

ESA

the framework



for Electrical Safety

Our Vision

In the past year, the Electrical Safety Authority has focused on advancing our mandate by ensuring the framework exists to continue to achieve our goal of increased protection against potential electrical hazards for everyone in Ontario.

Experts in Electrical Safety

The Electrical Safety Authority was established in 1999 as a not-for-profit corporation accountable to an independent Board of Directors for public electrical safety in Ontario as designated by Ontario Regulation 89/99. In the intervening years ESA has assumed a leadership role among safety organizations within Ontario and throughout Canada.

Superior Services and Solutions

The Electrical Safety Authority operates in accordance with the *Safety and Consumer Statutes Administration Act* and with an Administrative Agreement with the Ministry of Government Services (MGS). Our delegated responsibilities include the administration and enforcement of Part VIII of the *Electricity Act* and associated Ontario Regulation 164/99 (*Ontario Electrical Safety Code*), Ontario Regulation 22/04 (*Electrical Distribution Safety*), and Ontario Regulation 570/05 (*Provincial Electrical Contractor Licensing*).

A Recognized Leader

Electrical Safety Authority employees and management are dedicated to public electrical safety, and are supported by a strong Board of Directors, industry stakeholders, and community and government partners. The relationships that have been created support a collaborative safety effort that resulted in advancing our mandate the past fiscal year with the introduction of province-wide contractor licensing, new safety services and policies, public education, and the introduction of new regulation that supports the pursuit of our safety vision.

Message to ESA Employees

As I sit back and think about my eight years with the Electrical Safety Authority I have thought to myself, what a journey – what a wonderful journey. How wonderful it has been to be part of the Electrical Safety Authority as it has evolved. How wonderful it has been to see the dedication and commitment to this safety business at all levels across the organization. I am proud to have been part of this organization, and I am proud of the standard for safety that all employees have contributed. As I step down as the Chair, I would like to thank each and every one of you for your efforts and commitment. I wish you all the best in your future safety endeavours.

Dane MacCarthy

Annual Report

Fiscal 2007

Annual Report

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Ontario Electrical Safety Report

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Board of Directors

- Dane B. MacCarthy, (Chair), President, Annedane Investments Incorporated ^(1,2,3,4)
- Robert M. Stelzer, President and Chief Executive Officer, Electrical Safety Authority ^(1,1a,2,3,4)
- Charles Cipolla, President Rockwell Automation ^(1,4)
- Barry Goodwin, Director, Acting Assistant Deputy Minister, Policy and Consumer Protection Services Division, Ministry of Government Services ^(2,4)
- Margaret Kelch, Director ICD.D ^(2,3,4)
- Alison Knight, FCA, Chief Administrative Officer & Secretary of Synod, Incorporated Synod of Diocese of Toronto ^(1,1a,4)
- Erwin Krause, President, ECCO Electric Limited ^(3,4)
- Michael Lio, President, Lio & Associates ^(1,4)
- Albert Merlo, President, Merlo Electric ^(3,4)
- Oskar T. Sigvaldason, PhD. P.Eng., Director ⁽²⁾
- Brad Vollmer, President, Vollmer and Associates ^(2,3,4)
- John Wiersma, P.Eng., Director ^(2,3,4)

Board Appointed Officers *

- Robert M. Stelzer, President and Chief Executive Officer
- Wayne Howard, Vice-President Finance and Chief Financial Officer ^(1a)
- Peter Marcucci, Vice-President Regulatory Affairs and Corporate Services
- Christopher Jodhan, Vice-President, General Counsel and Corporate Secretary ^(1a)
- Scott Saint, Vice-President and Chief Operating Officer ^(1a)
- Ronald Schertzer, Vice-President Programs and Customer Service

Auditors

Ernst & Young

1 The Audit, Finance & Risk Management Committee, chaired by M. Lio, held four (4) meetings in fiscal 2007; 1a Pension Committee, chaired by A. Knight and included L. Fields, Manager Pensions, Finance Department, York University, held four (4) meetings; 2 Nominating, Governance & Human Resources Committee, chaired by J. Wiersma, held four (4) meetings; 3 Regulatory Affairs Committee, chaired by M. Kelch, held four (4) meetings; 4 The Board of Directors held four (4) meetings and a three-day strategy session.

* Board Appointed Officers attend Board and Committee meetings as required.

Message
from the
Chair

[Dane B. MacCarthy



In my first report as Chair of the Board of the Electrical Safety Authority, I wrote *"We are a young and vibrant organization that is built on almost a century of tradition, experience and a passion for safety. I am excited about our prospects for the future..."* Seven years later, as I submit my final message as Chair, my excitement has not diminished and I am struck by how far we have traveled and how much we have accomplished.

When we drafted the White Paper on Utility Restructuring in Ontario, the concept of a stand-alone public electrical safety authority was largely undefined and untested. The new organization, which evolved in 1999 from the Electrical Inspection Division of Ontario Hydro, was given an important public mandate and a blank canvas – a canvas on which to design a framework and set the benchmark for delivering electrical safety in Ontario.

We have accomplished what we set out to do. ESA has risen to the challenges associated with industry restructuring, the implementation of new system infrastructures, changes in management and board representation, and changing government structures. Through it all, ESA has maintained the support of employees, customers, stakeholders and the government, and most importantly it has continued to define new opportunities for extending the safety mandate.

The past fiscal year demonstrates how sophisticated ESA has become in its delivery of public electrical safety. The Board is proud of the expansion of province-wide electrical contractor licensing and the extension of awareness initiatives to a number of high-risk audiences. As a Board we are excited about the possibilities inherent in Bill152, introduced in October of 2006, which will give ESA unprecedented ability to protect Ontario consumers from unapproved electrical products.

Over the last decade ESA has continually improved its governance systems to ensure accountability and transparency in business practices and relationships. We adopted, and are guided by a Code of Conduct, rooted in our Charter, which incorporates our core business values of integrity and credibility.

Training of our Board members is rigorous. Each appointee is required to undergo intensive orientation and ongoing training in corporate governance and related business issues. The work of the Board is conducted through four committees: audit, finance and risk management; regulatory affairs; governance and human resources; and pension. Board performance is audited annually through formal evaluations on group and individual levels.

Since its inception, ESA has benefited greatly from the oversight of a committed and knowledgeable Board of Directors and it has been my privilege to work with each of these dedicated individuals.

This past year, the Board experienced significant turnover. We express our appreciation to the directors who left the Board: Gordon Thursfield, Reginald MacDonald, and Robert Dowler, who were with us from the beginning, and Michael Caletti, who was a more recent appointee. We were delighted to welcome the new directors, Charles Cipolla, Barry Goodwin, Erwin Krause and Albert Merlo.

As I step down as Chair of the Board, I extend best wishes to incoming Chair John Wiersma, who will bring his extensive knowledge of the electrical industry and board governance to this important role.

I have appreciated the opportunity to lead the team - the Board, the executive leadership, management, employees, various councils and industry partners – together we have created a successful and responsive framework for electrical safety in Ontario. We can all take pride in this achievement. I am confident ESA has become an organization with the structure and fortitude to continue to drive Ontario's electrical safety business in the right direction.



Dane B. MacCarthy
Chair of the Board of Directors,
Electrical Safety Authority

With safety excellence as its focus, the Electrical Safety Authority assumed new responsibilities and forged new partnerships in fiscal 2007.

We concentrated on two key areas: the milestone implementation of *Ontario Regulation 570/05*, which requires the licensing of electrical contractors and master electricians in the province, and the extension of our reach into public safety education. With the participation of our industry partners and stakeholders, we recorded measurable success in both of these undertakings.

In October of 2006, the Ontario government introduced Bill 152 as an amendment to the *Electricity Act*. This bill enhances our ability to protect consumers from unapproved electrical products before, during, and after point of sale. The influence of this legislative change will be substantial, and ESA is preparing to respond.

Market research conducted in fiscal 2007 provided insight into new technologies and standards, opportunities to manage risk, and the potential to educate the public about electrical safety. This information enabled ESA to secure an operational framework to support its long-term strategic direction.

The successful introduction of a Safety Management Framework in fiscal 2007 provided us with an effective process for identifying, analyzing and prioritizing safety hazards, and allocating resources accordingly.

In fiscal 2007, the promotion and advancement of new technologies had a positive impact on safety issues among the electrical trades. Introduction of the multimeter fused leads campaign, combined with the existing Don't Work Live campaign, resulted in a 79% reduction of electrical incidents in the electrical trade.

As part of our public education program, we launched an overhead powerline safety campaign targeting crop farmers in Southwestern Ontario. This initiative resulted in a 32% recall with the majority of respondents indicating they have modified their safety behaviour when in the vicinity of powerlines. We are working collaboratively with other established agencies to optimize resources and to attain the greatest reach for our safety messaging.

Response to unsafe electrical product investigations, utility safety due diligence inspections, and growth in the Continuous Safety Services sales and Field Evaluation service business, have increased demand for inspection services. In response, ESA hired 18 new inspectors, each of whom participated in our comprehensive 12-week inspector training program.

We continued to improve service for account customers by advancing the use of ESA's 24/7 on-line access to inspection and status requests. Customers submitted 67,000 applications on-line, increasing service level effectiveness by 5%.

We can reflect upon fiscal 2007 with a sense of accomplishment. Business and safety goals were achieved, relationships were strengthened and our safety mandate was expanded. For that, I extend my sincere appreciation to our employees, Board of Directors, Advisory Councils, industry partners, and the Ministry of Government Services.

I welcome this opportunity to thank and acknowledge the contribution of our outgoing Chair, Dane MacCarthy, who has so ably led the governance of the Electrical Safety Authority since it was formed in 1999. Dane's legacy is a safer Ontario.



Robert M. Stelzer
President and Chief Executive Officer,
Electrical Safety Authority



Robert M. Stelzer



Letter from the
President
and Chief
Executive Officer

advocacy: The act of pleading or arguing in favor of something, such as

a cause, idea, or policy; active support.



Since its formation in 1999, the Electrical Safety Authority has consistently strengthened its position and refined its role as champion of electrical safety in Ontario.

Advocacy

advocacy: The act of pleading or arguing in favor of something, such as





Safety Due Diligence Inspection – Hydro One Brampton

ESA's Tony Moscioni

Hydro One Brampton's Miro Della Rosa and Andy Kuchowicz

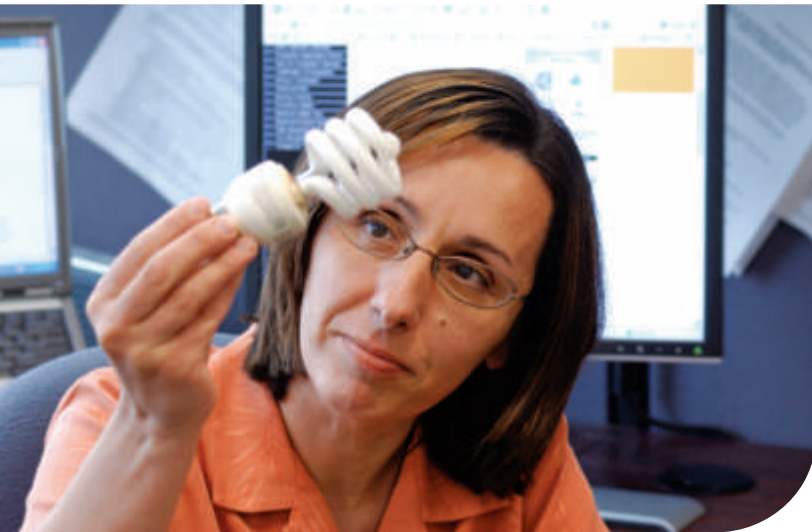
From the development of regulations advancing public electrical safety, to the creation of safety networks, ESA has established new directions to influence a reduction in electrical hazards. A safety management plan, leading edge technologies, and best business practices have resulted in ESA being a recognized advocate for public electrical safety.

One of ESA's guiding principles has been to seek the support and involvement of others in the advancement of its safety mandate. Today, the organization enjoys a strong advocacy network including its employees and Board of Directors, its industry and consumer councils, safety associations and corporate allies. This cooperative approach has led to legislation governing electrical distribution systems, contractor licensing, updates to the Ontario Electrical Safety Code, and Bill 152 – modernizing consumer protection.

In the past fiscal year, ESA and its Provincial Code Committee issued updates to the 2002 Ontario Electrical Safety Code addressing safety incidents, specific changes to national standards, and the administration of contractor licensing. Efforts were made to harmonize Ontario's Code requirements with national standards.

The introduction of a Safety Management Framework in fiscal 2007 has given ESA the capability to systematically identify, analyze and prioritize electrical safety hazards, thereby effectively directing its resource allocation. The methodology assists in defining requirements for regulatory change, directing certification, prioritizing inspections, identifying training, and focusing public awareness.

A more active role



Unapproved Product Review

ESA's Tatjana Dinic

In fiscal 2007, co-branding with stakeholders strengthened and reinforced public awareness through safety alerts, product recalls and information campaigns. Contractor licensing communication benefited from ESA co-branding with the Electrical Contractor Registration Agency (ECRA/ESA). As another example, 67% of the province's Local Electrical Distribution Companies shared the branding of ESA's public powerline safety awareness initiative. Joining forces with established agencies reinforced the importance of safety messaging and ensured optimum utilization of resources to achieve public safety goals. These efforts expand ESA's electrical safety advocacy network.



Advocacy

Licensing: Formal permission from a governmental or other constituted

authority to do something.

The year 2007 was a milestone for the Electrical Safety Authority as its safety mandate was enhanced through new legislation – legislation it championed with the support of the electrical industry and the government.



Licensing



New Residential Construction Trenton

ESA's David McConnell and Jim Wickware

Builder Mark Klemencic

**Licensed Electrical Contractor
Arthur Van Vark**

January 1, 2007, requirements for electrical contractor licensing changed with the introduction of Ontario Regulation 570/05. These changes to the *Electricity Act, 1998* created a new provincial standard for electrical safety performance, effectively addressing the underground economy, protecting trades workers and ultimately improving consumer protection and public safety. The province-wide system replaces an inconsistent application of municipal licensing, and supports effective enforcement of provincial safety standards.

Enforcement processes have been developed to target unlicensed contractors offering electrical services for a fee. Modifications to the 2002 *Ontario Electrical Safety Code* require that individuals who perform electrical work for others have a licence to obtain an application for inspection. Through an amendment to the Code, licensed electrical contractors are now permitted to replace specific electrical equipment in an owner-occupied single dwelling without a permit. While ESA spent fiscal 2006 creating the legislative and business frameworks to support the introduction of licensing, fiscal 2007 focused on industry communication and licensing implementation. By March 31, 2007, a total of 5,372 master electrician licences and 4,935 electrical contractor licences were issued in Ontario.

Responding to Contractor requests



ESA's Cathy Scott and Patience Ryan

An Electrical Contractor Registration Agency Board was appointed to support licensing operations. The ECRA/ESA brand was strengthened through communication materials, a requirement to display licence information, and the ongoing maintenance of the ECRA/ESA website (www.esaecra.info). ESA's contractor newsletter will inform and update licensed contractors while ESA continues to streamline inspection processes. ESA intends to strengthen its relationship with licensed contractors through one-on-one communication opportunities, ESA's Contractor Advisory Council representation and safety programs.

Going forward, specific efforts will focus on broad-based communications to create consumer/public awareness of the requirements and benefits associated with using a licensed electrical contractor.

Ultimately, the success of the program will rest with an informed and educated public that understands and demands the services of a licensed electrical contractor.



Licensing

Inspection: A formal evaluation technique in which requirements, design, or code are examined in

detail by a person or group to detect faults, violations of development standards, and other problems.



Time and again, surveys have indicated inspectors are the much respected backbone of the Electrical Safety Authority.

In the past fiscal year, ESA's inspection team continued to meet the high levels of safety services requested by Ontarians with 360,500 requests for inspection services.

Inspection



Approving Electrical Plans

Tiltran Services Joshua Daniel and
Dwayne Shepherd

ESA's Steve Douglas

ESA processed 10,307 licensing applications, conducted 110 due diligence inspections on Local Electrical Distribution Companies, conducted 5,933 investigations, reviewed and approved 3,342 plans, and conducted 67 pre-master training courses across the province.

As the business extended its safety reach, inspection processes were developed to support the delivery of province-wide contractor licensing enforcement.

To support the delivery of inspection services, 18 new electrical inspectors were hired, and graduated from ESA's 12-week training program. Each of these individuals was rigorously screened, and received comprehensive training on ESA's operation, including: the Code, inspection practices, field systems, customer service, and safety programs. As well, delivery processes were enhanced, inspector skills and resources were upgraded, team management and reporting systems were introduced, and updates to the inspector mobile system were implemented.

Challenged by the Contractor Advisory Council, and with direct input from electrical contractors across Ontario, a new satisfaction survey tool and approach to gathering feedback was introduced in fiscal 2007. Survey results enabled ESA to clarify and prioritize contractor satisfaction issues. In response, ESA focused on growing communication channels with contractors by hosting 36 contractor information sessions across Ontario and facilitating 900 one-on-one meetings between inspectors and licensed electrical contractors.

Going by the Code



9 Mile Lake Residential Inspection

Homeowner Brian Allen

ESA's Rick Allen

Last fiscal year's growth in the Continuous Safety Services (CSS) program reinforced the interest of corporations and public institutions in demonstrating safety due diligence. ESA is now applying its Safety Management Framework to CSS contracts to determine risk. By creating a clearer understanding of risk, ESA can help businesses to quantify potential electrical hazards thereby enhancing the safety value and marketability of the CSS offering. This program is not only successful in regulated sectors, but is increasingly successful in non-regulated sectors in Ontario and outside the province.

Success has also been realized in ESA's Field Evaluation Services line of business, which grew by 10% in fiscal 2007. Increased recognition of the ESA Field Evaluation mark has resulted in 113 out of province visits, and the approval of 103,506 pieces of electrical equipment.



Inspection

Education: The act or process of imparting or acquiring general knowledge, developing the

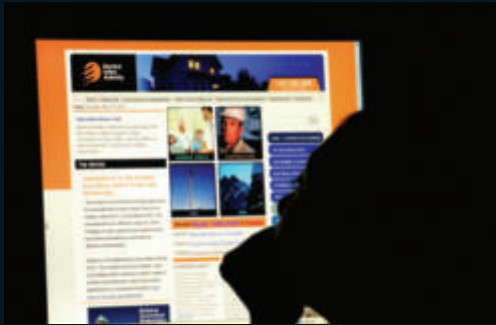
powers of reasoning and judgment, and generally of preparing oneself or others intellectually.



Engagement of the industry, consumers and the general public in safety awareness through targeted information campaigns is essential if the Electrical Safety Authority is to fulfil its mandate. In 2007, ESA with the support of its partners, continued to develop existing campaigns and introduced new ones in support of specific electrical safety concerns.

Education

COOKSTOWN / ASHCROFT FARM - FARMER BARRY ASHBY CHECKS HIS MAIL.



Research commissioned by ESA in fiscal 2007 reinforced that Ontario householders support a provincial electrical safety organization and seek information on electrical safety. Yet the same research indicated householders perceive a low-risk associated with potential electrical hazards. To counter this perception, ESA and its Consumer Advisory Council determined public education must be reinforced. In fiscal 2008 ESA will assess messaging directed at homeowners before it introduces a province-wide electrical safety information campaign.

In fiscal 2007, ESA continued to reach consumers through its information kiosks located in 15 Home Depot stores across Ontario. At these kiosks, individuals can access Ontario Electrical Safety Code frequently asked questions and answers, obtain safety tips for specific installations, and receive guidance on hiring an electrical contractor.

ESA has streamlined access to safety information on its corporate website at www.esasafe.com. This restructuring doubled traffic, bringing successful server hits to two million per month. The greatest amount of traffic occurs in the general public area.



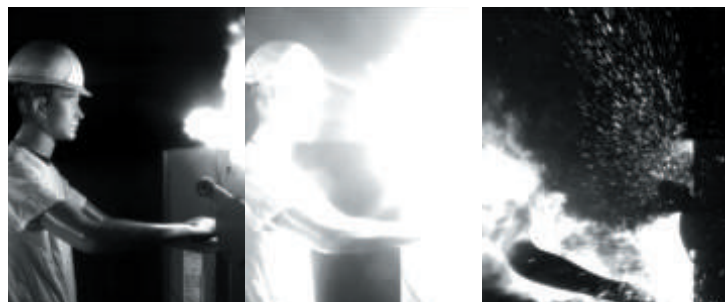
ESA's Yolanda Palao
and her daughter Estelle

The Look Up, Look Out, powerline safety campaigns to publicize the high risk points of contact with overhead powerlines are now an annual initiative spearheaded by ESA. Resulting from the introduction of the Electrical Distribution Safety Regulation, these campaigns are endorsed by ESA's Utility Advisory Council and measured for impact. A targeted campaign focused on crop farmers in Southwestern Ontario achieved a 32% recall with more than 40% of respondents indicating they are now more aware of powerline issues. Co-branding opportunities with Local Electrical Distribution Companies strengthen campaign messaging and distribution.

Don't work live.



Electrical trade incident reports, and ESA research findings on maintenance workers, support the need for ongoing communication to discourage work on live electrical systems. Following the review of multimeter incidents, ESA's Industry and Contractor Advisory Councils recommended the introduction of a multimeter campaign.



ESA commissioned research to assess the safety impact of fused leads on multimeter failures. Research findings reinforced that fused leads are key to reducing multimeter incidents. As a result, ESA launched a targeted safety campaign in fiscal 2007 initially focusing on increasing awareness of the safety impact of using fused leads. This was accomplished with the distribution of a safety brochure and video, and a health and safety guideline to more than 3,000 electricians through the Ontario Electrical League and the Electrical Contractors' Association of Ontario. As follow-up, ESA sponsored a coupon program to encourage the replacement of multimeter leads with fused leads. Recognizing the high risk of incidents associated with apprentices, ESA targeted community colleges, reaching more than 1,000 electrical apprentices with important messages about safe multimeter use. In the past year the reported trades incidents associated with working on live electrical systems, and incidents linked to multimeter failures, decreased by 79%. These statistics validate the importance of ESA's education endeavours.

Education

Financial Summary

Annual Report

In Fiscal 2007 the Electrical Safety Authority continued to focus on the prudent management of its financial resources to ensure appropriate funding for electrical safety initiatives and services in Ontario into future years. ESA's focus on diversifying revenue, improving operating efficiencies and executing business plan initiatives has been integral to achieving success. Major safety initiatives, totaling close to \$2.4 million, included contractor licencing, multimeter fused lead and powerline safety campaigns, among others.

Revenue increased to \$70.7 million in fiscal 2007, an increase of 4.2% from fiscal 2006, and reflected increases in all business lines except for "Wiring". The following table summarizes revenue for fiscal 2007 and fiscal 2006:

	2007	2006
Wiring – Residential	25,043	25,997
Wiring – Industrial/Commercial/ Institutional	16,101	16,318
Continuous Safety Services (CSS)	16,115	14,639
Product Approvals	6,600	5,849
Utility Regulation	2,018	1,999
Contractor Licensing	770	-
Plan Approvals	1,173	1,114
Other Revenues	2,836	1,882
	70,657	67,798

ESA's residential wiring line of business decreased by 3.7% due to lower construction starts, and decreased by 1.3% in the Industrial/ Commercial/Institutional sectors due to lower building permit values of 3%. New residential housing starts declined by 7.4% which paralleled forecasts for the year, and is expected to continue to decline over subsequent fiscal years.

ESA will continue to expand or develop other services and revenue sources. Residential renovation spending was up by close to 5%, and company efforts to diversify revenue sources have resulted in a 10.1% increase to revenue from Continuous Safety Services (CSS) contracts. Other revenues increased significantly over 2006 due to pre-master's training related to electricians writing the Masters' examination.

Total wiring services represented 58% of revenue in fiscal 2007 (fiscal 2006 – 62%); CSS services represented 23% of fiscal 2007 revenue (fiscal 2006 – 22%); and, other services represented 19% of fiscal 2007 revenue (fiscal 2006 – 16%). Revenue from unregulated business services, represented principally by Product Approvals and CSS Mining services, totaled \$8.1 million in fiscal 2007 compared to \$7.1 million in fiscal 2006.

Operating expenses (including depreciation) increased to \$68.3 million compared to \$61.6 million in fiscal 2006 representing a 10.9% increase. This increase in expenses mainly related to the increase in business service activities, the fiscal 2007 safety initiatives, contracted labour increases and benefit costs including pension costs. There were increases to non-labour related operating expenses of 5.5% and increases to labour related expenses of 12.6%. Management compensation (salary and bonus) totaled, for 18 individuals, \$2.9 million in fiscal 2007 compared to \$2.8 million in the previous year for 18 individuals.

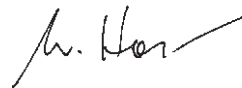
Specific initiatives, including many safety initiatives in fiscal 2007, resulted in additional spending of close to \$4.3 million. These costs included programs to increase powerline safety awareness, increase the use of fused leads with multimeters, implementation of Contractor Licencing, increased investigations of unsafe products, and business diversification, among others. Benefit costs including pension costs increased from \$12.8 million last year to \$15.2 million this year, an increase of 18.8%. There was a greater increase in fiscal 2006. This continued escalation of benefit costs will be reviewed by the business in conjunction with its employee collective bargaining units.

The increase in revenue more than offsets the increase in operating expenses resulting in a net excess (revenue exceeding expenses) for fiscal 2007 of \$2.0 million compared to a net excess in fiscal 2006 of \$5.7 million.

Capital spending of \$1.0 million was significantly less than the \$5.2 million last year when the Company purchased a building in Cambridge, Ontario which houses ESA's Customer Service Centre. ESA continues to make further investments in the continuous improvements of its information technology infrastructure.

The balance sheet continued to improve in fiscal 2007 with assets exceeding liabilities by \$12.7 million, of which \$7.1 million is represented by capital assets. However, the balance sheet does not reflect deferred deficiencies in the ESA Pension Plan and OPEB (post retirement benefits) of \$16.2 million. The funding of these deficiencies, although a concern, is reflected in the Company's business plans.

The Electrical Safety Authority, in the past fiscal year, continued to maintain an adequate financial base to support the many safety initiatives and programs required to protect the citizens of Ontario. ESA has developed strong financial processes to ensure that spending is prudent, productivity increases, customer service is enhanced and business diversity is encouraged. ESA's financial structure is an integral part of its strategic plan.



Wayne Howard
Vice-President Finance and Chief Financial Officer

Auditor's Report



To the Board of Directors of Electrical Safety Authority

We have audited the balance sheet of Electrical Safety Authority as at March 31, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Corporations Act (Ontario), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Ernst & Young LLP

Toronto, Canada,
May 4, 2007.
Chartered Accountants
Licensed Public Accountants

Balance Sheet

As at March 31

[in thousands of dollars]

	2007 \$	2006 \$
ASSETS		
Current		
Cash and cash equivalents [note 7]	13,670	12,594
Trade accounts receivable, net	6,349	6,057
Short-term investments [notes 3 and 7]	5,419	9,250
Other assets	707	645
Total current assets	26,145	28,546
Long-term investments [notes 3 and 7]	24,584	13,179
Capital assets, net [note 4]	7,135	7,831
Deferred pension asset [note 5]	2,931	4,350
Other non-current assets	208	258
	61,003	54,164
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued charges	8,264	8,405
Deferred revenue	12,613	10,143
Total current liabilities	20,877	18,548
Employee future benefit obligations [note 5]	27,386	24,886
Total liabilities	48,263	43,434
Contingencies and commitments [notes 9 and 10]		
Net assets		
Invested in capital assets	7,135	7,831
Unrestricted	5,605	2,899
Total net assets	12,740	10,730
	61,003	54,164

See accompanying notes

Approved on behalf of the Board:



Director



Director

Statement of Operations

Year ended March 31

[in thousands of dollars]

	2007 \$	2006 \$
Revenue	70,657	67,798
Expenses		
Salaries, wages and benefits [note 5]	51,569	45,786
Operating	16,755	15,886
Amortization [note 4]	1,715	1,406
	70,039	63,078
Excess of revenue over expenses before investment income	618	4,720
Investment income [note 6]	1,392	957
Excess of revenue over expenses for the year	2,010	5,677

See accompanying notes

Statement of Changes in Net Assets

[in thousands of dollars]

	Unrestricted \$	Invested in capital assets \$	Total \$
Balance, March 31, 2005	1,007	4,046	5,053
Excess of revenue over expenses for the year	7,101	(1,424)	5,677
Purchase of capital assets	(5,209)	5,209	—
Balance, March 31, 2006	2,899	7,831	10,730
Excess of revenue over expenses for the year	3,740	(1,730)	2,010
Purchase of capital assets	(1,034)	1,034	—
Balance, March 31, 2007	5,605	7,135	12,740

See accompanying notes

Statement of Cash Flows

Year ended March 31

[in thousands of dollars]

	2007 \$	2006 \$
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	2,010	5,677
Add items not involving cash		
Amortization	1,715	1,406
Loss on disposal of capital assets	15	18
Decrease in deferred pension asset	1,419	3,084
Decrease in other non-current assets	50	11
Increase in employee future benefit obligations	2,500	1,199
	7,709	11,395
Net change in non-cash working capital balances related to operations [note 8]	1,975	1,335
Cash provided by operating activities	9,684	12,730
INVESTING ACTIVITIES		
Net decrease (increase) in investments	(7,574)	3,268
Purchase of capital assets	(1,034)	(5,209)
Cash used in investing activities	(8,608)	(1,941)
Net increase in cash and cash equivalents during the year	1,076	10,789
Cash and cash equivalents, beginning of year	12,594	1,805
Cash and cash equivalents, end of year	13,670	12,594
Cash and cash equivalents comprise		
Cash	1,728	144
Short-term investments	11,942	12,450
	13,670	12,594

See accompanying notes

Notes to Financial Statements March 31, 2007

[in thousands of dollars]

1. BASIS OF PRESENTATION

The Electrical Safety Authority [the “Company” or “ESA”] is a corporation without share capital incorporated under the Corporations Act (Ontario) and operating as an Administrative Authority under an Administrative Agreement with the Ministry of Government Services [“MGS”]. ESA is not taxable under Section 149 of the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of ESA have been prepared in accordance with Canadian generally accepted accounting principles, applied on a basis consistent with that of the preceding year. The following is a summary of the significant accounting policies followed by ESA:

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Rate-setting

ESA establishes fees to be paid for inspection and approval services as described in Section 113(1) of the Electricity Act, 1998. Effective April 1, 2003, ESA was granted the authority to establish its own fees for services that in the past required the approval of the MGS.

Revenue recognition

Revenue is recognized based on the attributes of the service line. Revenue is recognized monthly on a pro-rata basis for long-term contracts, which generally span 12 months. Short-term contract revenue is recognized when the initial inspection service is completed. Licensing and registration fees are recognized evenly over the period covered by the fee. Revenue billed but not earned is carried forward as deferred revenue.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded on a straight-line basis over the assets’ estimated useful lives when the assets are put into use, as follows:

Building	25 years
Computer software and licenses	5 years
Electronic equipment	3 years
Telephone and projection system equipment	5 years
Office furniture and inspection equipment	10 years

Leasehold improvements are amortized on a straight-line basis over the term of the lease. Repairs and maintenance costs are charged to the statement of operations as incurred.

Investments

Short-term investments are recorded at the lower of cost or market value based on the year end listed closing prices on recognized securities exchanges. Long-term investments are recorded at amortized cost except those investments with a loss in value that is other than a temporary decline, in which case they are written down to recognize the loss. A write-down of an investment to reflect a loss in value is not reversed if there is a subsequent increase in value. The gain or loss on the sale of investments is calculated on the basis of the average carrying value.

Notes to Financial Statements March 31, 2007

[in thousands of dollars]

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Continued

Cash and cash equivalents

Cash and cash equivalents consist of unrestricted cash and short-term deposits, with original terms to maturity of 90 days or less.

Investment income

Investment income consists primarily of interest and dividends. Interest is recognized as it accrues and dividends are recognized as of the ex-dividend date when the right to receive the dividend has been ascertained.

Employee future benefits

The cost of pensions and other post-employment and post-retirement benefits earned by employees is actuarially determined using the projected benefits method prorated on services and management’s best estimates regarding assumptions about a number of future conditions including investment performance, salary escalation, retirement ages of employees and expected health care costs except for the long-term disability plan which is actuarially determined using the accrued benefit method. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of the plan assets is amortized on a straight line basis over the expected average remaining service life of active employees. Past service costs arising from plan amendments are amortized on a straight-line basis over the average remaining service life of active employees.

The costs of termination benefits and compensated absences are recognized when the event that obligates ESA occurs; costs include projected future compensation payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis.

Assets of the pension fund are valued using the year end market values.

Employee future benefit liabilities are discounted using current interest rates on long-term bonds.

ESA accrues its obligations under pension and other post-employment benefits [“OPEB”] plans and the related costs, net of plan assets.

3. INVESTMENTS

Investments consist of the following:

	2007 \$	2006 \$
Commercial paper	2,725	—
Federal bonds	7,283	8,497
Provincial bonds	8,213	6,340
Corporate bonds	11,782	7,592
Total [quoted market value - \$29,997 [2006 - \$22,171]]	30,003	22,429
Less investments recorded as current	5,419	9,250
Long-term investments	24,584	13,179

Investments are internally restricted for future expenditures for post-retirement benefits [notes 5 and 7]. The bonds have a weighted average term to maturity of 44 months and a weighted average interest rate of 4.2%.

Notes to Financial Statements March 31, 2007

[in thousands of dollars]

4. CAPITAL ASSETS

Capital assets consist of the following:

	2007			2006		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
	\$	\$	\$	\$	\$	\$
Land	450	---	450	450	---	450
Building	3,161	228	2,933	3,054	102	2,952
Computer software and licenses	7,297	5,423	1,874	6,626	4,918	1,708
Electronic equipment	2,247	1,507	740	2,114	830	1,284
Telephone and projection system equipment	623	505	118	548	419	129
Office furniture and inspection equipment	1,088	641	447	1,060	531	529
Leasehold improvements	1,764	1,191	573	1,805	1,026	779
	16,630	9,495	7,135	15,657	7,826	7,831

Included in computer software and licenses in 2007 is \$152 for capital projects in process [2006 - nil], which will be transferred to completed projects during 2008. There was no amortization recorded for capital projects in process in 2007.

5. EMPLOYEE FUTURE BENEFIT PLANS

ESA's employee benefit plans include defined benefit plans that provide pension and OPEB such as medical, dental and life insurance benefits to most of its employees. The registered pension plan, contributions to which are governed by the Pension Benefits Act of Ontario, is a contributory defined benefit plan covering all regular employees of ESA. Defined benefit plan assets and obligations and related expenses are impacted by factors including interest rates, adjustments arising from plan amendments and changes in assumptions.

The accrued benefit obligations for the pension plan and supplemental employee retirement plan are measured as of December 31, 2006 and OPEB and long-term disability are measured as at March 31, 2007. The fair value of assets is determined using the December 31, 2006 asset values.

The actuarial present value of the accrued pension benefits for accounting purposes is estimated as at March 31, 2007 based on a projection of the actuarial valuation as of January 1, 2005. The effective date of the next required actuarial valuation report for funding purposes for the pension plans will be January 1, 2008.

Notes to Financial Statements March 31, 2007

[in thousands of dollars]

5. EMPLOYEE FUTURE BENEFIT PLANS *Continued*

Information about ESA's defined pension benefit plans and OPEB plans for the year ended March 31, 2007 and 2006 is as follows:

	2007		2006	
	Pension benefit plans \$	OPEB plans \$	Pension benefit plans \$	OPEB plans \$
Accrued benefit obligation, end of year	186,736	33,211	179,322	31,697
Fair value of plan assets, end of year	180,055	---	158,151	---
Funded status - plan deficit	(6,681)	(33,211)	(21,171)	(31,697)
Unamortized net actuarial loss	24,568	6,688	31,182	7,252
Deferred asset gain	(15,590)	---	(6,414)	---
Unamortized past service costs	967	35	1,683	80
Unamortized transitional asset	(1,667)	(104)	(2,222)	(139)
Employer contributions in stub period	1,334	---	1,292	---
Accrued benefit asset (liability)	2,931	(26,592)	4,350	(24,504)
Add Workplace Safety Insurance Board of Ontario liability	---	(794)	---	(382)
Total employee future benefit asset (obligation)	2,931	(27,386)	4,350	(24,886)

The amount of \$2,931 [2006 - \$4,350] reported on the balance sheet as a deferred pension asset represents the excess of the net assets over the actuarial value of accrued pension benefits and consists of a balance of \$3,614 [2006 - \$5,048] in the pension plan and a liability of \$683 [2006 - \$698] in the Supplementary Retirement Plan.

The net benefit plan expense for the year ended March 31, 2007 for the pension benefit plans is \$6,635 [2006 - \$5,995] and for OPEB plans is \$3,361 [2006 - \$2,526].

The significant actuarial assumptions adopted in measuring ESA's accrued pension benefits and OPEB obligations for the year ended March 31 are as follows:

	Pension benefit plans		OPEB plans	
	2007 %	2006 %	2007 %	2006 %
Discount rate	5.20	5.10	5.25	5.25
Rate of compensation				
Increase [before merit]	3.00	3.00	n/a	n/a
Increase in Consumer Price Index	2.25	2.20	2.25	2.20

Notes to Financial Statements March 31, 2007

[in thousands of dollars]

The significant actuarial assumptions adopted in measuring ESA's expenses for pension benefits and OPEB obligations for the year ended March 31 are as follows:

	Pension benefit plans		OPEB plans	
	2007 %	2006 %	2007 %	2006 %
Discount rate	5.10	5.10	5.25	5.25
Expected long-term rate of return on plan assets	7.10	7.10	n/a	n/a
Rate of compensation				
Increase [before merit]	3.00	3.00	n/a	n/a
Increase in Consumer Price Index	2.20	2.20	2.20	2.20

ESA's rate of growth for health care costs was estimated at 8.5% per annum and was assumed to decrease gradually to 4.5% in four years and remain at that level thereafter.

The pension plan assets principally include equities and corporate and government debt securities, which are selected by professional investment managers. Pension plan assets are valued using current market values.

The pension plan assets are invested as follows:

	2007 %	2006 %
Fixed income securities	33	32
Canadian equities	20	21
U.S. equities	20	19
Non-North American equities	27	28

Other information about ESA's defined benefit pension plans is as follows:

	2007 \$	2006 \$
Employer's contributions	5,192	2,857
Employees' contributions	1,863	1,634
Benefits paid	6,360	5,904

6. INVESTMENT INCOME

Investment income represents the gain or loss on short-term and long-term investments and interest earned on investments and cash and cash equivalents.

Notes to Financial Statements March 31, 2007

[in thousands of dollars]

7. INTERNALLY RESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS

Investments in the amount of \$24,584 [2006 – \$22,429] and cash and cash equivalents in the amount of \$2,008 [2006 - \$2,457] are restricted for specific purposes relating to future expenditures for post-retirement benefits. The total amount restricted is based on budgets and the Board of Directors’ approval.

8. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2007 \$	2006 \$
Trade accounts receivable	(292)	(363)
Other assets	(62)	(261)
Accounts payable and accrued charges	(141)	606
Deferred revenue	2,470	1,353
	1,975	1,335

9. CONTINGENCIES

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers and employees. Specific claims have been brought against the Company, the outcome of which is indeterminable at this time. Management believes that adequate provisions have been recorded in the accounts where required. Although it is not possible to accurately estimate the extent of potential costs and losses, if any, management believes, but can provide no assurance, that the ultimate resolution of such claims would not have a material adverse effect on the financial position of the Company. Should any additional losses occur, they would be charged to operations in the year the amounts become determinable.

Notes to Financial Statements March 31, 2007

[in thousands of dollars]

10. COMMITMENTS

[a] The Company is committed to premises and equipment leases with terms expiring at various dates during the next five years and thereafter. Future minimum annual payments under non-cancellable operating leases consist of the following:

	\$
2008	3,191
2009	3,130
2010	3,005
2011	2,504
2012	2,379
Thereafter	2,379
	16,588

[b] As at March 31, 2007, a letter of credit in the amount of \$421 has been issued to the Workplace Safety Insurance Board (WSIB) of Ontario to support an accrued liability of \$794. This letter of credit is collateralized by cash and cash equivalents.

11. FINANCIAL INSTRUMENTS

The fair values of the Company's current financial assets which include cash and cash equivalents, short-term investments and trade accounts receivable and current financial liabilities which include accounts payable and accrued charges and deferred revenue approximate their carrying values due to the short term nature of these financial instruments. The fair value of investments is disclosed in note 3.

ESA is exposed to normal industry credit risk from its customers in the normal course of business, which is mitigated by ESA's credit management policies. ESA has policies in place to ensure that sales are made to customers with an appropriate credit history. ESA is also exposed to interest rate risk and market risk with regards to its short-term and long-term investments, which are regularly monitored.

12. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2007 financial statements.

Performance
Objectives



Annual Report

ESA's Strategic Plan 2007

VISION	Experts in Electrical Safety. Superior services and solutions. A recognized leader.			
MISSION	Operational Excellence → Safety Excellence			
OBJECTIVE "WHAT"	Leadership in Electrical Safety (SA)	Excellent Stakeholder Relationships (SR)	Maintain Financial Stability (FS)	Improve Business Processes (BP)
KEY PERFORMANCE INDICATORS (Achieved by March 31, 2007)	• Reduce the number of incidents in the electrical trade by 15% • Increase awareness of Powerline Safety Campaign among high risk groups by 20% • 3500 Master electricians licensed	• Improve Contractor satisfaction with ESA communication by 5% • Level of employee support for company direction improves by 5% • External Advisory Councils' engagement is 78%	• Increase recurring revenue by 14% • Surplus of 0.3% to fund safety and reserve objectives • Maintain a positive cash flow	• Increase operational effectiveness (e.g. variable fleet costs) by 5% • Increase CSC effectiveness (e.g. on- line usage) by 5% • Ensure 99.7% availability of SAP/Fieldworker
ACTION PLAN "HOW" (23 Action Plans)	• Communicate safety initiatives to Trades (e.g. not working live, multimeters) • Communicate Powerline safety practices to high-risk groups • Implement Contractor Licensing • Implement amendments to current Code • Implement the FY 2007 phase of the Safety Management Plan • Prepare a communication plan that raises public awareness of ESA as an important source of electrical safety information • Create a plan for an effective enforcement strategy • Implement next phase of Safety Power program	• Conduct Contractor training / information meetings • Generate an HR Plan that considers succession, induction, recruitment • Corporate Privacy Plan • Enhance the communications within ESA • Implement next phase of the CCP Program • Explore a plan for LDC services offerings	• Implement current FY CSS sales plan • Fiscal framework and margin analysis by product line and geography • Assess new CSS contracts based on risk • Explore funding model for non-regulatory items such as ESA branding, safety communication & unapproved product response	• Provide Senior with further tools to effectively manage their team • Implement Fieldworker phase 3 • Implement next phase of work assignment by area grid • Create a best in class IT system (e.g. business continuity plan) • Align application for inspection process for contractor licensing

Provide leadership in electrical safety	Success and Performance	
	Plan	Actual
Safety Awareness	• Increase awareness of powerline safety campaign among high-risk groups by 20%. • Reduce the number of common electrical incidents in the electrical trades by 15%. • Prepare a communication plan that raises public awareness of ESA as an important source of electrical safety information.	• ESA's powerline safety campaign targeted at crop farmers in SW Ontario produced a 32% campaign recall following survey research; and indicated that 40% of those who recalled the campaign had adopted safety practices around overhead powerlines. • ESA reduced the number of electrical incidents associated with working on live electrical systems and multimeters in the electrical trades by 79%. • ESA's Regulatory Division issued 8 safety alerts, 87 recall notices, 20 bulletins, and 5 flash notices. • ESA produced a new corporate brochure on Pools and Spas. • ESA received 1,565 questions through the FAQ database. • ESA responded to 900 inquiries in the on-line Frequently Asked Questions database. • ESA received 23 million successful server hits on the corporate website www.esasafe.com. • ESA responded to 149 unapproved product complaints and issued 35 product incident reports to certification agencies.
Regulatory Development	• Implement contractor licensing. • License 3,500 master electricians. • Implement amendments to the current <i>Ontario Electrical Safety Code</i>.	• Contractor licensing information and application processes were implemented July 1st, 2006 in preparation for the January 1st, 2007 deadline for licensing. • 5,372 master electrician licences were issued. • Pre-Master training was well attended with 67 sessions conducted province wide. • Amendments to the current Code were communicated.
Safety Management Framework	• Implement the fiscal year 2007 phase of the safety management plan. • Create a plan for an effective enforcement strategy.	• The first phase of the Safety Management Plan was implemented to support ESA in setting priorities in decision-making based on the consistent identification, assessment and management of potential hazards. • ESA has developed an integrated enforcement strategy that leverages business and stakeholder links to reinforce the importance of electrical contractor licensing. An IT infrastructure has been implemented to support enforcement administration and employees have been trained to support this initiative.
New Safety Initiatives	• Implement the next phase of the Safety Power program.	• ESA is in the process of working to sell Safety Power.

Provide excellent service	Success and Performance Measures	
	Plan	Actual
Information / Communication	• Conduct contractor training/ information meetings. • Develop a corporate privacy plan. • Enhance communications within ESA.	• ESA conducted 36 contractor information meetings across the province with more than 900 attendees. In addition, ESA inspectors conducted one-on-one meetings with 900 contractors to provide them with information updates. Participants received information on licensing, Electrical Safety Code defect ratings, risk ratings, and ESA programs. • ESA conducted a review of its privacy obligations and an audit of operational practices to support the development and introduction of a plan based on best practices. • Regular all-staff meetings were conducted across the Territories, and AGM presentations were shared via webcast.
New Service Offering	• Implement the next phase of the Certified Contractor Program pilot. • Explore a plan for Local Distribution Company service offerings.	• ESA continued to work with electrical contractors to explore a Certified Contractor Program option to the device-based fee structure by running an advanced pilot with seven electrical contractors in Eastern Ontario. • ESA is assessing the opportunity to provide services to meet the needs of Local Electrical Distribution Companies with a cost recovery approach that would utilize dollars collected through the annual fee process.
Customer Satisfaction	• Increase overall contractor satisfaction with ESA by 5%. • Improve employee support for company direction by 5%. • Generate an HR Plan that considers succession induction, recruitment.	• ESA’s contractor satisfaction increase focused on communication with contractors and produced a 5% increase in satisfaction. • ESA’s employee survey indicated a 5% increase in employee support for company direction. • All ESA positions were reviewed. Succession planning and recruitment requirements were identified for each position.

Ensuring financial stability	Success and Performance Measures	
	Plan	Actual
Financial Resources	• Increase recurring revenue by 14%. • Achieve a surplus of 0.3% to fund safety and reserve objectives. • Maintain a positive cash flow.	• ESA increased the recurring revenue component of the business by 16.1%. • ESA achieved a surplus of 2.8% of revenues to fund safety and reserve objectives. • ESA achieved a positive cash flow.
Service / Program Expectations	• Implement the current fiscal year Continuous Safety Services sales plan. • Assess new Continuous Safety Services contracts based on risk. • Conduct a fiscal framework and margin analysis by product line and geography. • Explore funding models to support activities such as unsafe products, investigations, and public safety awareness communications.	• The Continuous Safety Services sales plan focused on maintaining revenue from sales to date and growing revenues associated with training, and high-risk Carnival operations. Efforts continued toward growing sales of Continuous Safety Services in the non-regulated mining segment as a means of acquiring funds to assist provincial safety initiatives. • A risk assessment tool was developed to support account managers in consistently assessing risk and determining the length and frequency of visits required. This Safety Management Framework has been applied to support assessment of CSS contracts to determine risk as part of pre-sale planning. • A fiscal framework has been developed to support the analysis of margin by line of business for audit purposes. This framework has been approved by the Finance and Audit Committee and will support ESA's business planning and budgeting processes effective FY2008. • ESA continued to work with government, manufacturers, approval agencies, retailers and utilities to establish and maintain the strategic alliances essential to supporting and strengthening the development and distribution of key safety communications. Joint safety alerts issued by ESA, the Consumer Standards Association, the Fire Marshal's Office and specific product manufacturers and retailers supported the awareness of unsafe electrical products in FY2007.

Strengthen business processes	Success and Performance Measures	
	Plan	Actual
Improve Business Productivity	• Increase operational effectiveness by 5%. • Increase Customer Service Centre effectiveness (i.e. on-line usage) by 5%. • Ensure 99.7% availability of SAP/ Fieldworker. • Align the application for inspection process for contractor licensing. • Provide Senior Inspectors with management tools to increase team effectiveness.	• ESA increased operational effectiveness by 7.8%. • ESA increased the effectiveness of the Customer Service Centre by 6.7%. • ESA's computer systems were available to users for 99.8% of the year. • Processes were introduced at the Customer Service Centre, and training provided, to support the implementation of province-wide electrical contractor licensing and updates to the 2002 <i>Ontario Electrical Safety Code</i>. • Additional reporting was introduced, and management training provided, to support senior inspectors and senior customer service representatives in enhancing effectiveness of their teams. Tool kits were provided to senior inspectors to support performance assessment and to manage team effectiveness.
Enhance Information Systems	• Implement Fieldworker Phase 3. • Create a 'best in class' IT system.	• Development work to update Fieldworker was completed in FY2007, testing and roll-out will take place in early FY2008. • A three-year plan was introduced to ensure backup resources to support SAP and Fieldworker. It also included steps to ensure operational business continuity, Customer Service Centre documentation of operating procedures, and system back-up strategies.



Business Plan

2008 - 2010

Business Plan

2008 - 2010

The Electrical Safety Authority's business direction is driven by its mandate for public electrical safety. Aggressive objectives and action plans for the 2008-2010 business cycle have been framed within a longer-term business strategy that carries us through to 2012. As we continue to advance public safety with new initiatives, services, and regulations we will ensure:

- Ongoing consultations with employees, customers, stakeholders and the public on key business initiatives.
- Development of safety partnerships to support ESA in extending the reach and impact of important safety messages.
- Engagement of dedicated stakeholder councils.
- Responsiveness to critical customer needs.
- Programs and services are delivered in an effective and efficient manner.
- Information and data sources support assessment and prioritization of public safety needs in Ontario.
- Employees have tools and training to enable them to achieve safety objectives.
- Business systems and processes are constantly updated to respond to changing technology.

Letter] from the President and Chief Executive Officer

As the Electrical Safety Authority developed plans for the fiscal years 2008-2010, it maintained its focus on safety excellence, and the pursuit of opportunities that will enhance its operational excellence.

Our mandate was expanded in fiscal 2007, and this prompted us to explore ways and means of influencing safety over the longer term. While we will continue to focus on a three-year planning period, we have also, for the first time, developed and gathered stakeholder feedback on a five-year strategic overview plan to drive business direction.

We see our role as the provincial gatekeeper for public electrical safety evolving in new and challenging ways. An example is the regulatory reform linked to Bill 152, which gives ESA increased authority and responsibility for protecting the public from unsafe electrical products.

The introduction of provincial contractor licensing provided us with a timely opportunity to educate the public on the importance of hiring a licensed and qualified electrical contractor to do electrical work. We are adding inspection resources, we are continuing to raise public awareness surrounding potential electrical hazards, and we are continuing to grow compliance to electrical safety regulations and requirements.

Leveraging the success of fiscal 2007, reviewing the research and assessment completed to support ESA's strategic business direction, and confirming the support of employees and stakeholders, ESA is in an excellent position to maintain its current safety programs and to introduce new initiatives.

The following key actions will drive our strategy in fiscal 2008 to 2010:

Reduce Incidents in the Electrical Trades:

ESA will extend efforts to influence the *Ontario Electrical Safety Code* and Standards, provide training and create awareness. We will continue to promote the Don't Work Live and Multimeter Fused Leads initiatives, and in fiscal 2008 we will support the introduction of new standards for personal protective equipment. Awareness campaigns will continue to encourage business and facility owners, operators, supervisors, and trades people to adopt and follow safe work procedures.

Enforce Contractor Licensing:

ESA will implement the next enforcement phase of contractor licensing by focusing on unlicensed individuals performing electrical work. Public awareness campaigns to educate homeowners and businesses of the licensing requirements will enhance our enforcement capability.

Raise Public Awareness:

ESA will continue the annual powerline safety education program by launching a new component targeted at the high-risk construction dump truck driver segment. We will pilot a campaign to inform and educate the public on how to identify and avoid potential electrical risks. Campaign impact will be assessed and findings will drive business planning activities for fiscal 2009.

Improve Stakeholder Relations:

We will continue to work closely with our stakeholders, recognizing their important contribution to the achievement of our safety goals. Feedback gathered at council meetings will measure their engagement and satisfaction. We are continuing contractor satisfaction surveys and will develop and implement a Continuous Safety Services customer survey.

Business Effectiveness:

As the business grows we need to ensure we are using resources effectively. To this end the business plan focuses on increasing operational and customer service effectiveness, as well as ensuring system effectiveness. New approaches and processes will be required to ensure ESA is prepared to respond to new and changing business needs.

Moving Forward – the five year strategic overview:

ESA is only one of many organizations responsible for electrical safety. It starts with electrical products that are properly designed and manufactured to established standards, includes installation by knowledgeable and competent people, and continues with adherence to safe electrical practices and respect for the electrical infrastructure in Ontario.

ESA's primary customers are members of the general public. As such, we are committed to a strategic direction that engages Ontario residents in electrical safety, when seeking to retain the services of an electrical contractor, when assessing potential electrical hazards, and when working around their property or on the job. We intend to reach them with our safety messages and inspection services. Partnerships and co-branding of safety education will be further explored to avoid duplication and achieve greatest impact.

Our future business plans will see an increased focus on incident prevention and training. The Safety Management Framework will be used to align inspection services with high-risk areas to maximize safety.

We will continue to engage our employees and stakeholders in the review of our plans and programs, gather market and survey data to validate our impact and to evaluate our service offerings. These combined efforts will ensure we continue to make a significant impact on electrical safety in Ontario.

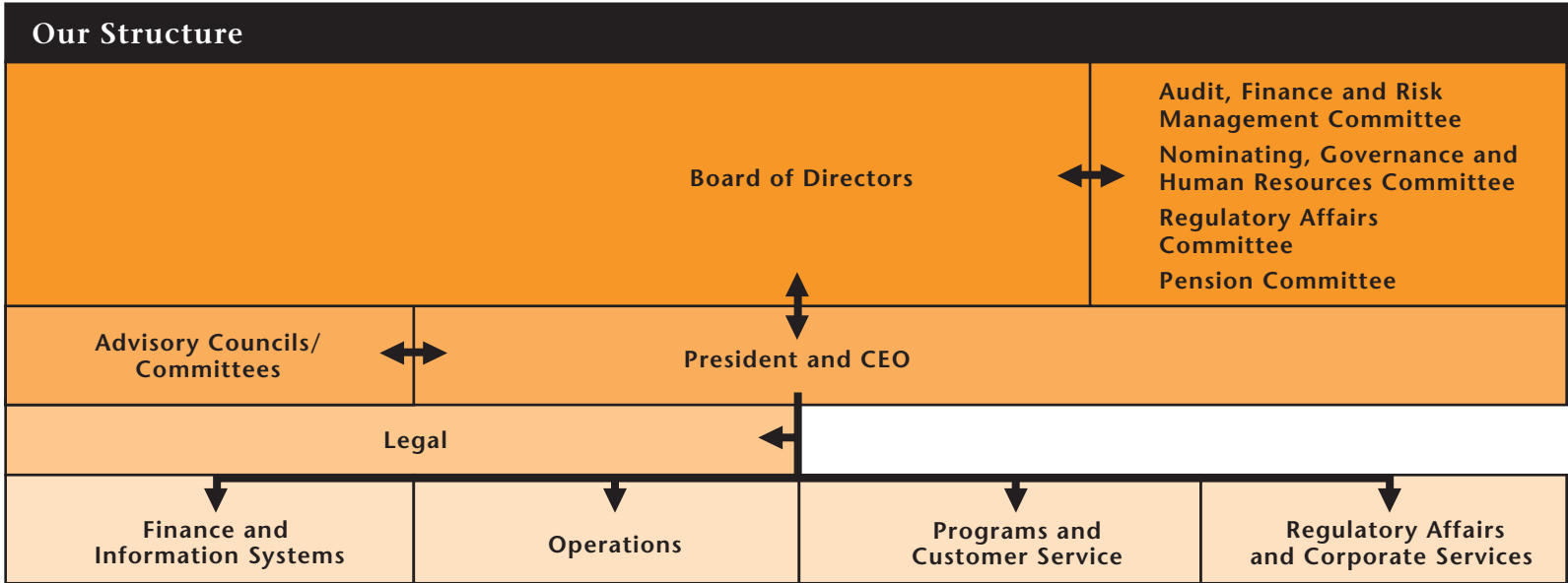


Robert M. Stelzer
President and Chief Executive Officer
Electrical Safety Authority

Planning Assumptions

The following assumptions have been taken into consideration, and must materialize, if the Electrical Safety Authority is to meet the measures of success for its fiscal 2008-2010 business plan cycle:

- ESA successfully executes the strategic plan.
- Electrical installations and maintenance continue to be regulated and inspected by ESA.
- Electrical safety associated with distribution lines continues to be regulated and overseen by ESA.
- Electrical contractor and master electrician licensing continue to be administered by ESA.
- ESA continues to receive Government support to develop and approve new safety regulations or legislation that could impact electrical safety.
- The economy continues to be strong enough to support continued residential and commercial/industrial/institutional development.
- ESA maintains positive relationships with supporters, stakeholders, and other safety organizations to advance public electrical safety awareness.
- Employees, customers and other stakeholders continue to provide feedback and support for ESA initiatives.
- ESA continues to receive cooperation from safety stakeholders in the collection and sharing of data to support the development and implementation of new safety initiatives.
- ESA is able to respond to new safety challenges associated with delivering safety services and information to the broader Ontario public.
- ESA is able to respond to changing technological needs and advancements to support the delivery of its electrical safety services.
- ESA continues to meet its financial objectives.
- ESA continues to meet customer needs.



ESA's Strategic Plan 2008

VISION	Experts in Electrical Safety. Superior services and solutions. A recognized leader.			
MISSION	Operational Excellence		Safety Excellence	
OBJECTIVE "WHAT"	Leadership in Electrical Safety (SA)	Excellent Stakeholder Relationships (SR)	Maintain Financial Stability (FS)	Improve Business Processes (BP)
KEY PERFORMANCE INDICATORS (Achieved by March 31, 2008)	- Reduce the number of incidents in the Electrical Trade by 12% - Resolve 80% of all non-compliance cases within 20 working days - Increase awareness of Powerline Safety Campaign among high risk groups by 20% (i.e. Dump Truck Operators)	- Overall Contractor satisfaction with ESA improves by 5% - External Advisory Council's engagement with ESA is 87% - Staff committee engagement is 83%	- Increase recurring revenue by 8% - Surplus of 0.7% of revenue to fund safety and reserve objectives	- Increase operational effectiveness by 2.5% (e.g. km/visit) - Increase CSC effectiveness by 10% (eg. notification accuracy) - Ensure 99.8% availability of SAP/Fieldworker
ACTION PLAN "HOW" (32 Action Plans) TOTAL - \$3.18 M BP - \$0.8 M SA - \$1.0 M SR - \$1.2 M FS - \$0.2 M	- Communicate safety issues to Trades (e.g. 347V, multi-meters) - Communicate powerline safety practices to high risk groups - Implement next phase of Enforcement of Contractor Licensing - Implement next phase of Safety Management Plan - Pilot safety messaging to Ontarian's and measure effectiveness - Create and implement a plan that gives Inspectors more time for prevention activities - Address licensing issues with non-served electrical markets : e.g. signage, well drillers, etc. - Create a long term strategy that significantly reduces Powerline Safety incidents - Submit a request to Government for minimum electrical standards for existing buildings	- Conduct Contractor training / information meetings - Enhance the communications within ESA - Broader roll-out of CCP - Generate a Risk Management framework to assess overall state of the business - Address priority concerns raised in Contractor survey - Implement succession planning strategy - Increase engagement with First Nation Communities - Develop & implement a survey to measure stakeholder engagement - Develop and implement a survey to measure CSS customer satisfaction	- Implement current FY CSS sales growth and delivery - Investigate a "line of business" training strategy - Create a plan for CSS Sales Growth that includes retention, growth, product enhancement, risk mitigation, delivery and sales structure - Create a vision for industry stakeholders to support Unapproved Products funding - Create and report on financial benchmarks - Examine reserves and make recommendations	- Provide Supervisor with team based objectives and further tools to effectively manage their team - Increase robustness of overall IT system (e.g. Business Continuity Plan, Network Mapping) - Prepare BW business plan - Create CSC process enhancements - Align enforcement process with new provincial offence legislative changes - Emergency Response Plan - Implement next phase of Corporate Privacy Plan - Develop an Inspection Quality Mgmt Strategy

Business Plan

Provide leadership in electrical safety	Success and Performance
	Plan
Safety Awareness	• Increase awareness of powerline safety campaign among high-risk groups (Dump Truck Operators) by 20%. • Reduce the number of incidents in the electrical trades by 15%. • Create a long-term powerline safety strategy to reduce incidents.
Regulatory Development	• Conduct 1,500 licensing compliance inspections. • Address licensing issues with non-served electrical markets (e.g. signage, well drillers, etc.).
Safety Management Framework	• Develop a plan to increase the focus of inspection efforts on incident prevention.
New Safety Initiatives	• Pilot and assess effectiveness of electrical safety messaging to Ontarians.

Provide excellent stakeholder relations	Success and Performance Measures
	Plan
New Initiatives	• Broaden the roll-out of the Certified Contractor Program pilot. • Increase engagement with First Nation Communities. • Investigate an ACP vertical for commercial/industrial HVAC. • Generate a risk management framework to assess the overall state of the business.
Information/Communication	• Conduct contractor training/information meetings. • Implement a succession planning strategy. • Enhance communications within ESA.
Stakeholder Satisfaction	• Increase overall contractor satisfaction with ESA by 5%. • Address priority concerns raised by the contractor satisfaction survey. • External advisory council's engagement with ESA is 87%. • Staff committee engagement is 83%. • Develop and implement a survey to measure Continuous Safety Service customer satisfaction.

Business Plan Continued

Maintain financial stability	Success and Performance Measures
	Plan
Financial Resources	• Increase recurring revenue by 8%. • Achieve a surplus of 0.7% to fund safety and reserve objectives.
Service / Program Expectations	• Implement the current fiscal year Continuous Safety Services sales growth and delivery. • Create a plan for Continuous Safety Service growth that includes retention, product enhancement, risk mitigation and delivery and sales structure. • Develop and implement a training strategy. • Create a vision for industry stakeholders to support unapproved product funding. • Create a report on financial benchmarks for the business.

Improve business processes	Success and Performance Measures
	Plan
Improve Business Productivity/ Processes	• Increase operational effectiveness by 2.5%. • Increase Customer Service Centre effectiveness (i.e. on-line usage) by 10%. • Ensure 99.8% availability of SAP/Fieldworker. • Provide seniors with team based objectives and further tools to effectively manage their team. • Work to create a National Inspector Certification Program. • Align the enforcement process with new provincial offence legislative changes. • Create Emergency Response Plan. • Implement the next phase of the Corporate Privacy Plan. • Pilot a Fleet Strategy to investigate improvements. • Dedicated investigation team for major incidents.
Enhance Information Systems	• Integrate area grid and OLA (on-line applications). • Increase the overall robustness of the IT system. • Prepare business warehouse business plan. • Create Customer Service Centre process enhancements.

Revenue and Expenses

	2007	2008		2009		2010	
(\$ millions)	(actual)	(projection)	% change	(projection)	% change	(projection)	% change
REVENUES							
Total	70.7	72.2	2.1	73.7	2.1	74.4	0.9
EXPENSES							
Salaries, Wages & Benefits	51.5	53.2	3.3	53.2	-	53.8	1.0
Operating Expenses	16.8	18.6	10.7	19.0	2.2	19.6	3.2
Depreciation	1.7	1.8	5.9	1.8	-	2.0	11.1
Total	70.0	73.6	5.1	74.0	0.5	75.4	1.9
Margin	0.7	(1.4)		(0.3)		(1.0)	
Investment income	1.3	1.9		2.3		2.4	
NET	2.0	0.5		2.0		1.4	

Financial Projections

[and Trends

In the past, the Electrical Safety Authority's **strategic plan** has addressed the need to achieve and maintain financial stability. While we continue to focus on that strategy, ESA will strategically ensure adequate financing of its safety business. As a result, ESA developed a comprehensive "Fiscal Framework" in fiscal 2007, to support the adequate and continued funding of safety initiatives.

Although the Company expects to experience continued positive results in future years, these will be at more modest levels than those experienced in the past three years. Construction starts, especially in the new home market, have been very strong and this is being followed by strong starts in the industrial/commercial/institutional sectors (ICI). New residential starts are expected to decline in future years, and the ICI sector is expected to level off.

Financial performance has allowed ESA to allocate more resources to safety initiatives, new regulatory initiatives, customer service enhancements and productivity improvements. The funding of these, and similar activities, will continue in future years.

Annual revenue is expected to grow at a modest level of approximately 2% per year, or may in fact decline depending on the impact of new construction (especially in the housing sector). The Company's objective is to diversify revenue so that less reliance is placed on wiring inspection services. These revenue sources will be from the expansion of the Continuous Safety Service (CSS) program and other similar initiatives. No rate increases for wiring services have been reflected as productivity improvements are expected to support this line of business. As a result, revenue will increase from \$70.7 million in fiscal 2007 to \$74.4 million in fiscal 2010. Wiring revenue is expected to decline modestly in fiscal 2008 with all other services expected to modestly increase.

Operating expenses are expected to increase modestly in fiscal 2008 by \$3.6 million or 5.1%. This incremental spending partially relates to the Company's \$3.2 million Strategic Plan initiatives and the allocation for safety programs (\$1.0 million), stakeholder initiatives (\$1.2 million), financial stability (\$0.2 million) and business process improvements (\$0.8 million). Subsequent years reflect increases in line with the revenue projections.

As a result, ESA's plan assumes a modest excess (revenue exceeding expenses) of \$1.3 million on average for the next three fiscal years.

There will be modest capital spending in fiscal 2008 to fiscal 2010 with investments mainly in technology and similar infrastructure.

Risks to this financial plan relate mainly to the impact of housing and commercial construction starts, and the funding of the Company's benefit programs.

The execution of this financial plan will continue to ensure adequate funding for the execution of the strategic initiatives for fiscal 2008 and future years. *The overlay displays actual financial results for fiscal 2007, and projections for the fiscal years 2008 – 2010.*

Responding



to our Customers

Our Privacy Guidelines

In accordance with the terms of our Administrative Agreement, the Electrical Safety Authority has adopted an Access and Privacy Code that protects privacy while providing access to public information in accordance with the principles of public sector privacy legislation. In fiscal year 2007, ESA appointed a privacy officer and conducted a review of its privacy obligations, and an audit of operational practices, to support the development and introduction of a plan based on best practices.

Recognizing the importance of information in maintaining public electrical safety, ESA routinely discloses and actively disseminates records that support our safety mandate. We do not disclose personal information if disclosure would violate an individual's right to privacy. We do not disclose commercial information if it has been provided to us with an expectation of reasonable commercial protection.

Complaints with respect to the collection or disclosure of information are dealt with in accordance with our Complaint Policy outlined below.

Our Complaints Policy

We view complaints as an opportunity to strengthen relationships with our customers, stakeholders and the public. We provide information and encourage two-way communication at all levels to ensure we are continually improving service quality. Where possible, complaints are dealt with at the source and in a timely manner. Complaints that are not resolved to the satisfaction of the complainant can be referred to the President and Chief Executive Officer.

In fiscal 2006, we recorded 35 written complaints and each received a response in a timely manner. Two written complaint(s) were forwarded to the Chief Executive Officer for response.

Our French Language Services

A French language response is provided to all inquiries received in French. The nature and level of service provided in French are determined on an as required basis to ensure ESA fulfils its public safety mandate.

Industry Advisory Council

Jim Armstrong, Director, Consulting Services, Industrial Accident & Prevention Association

Brad Bell, Hammerschlag and Joffe Consulting Engineers

Brian Curran, President and CEO, PUC Distribution Inc., Sault Ste. Marie

Nick Malouf, Vice-President, QPS Evaluation Services

Joseph Neu, Vice-President, Engineering, Codes & Standards Electro-Federation Canada

Ron Saporta, Director, Engineering and Plant Services, St. Michael's Hospital

Brian Savaria, Manager, Codes and Standards, Eaton Electrical, Cutler-Hammer

Dave Sinclair, President and CEO, Kenora Hydro

Ken Steger, Director of Engineering, CGI Insurance Brokers

Consumer Advisory Council

Dean Anderson, Guelph (Farm Safety Association of Ontario)

John Buchanan, Ottawa

Ed Gulbinas, Toronto (Ontario Fire Marshal's Office)

Hollis Hopkins, Toronto

Joan Pajunen, Collingwood

Sonja Persram, Toronto

Dick Vosburgh, Guelph

Bob Wing, Pickering

Contractor Advisory Council

Dave Ackison, Ackison Electrical

Gary Beer, Jay Electric Ltd. & Enerscan Control

Ron Bergeron, Bergeron Electric

Glenn Carr, Campbell & Kennedy Electric Ltd.

Rick Charron, Anew Electrical Contracting Limited

Richard Cullis, Dial One Wolfdale Electric Ltd.

Mary Ingram-Haigh, Ontario Electrical League

Eric Glahs, Lorne Electric - 1075777 Ontario Ltd.

Dan Lancia, Holaco Installations Ltd.

Eryl Roberts, Electrical Contractors Association of Ontario

Provincial Code Committee

Sam Bell, P.Eng., Professional Engineers of Ontario

Gary Beer, Jay Electric Ltd. (Electrical Contractors Association of Ontario)

Doug Bolduc, General Motors of Canada Ltd.

Ken Brightwell, Electrical Safety Authority

Bill Burr, CSA International

Greg Galbraith, G.E. Galbraith Electric (Electrical Contractors Association of Ontario)

John Gryffyn, Ministry of Municipal Affairs and Housing

Gabriel Mansour, Ministry of Labour

Albert Merlo, Merlo Electric Inc. (Ontario Electrical League)

Michael Nusenbaum, Underwriters' Laboratories of Canada

Peter Olders, IBEW – Construction Council of Ontario

Ted Olechna, Electrical Safety Authority

Tony Poirier, Durham College

Erik Randsalu, Office of the Fire Marshal

Doug Reith, Nexans Canada Inc.

Brian Savaria, Eaton Electrical Canada

Ross Sutherland, International Association of Electrical Inspectors

Maurice Tucci, Electricity Distributors Association

Gordon Walker, International Brotherhood of Electrical Workers

Utility Advisory Council

Stephen Brown, Director, Electrotechnical Standards, Canadian Standards Association

Bruce Clements, Manager, Training Services, Electrical & Utilities Safety Association of Ontario

Wayne Corrigan, Regional Manager – External Liaison, Bell Canada

Jim Douglas, Executive Director, Ontario Regional Common Ground Alliance

Mary Ingram-Haigh, President, Ontario Electrical League

Ajay Garg, Senior Advisor, Network Strategy Division Standards & Policies, Hydro One Networks Incorporated

Terry Irwin, Manager, Corporate Policy, Ministry of Government Services

Herb Haller, Vice-President, Engineering & Stations, Waterloo North Hydro Incorporated

Brian Hewson, Chief Compliance Office, Market Operations, Ontario Energy Board

Rick Johnson, Chief Steward, Power Workers' Union, Electrical Safety Authority

Irv Klajman, Director, Engineering & Operations, Aurora Hydro Connections Limited

Pierre Lemay, Supervisor, Commercial Design, Hydro Ottawa Limited

John Mattinson, President & Secretary, Orillia Power Distribution Corporation

Brian McMillan, Vice-President Distribution Electrical Systems, Greater Sudbury Hydro Inc.

Gabriel Mansour, Provincial Coordinator, Ministry of Labour

Doug Morrison, Senior Manager of Asset Sustainments & Standards, Enersource Hydro Incorporated

George Mychailenko, Chief Executive Officer, Brantford Power Incorporated

Joseph Neu, Chairman of the Board, Electro Federation Canada

Joan Pajunen, Consumer Representative

Andre Perron, Manager, Technical Services, Hydro One Networks Incorporated

Peter Petriw, Manager Engineering and Construction, Veridian Connections Incorporated

Neil Sandford, Vice-President, Distribution & Utility Services AESI (Representing Burlington Hydro)

John Savage, Senior Policy Advisor, Consumer & Regulatory Affairs & Corporate Services, Ministry of Energy

Romano Sironi, Manager, Strategy & Policy, Toronto Hydro

Art Stokeman, President, Engineering & Operations, Guelph Hydro Electric System Incorporated

Jac Vanderbaan, Vice-President, Engineering & Operations, Festival Hydro

Jerry Van Ooteghem, Vice-President Operations, Kitchener Wilmot Hydro Incorporated

Ken Walsh, Vice-President, Engineering & Operations, London Hydro

Gaye-Donna Young, Chief Operating Officer, Newmarket Hydro Ltd.

Frank Zechner, Executive Director, Ontario Sewer and Watermain Construction Association

Statement from the

President & Chief Executive Officer

The Electrical Safety Authority's ongoing focus on safety management and high-risk safety issues relies on accurate and timely safety statistics and data. It is essential that ESA understand the underlying issues and circumstances that lead to electrical fatalities and other electrical-related incidents to prevent these in the future. The successful introduction of a Safety Management Framework is based on sound incident and risk data. This is required to provide the business with an effective process for identifying, analyzing and prioritizing safety hazards and responding to provincial safety needs.

The compilation of ESA's "Electrical Safety in Ontario Report" includes the collection of incident data, assessment and presentation of information on occupational and non-occupational fatalities and incidents caused by accidental contact with electricity and electrical related fires. In 2006 there were twelve electrocutions and five deaths resulting from electrical fires in Ontario. Although the number of electrocutions in occupational settings remained constant, there was an increase in non-occupational electrocutions in 2006. Data from the Ontario Fire Marshal reported a significant reduction in electrical related fire fatalities.

ESA's 2007 public risk awareness pilot will measure the ability to educate and encourage homeowners on identifying and addressing potential electrical risks. In addition, with the introduction of Electrical Contractor Licensing requirements in Ontario, ESA will be launching a province-wide campaign creating awareness of the importance of using skilled trades to conduct electrical modifications on behalf of homeowners. These campaigns are targeted at reducing non-occupational fatalities and electrical related fire fatalities.

Powerline electrocutions increased in the occupational sector in 2006. ESA continues to focus on high-risk powerline contact incidents and segments. The fiscal 2007 powerline safety campaign to the high-risk crop farming community resulted in a second year of no powerline deaths in this segment. Reported increases in powerline incidents linked to the construction trades, and more specifically dump truck drivers, results in 3 fatalities associated with dump trucks in 2006. ESA has responded to this report with a province wide safety campaign targeted at this industry and construction trades.

ESA is continuing to identify opportunities to work with industry to increase workplace safety through the introduction of changes to the Ontario Electrical Safety Code, education and awareness, and the promotion of safe work practices. ESA efforts to reduce electrocutions associated with safe work procedures for 347 volt systems and the use of fused leads with multimeters resulted in a 79% decrease in incidents. In fiscal 2008 efforts will continue to focus on providing industry with the tools to reduce occupational incidents and fatalities.

As an organization, we are dedicated to increasing overall electrical safety awareness and reducing electrical incidents and fatalities in Ontario. ESA will continue produce safety information and safety standards to create an environment where workers and the public understand potential electrical hazards and risks, and put safety first as part of their normal routine.



Robert M. Stelzer
President and Chief Executive Officer,
Electrical Safety Authority

ESA Summary –
Safety Report

2006

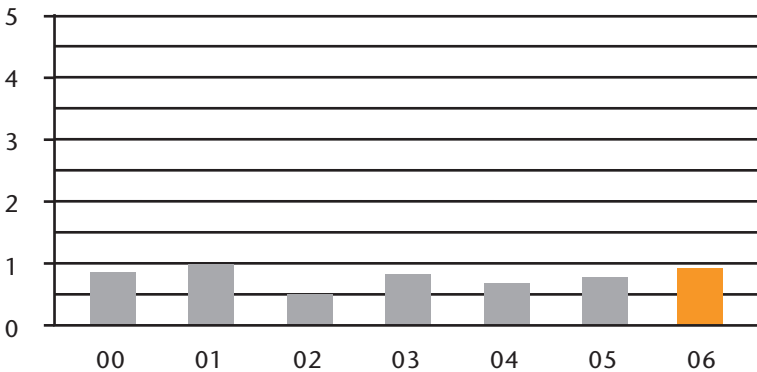
Summary Findings

From the 2006 Electrical Safety in Ontario Report (as of July 04, 1007)

The Electrical Safety Authority’s Safety Report is produced using data and statistics from a number of provincial sources to enable the business to track electrical incidents and fatalities. The data analyzed and presented in the annual Safety Report supports ESA in responding to changes associated with trends in electrical incidents and fatalities. These are then reflected in ESA’s Safety Management Framework, proposals for regulatory change, safety programs, and awareness initiatives.

Information for this assessment is focused on incidental electrical contacts and is primarily based on the compilation of records from Ontario coroners. In 2006 there were twelve electrocutions and five deaths resulting from electrical fires. The reported rate of electrocution per million population in Ontario increased from .72 in 2005 to .95 in 2006 reflecting the 33% increase in electrocutions in 2006.

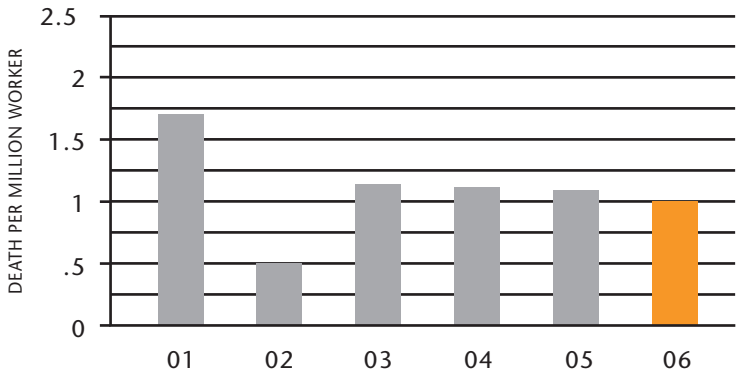
FIGURE 1: ELECTROCUTION RATE IN ONTARIO



From 1998 to 2006 the ratio of occupational to non-occupational electrocutions was two to one. In 2006 this changed with seven of the twelve electrocutions occurring in an occupational setting, and five in non-occupational settings.

Electrocutions of an occupational nature continue to represent the majority of electrocutions at 55% of total fatalities in 2006. From 1998 to 2006, there were 66 occupational electrocutions. Occupational electrocutions have remained at 7 per year for the past 4 years; however, the rate of electrocutions per million of labour force is decreasing.

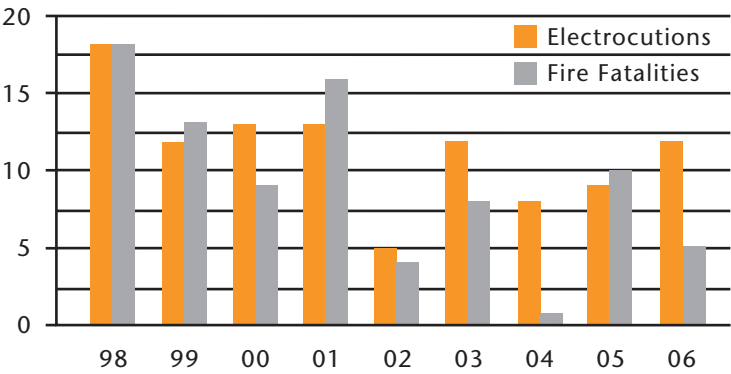
FIGURE 2: OCCUPATIONAL FATALITY RATE



Non-occupational incidents included home repair activities, powerline contact, and water and electricity. These primarily occurred at home.

In addition, the Fire Marshal’s Office has identified five electrical related fire fatalities in 2006. Electrical fires account for 10% of all fires in Ontario. From 1998 to 2005, 39% of electrical fires resulted from cooking equipment and 31% from electrical distribution equipment. Between 1998 and 2005, 31 of the 65 of the electrical fire fatalities reported resulted from stove-top fires. Efforts to heighten awareness of the most common cause of these fires, misuse of cooking equipment, have worked to reduce electrical related fatalities. Between 2002 and 2006 there was a 58% decline in electrical fatalities (27 fatalities), and in 2006 there were 5 reported electrical fatalities.

FIGURE 3: ELECTROCUTION VS. FIRE FATALITIES 1998 - 2006



**ELECTROCUTION
(PREVALENCE OF OCCUPATIONAL ELECTROCUTION)**

Electrical trade workers comprise 26% of all occupational fatalities. Repair and construction type work accounted for 80% of electrocutions in occupational settings. From 1998 to 2006:

- 76% of all occupational fatalities occurred in four segments from 1998 to 2006: industrial, residential, public, and agriculture. In 2006 the greatest number of occupational electrocutions were associated with workers doing work in residential and public segments.
- 57% of fatalities associated with electrical contact involved repair and maintenance activities.
- The labour categories that resulted in the highest percentage of occupational electrocution included: labourers (14%), electricians (12%), other (11%), and linespersons and maintenance workers (both at 9%).

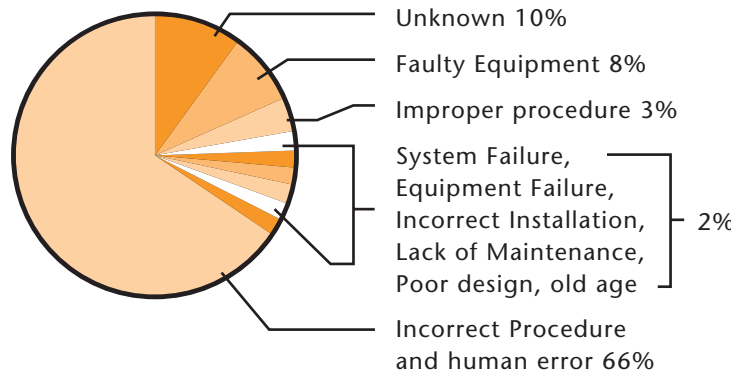
OCCUPATION ELECTROCUTION – PROBABLE CAUSE

The Ministry of Labour continues to identify the three most likely causes of electrocution to include: knowingly working live (incorrect procedure and human error), inadvertent contact, and faulty equipment. Knowingly working live and inadvertent contact represented 66% of electrocutions, or 43 fatalities from 1998 to 2005.

Powerline incidents, which represented 53% of all electrocutions in the province from 1998 to 2006 were 42% of electrocution in 2006. Occupational powerline fatalities increased in 2006. Powerline related fatalities in the construction industry have increased with three dump truck related powerline fatalities offsetting decreases to powerline fatalities in the agricultural and utility segments over the past two years. In total there were four occupational powerline fatalities in 2006.

Incident trends continued to decrease associated with 347-volt lighting systems and multimeters, with only one serious incident reported in 2006. Incidents associated with working on energized equipment have continued.

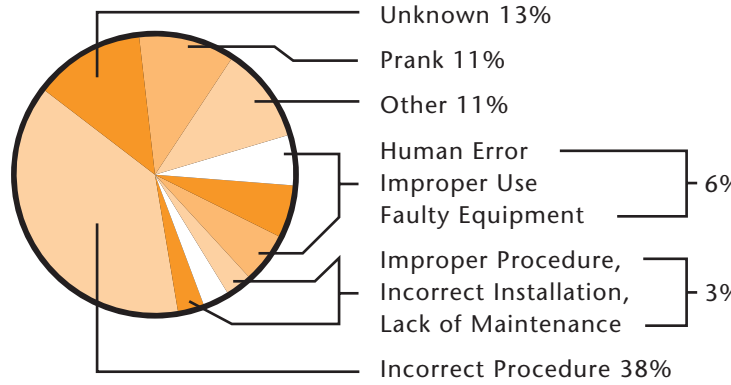
FIGURE 4:
OCCUPATIONAL ELECTROCUTION - PROBABLE CAUSE



NON-OCCUPATIONAL ELECTROCUTION – PROBABLE CAUSE

A total of 36 non-occupational electrocutions occurred between 1998 and 2006 in Ontario, with an increase from 2 to 5 electrocutions from 2005 to 2006. From 1998 to 2006, non occupational electrocutions have steadily declined. From 1998 to 2001, there were 21 non occupational fatalities while from 2002 to 2006, there were only 13 fatalities, a reduction of 33%. These incidents occurred in residences and public settings and included 1 female and 4 males. One incident was associated with powerline contact in a public setting. Two incidents were associated with home repair activities, and two were associated with electricity and water.

FIGURE 5: NON-OCCUPATIONAL ELECTROCUTION





**Electrical
Safety
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