)	(3.025)	(3.171)	(3.171)
operating - conventional	(4.204)	(5.394)	(7.336)	(8.967)	(11.395)	(7.349)	(7.488)	(7.638)	(7.791)	(7.791)
operating - specialized	(1.113)	(1.215)	(1.236)	(2.730)	(3.318)	(1.731)	(1.724)	(1.761)	(1.798)	(1.798)
Closing balance	\$ 28.471	\$ 28.889	\$ 22.538	\$ 16.946	\$ 7.748	\$ 6.364	\$ 4.802	\$ 3.621	\$ 2.323	\$ 1.249
Budget expenditure investment - funded by PGT	\$ 9.726	\$ 16.151	\$ 16.109	\$ 19.990	\$ 12.201	\$ 12.589	\$ 12.423	\$ 12.759	\$ 12.759	\$ 12.759
Years available at December 31	2.9	1.8	1.4	0.8	0.6	0.5	0.4	0.3	0.2	0.1

Administrative Guideline is to maintain a balance of 1.5 years worth of planned contribution in the reserve. This guideline will not be met going forward.

**Capital Program Reserve Fund (millions)**

Description	Actual				Projected Actual	Budget				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Opening balance	\$ 4.753	\$ 4.658	\$ 5.154	\$ 4.548	\$ 4.307	\$ 3.950	\$ 3.289	\$ 2.496	\$ 2.233	\$ 1.627
Contributions - capital cost amortization	0.259	0.719	0.320	0.280	0.250	0.250	0.250	0.250	0.250	0.250
Investment income	0.044	0.043	0.058	0.087	0.060	0.060	0.060	0.060	0.060	0.060
Capital expenditure	(0.398)	(0.266)	(0.983)	(0.608)	(0.667)	(0.971)	(1.103)	(0.573)	(0.916)	(0.496)
Closing balance	\$ 4.658	\$ 5.154	\$ 4.548	\$ 4.307	\$ 3.950	\$ 3.289	\$ 2.496	\$ 2.233	\$ 1.627	\$ 1.441
Budget allocation (new expenditure investment)	\$ 0.266	\$ 0.983	\$ 0.608	\$ 0.667	\$ 0.971	\$ 0.971	\$ 1.103	\$ 0.573	\$ 0.916	\$ 0.496
Years available at December 31	17.5	5.2	7.5	6.5	4.1	3.4	2.3	3.9	1.8	2.9

Administrative Guideline is to maintain a balance of 7 years worth of planned contribution in the reserve. This guideline will not be met going forward.

**Public Liability Reserve Fund (millions)**

Description	Actual				Projected Actual	Budget				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Opening balance	\$ 3.992	\$ 3.890	\$ 3.598	\$ 3.398	\$ 3.011	\$ 2.871	\$ 2.709	\$ 2.548	\$ 2.386	\$ 2.225
Contributions - current operations	0.380	0.400	0.400	0.400	0.400	0.400	0.400	0.400	0.400	0.400
Investment income	0.040	0.035	0.045	0.067	0.060	0.060	0.060	0.060	0.060	0.060
Insurance claims costs										
- accident benefits	(0.414)	(0.444)	(0.510)	(0.708)	(0.440)	(0.456)	(0.456)	(0.456)	(0.456)	(0.456)
- public liability	(0.108)	(0.283)	(0.134)	(0.146)	(0.160)	(0.166)	(0.166)	(0.166)	(0.166)	(0.166)
Closing balance	\$ 3.890	\$ 3.598	\$ 3.398	\$ 3.011	\$ 2.871	\$ 2.709	\$ 2.548	\$ 2.386	\$ 2.225	\$ 2.063
Outstanding - deductible claims cost at Dec. 31	\$ 1.671	\$ 2.283	\$ 2.414	\$ 2.316	\$ 2.338	\$ 2.338	\$ 2.338	\$ 2.338	\$ 2.338	\$ 2.338
Unencumbered	2.219	1.315	0.985	0.695	0.533	0.371	0.210	0.048	(0.113)	(0.275)
	\$ 3.890	\$ 3.598	\$ 3.399	\$ 3.011	\$ 2.871	\$ 2.709	\$ 2.548	\$ 2.386	\$ 2.225	\$ 2.063
Percent unencumbered	57.0%	36.5%	29.0%	23.1%	18.6%	13.7%	8.2%	2.0%	-5.1%	-13.3%

Administrative Guideline is to maintain an unencumbered balance of between 55% and 65%. This guideline will not be met going forward.

**Energy Management Reserve (millions)**

Description	Actual				Projected Actual	Budget				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Opening balance	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203
Contribution - current operating surplus	-	-	-	-	-	-	-	-	-	-
Closing balance	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203

Estimated total energy costs (diesel, hydro)	\$ 7.073	\$ 6.430	\$ 7.339	\$ 8.554	\$ 8.351	\$ 8.769	\$ 9.064	\$ 9.395	\$ 9.737	\$ 9.737
Reserve balance as a % of energy cost	45.3%	49.8%	43.6%	37.4%	38.4%	36.5%	35.3%	34.1%	32.9%	32.9%

Administrative Guideline is to maintain an balance of between 25% and 35% of annual fuel costs. This guideline will be met going forward.

**General Operating Reserve (millions)**

Description	Actual				Projected Actual	Budget				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Opening balance	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999
Contribution from/(to)	-	-	-	-	-	-	-	-	-	-
Closing balance	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999	\$ 2.999

Total expenditure	\$ 64.045	\$ 67.348	\$ 71.689	\$ 77.551	\$ 81.815	\$ 87.190	\$ 91.486	\$ 95.263	\$ 99.301	\$ 101.287
Reserve as % of operating expenditure	4.7%	4.5%	4.2%	3.9%	3.7%	3.4%	3.3%	3.1%	3.0%	3.0%

Administrative Guideline is to maintain an balance of between 2.5% and 5.0% of total operating costs. This guideline will be met going forward.

**Health Care Management Reserve (millions)**

Description	Actual				Projected Actual	Budget				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Opening balance	\$ 2.441	\$ 2.648	\$ 2.669	\$ 2.595	\$ 2.363	\$ 2.363	\$ 2.363	\$ 2.363	\$ 2.363	\$ 2.363
Contributions - Neer rebate	0.455	0.387	0.376	0.079	-	-	-	-	-	-
Return to work program cost	(0.248)	(0.366)	(0.450)	(0.311)	-	-	-	-	-	-
Closing balance	\$ 2.648	\$ 2.669	\$ 2.595	\$ 2.363	\$ 2.363	\$ 2.363	\$ 2.363	\$ 2.363	\$ 2.363	\$ 2.363

Employment benefit cost (excl. Neer rebate)	\$ 10.353	\$ 10.774	\$ 11.834	\$ 12.829	\$ 12.732	\$ 13.443	\$ 14.134	\$ 14.800	\$ 15.522	\$ 15.522
Reserve as percent of employment benefit cost	25.6%	24.8%	21.9%	18.4%	18.6%	17.6%	16.7%	16.0%	15.2%	15.2%

Administrative Guideline is to maintain an balance of between 25% and 30% of total employment benefit costs. This guideline will not be met going forward.

**Reserve and Reserve Fund Balances at December 31 (millions)**

Description	Actual				Projected Actual	Budget				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Reserve Funds</b>										
Provincial gas tax reserve fund	\$ 28.471	\$ 28.889	\$ 22.538	\$ 16.946	\$ 7.748	\$ 6.364	\$ 4.802	\$ 3.621	\$ 2.323	\$ 1.249
Capital program reserve fund	4.658	5.154	4.548	4.307	3.950	3.289	2.496	2.233	1.627	1.441
Public liability reserve fund	3.890	3.598	3.398	3.011	2.871	2.709	2.548	2.386	2.225	2.063
	<b>\$ 37.018</b>	<b>\$ 37.640</b>	<b>\$ 30.484</b>	<b>\$ 24.264</b>	<b>\$ 14.569</b>	<b>\$ 12.363</b>	<b>\$ 9.846</b>	<b>\$ 8.241</b>	<b>\$ 6.175</b>	<b>\$ 4.754</b>
<b>Reserves</b>										
Energy management reserve	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203	\$ 3.203
General operating reserve	2.999	2.999	2.999	2.999	2.999	2.999	2.999	2.999	2.999	2.999
Health care management reserve	2.648	2.669	2.595	2.363	2.363	2.363	2.363	2.363	2.363	2.363
	<b>\$ 8.850</b>	<b>\$ 8.871</b>	<b>\$ 8.797</b>	<b>\$ 8.566</b>	<b>\$ 8.566</b>	<b>\$ 8.566</b>	<b>\$ 8.566</b>	<b>\$ 8.566</b>	<b>\$ 8.566</b>	<b>\$ 8.566</b>
	<b>\$ 45.868</b>	<b>\$ 46.512</b>	<b>\$ 39.281</b>	<b>\$ 32.830</b>	<b>\$ 23.135</b>	<b>\$ 20.928</b>	<b>\$ 18.412</b>	<b>\$ 16.806</b>	<b>\$ 14.741</b>	<b>\$ 13.319</b>