

# A Safety Commitment



Electrical  
Safety  
Authority

In recognition of the Electrical Safety Authority's 10th anniversary, this report focuses on highlighting key safety accomplishments of the business.

### **Vision**

An Ontario free of electrical fatalities and serious injury, damage or loss.

### **Mission**

To improve electrical safety for the well-being of the people of Ontario.

### **Mandate**

The Electrical Safety Authority (ESA) operates as a delegated authority on behalf of the provincial government in accordance with Part VIII, section 113 of the Electricity Act, 1998, S.O. 1998, c. 15, Schedule A. (The Act), and the Safety and Consumer Statutes Administration Act, 1996, S.O. 1996, c. 19. ESA's mandate is to administer the Act and corresponding Regulations; (1) The Electrical Safety Code (Regulation 164/99); (2) Provincial Electrical Contractor Licensing (Regulation 570/05); (3) Electrical Distribution Safety (Regulation 22/04); (4) Product Safety (Regulation 438/07) on behalf of the Province of Ontario.

# driven to reduce electrical risks



# Annual Report - Fiscal 2009

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## 2008-2009

### List of Board Members

John Wiersma, P. Eng., Corporate Director, Chair (1,2,3,4,5)  
Robert M. Stelzer, P. Eng., MBA, President and CEO, Electrical Safety Authority (1,2,3,4,5)  
Charles Cipolla, CA, Corporate Director (1,2,4,5)  
David J. Collie, MBA, FCMA, C. Dir., President and CEO Burlington Hydro (1,4,5)  
Frank Denton, L.L.B., Assistant Deputy Minister, Policy and Consumer Protection Services Division, Ministry of Consumer Services (1,3,5) Appointed by the Ministry of Consumer Services  
Margaret Kelch, ICD.D, Corporate Director (2,3,5) Appointed by the Ministry of Consumer Services  
Alison Knight, FCA, CAO & Secretary of Synod, Incorporated Synod of Anglican Diocese of Toronto (1,4,5)  
Erwin Krause, President Ecco Electric Limited (2,3,5)  
Al Merlo, President Merlo Electric (3,5)  
John Raepple, President John Raepple Electric Limited (3,4,5)  
Oskar T. Sigvaldason, PhD, P. Eng., Corporate Director (2,3,5)  
Deborah Trouten, A.P.R., President Dakota Communications Inc. (2,5) Appointed by the Ministry of Consumer Services in February 2009

### Board Appointed Officers \*

David J. Collie, MBA, FCMA, C.Dir, President and CEO (June 2009)  
Robert M. Stelzer, P.Eng., MBA, President and CEO (November 2001 – May 2009)  
Wayne Howard, CA, Vice-President Finance and Chief Financial Officer  
Christopher M. Jodhan, B.A.; L.L.B., Vice-President, General Counsel, Corporate Secretary, and Chief Privacy Officer  
David Kirkconnell, MIR, Vice-President Human Resources  
Peter Marcucci, P.Eng., Vice-President Regulatory Affairs  
Scott Saint, P.Eng., MBA, Vice-President and Chief Operating Officer  
Ronald Schertzer, Vice-President Programs and Customer Service

### Auditors

PricewaterhouseCoopers LLP

1 Audit Committee, chaired by Alison Knight, held four (4) meetings in fiscal 2009; 2 Governance & Human Resources Committee, chaired by Margaret Kelch, held four (4) meetings in fiscal 2009; 3 Regulatory Affairs Committee, chaired by Oskar Sigvaldason, held four (4) meetings in fiscal 2009; 4 Pension Committee, chaired by Charles Cipolla, held four (4) meetings in fiscal 2009; 5 The Board of Directors held five (5) board meetings, and a two-day strategy session with Board Appointed Officers.

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

# Message from the Chair

## The Vision

In the past year the Electrical Safety Authority (ESA) has made significant progress in achieving our vision:

**“An Ontario free of electrical fatalities and serious injury, damage or loss”**

With support from our safety partners there has been a growing acceptance that this can only be accomplished through a change in Ontario’s safety culture. Despite a decline in the number of electrical related fatalities and serious injuries, ESA remains committed to pursuing and achieving our vision.

As ESA celebrates its ten year anniversary it is even more apparent how important the roles of our safety partners are in ensuring success. I would like to recognize and thank the many men and women at ESA who have made electrical safety their career, who lead the safety culture by example, and who are making a difference in the lives of the Ontario public.

I would also like to recognize the Power Workers’ Union and the Society of Energy Professionals for working with us to achieve a common vision which will move ESA forward. The ongoing support of these organizations is critical to our success.

## Our CEO

At the end of May 2009, Bob Stelzer retired from his position as President and CEO of ESA after seven years of exemplary leadership. ESA has grown significantly under Bob’s leadership from demonstrating that a safety business could be financially self-sustaining and performance driven to introducing a five year safety strategy that focuses on prevention and is supported by a broader mission and vision for Ontario’s electrical safety business. The Board appreciates the accomplishments ESA has achieved under Bob’s tenure, and thanks him for a job well done.

ESA’s new President and CEO, David Collie, will continue to lead the business for the next mile or kilometre if you will towards its safety vision. The primary focus in the next phase of ESA’s journey will be on forging and strengthening partnerships with employees and all other stakeholders, and on the creation of a province-wide safety framework that can make Ontario a safer place. The number of individuals interested in leading this important safety challenge is a true testament to the reputation and potential of ESA’s safety business.

## Our Board

ESA's Board has been engaged in ensuring that the company exceeds the expectations for a Delegated Administrative Authority (DAA) that provides services to the Province of Ontario. The Board is working closely with the Ministry of Consumer Services as provincial regulations are being streamlined to make it easier to do business without compromising ESA's safety mandate and our vision.

The Board of Directors continued with its annual self-assessment, as well as "peer reviews" in support of continuous improvements in governance. ESA Directors are as dedicated to safety as the rest of the organization. They make a significant contribution to the development of ESA's strategic safety direction and to corporate oversight – their counsel and advice is greatly appreciated.

I am pleased to announce the government's appointment of Ms. Deborah Trouten, who joined ESA's Board in February of 2009. Deborah brings a distinct skill set to the Board in the area of communication and stakeholder relations which will support ESA as it works to enhance stakeholder relations.

## Stakeholders

ESA influences the safety culture in Ontario in its unique role as a regulator and a safety partner. Both the Board and Senior Management are committed to ensuring that we have principled stakeholder engagement. Stakeholder engagement has been placed high on our agenda. To this end an independent third party was retained to review ESA's Stakeholder Council engagement process.

Following extensive review with stakeholders, a report from Singer & Watts provided recommendations to streamline our approach to stakeholder relations. In keeping with best practices, the report recommends transparency and openness when sharing information when soliciting stakeholder feedback and advice to support the decisions that are made. Stakeholder participation and willingness to share insights are critical to advancing safety initiatives as we move forward.

The ongoing engagement of electrical contractors is important to strengthening Ontario's safety culture. The *Plug in Safety....hire a licensed electrical contractor* campaign epitomizes the public safety value associated with Electrical Contractor Licensing and ESA's ongoing efforts to minimize the unlicensed underground economy. ESA's licensing initiative is supported by the Electrical Contractor Registration Agency of the Electrical Safety Authority (ECRA/ESA). This mixed stakeholder Advisory Board was established to provide advice directly to the Regulatory Affairs Committee of the Electrical Safety Authority Board. ESA looks forward to continued cooperation to ensure that industry and consumer insights lead to a balanced evolution of ECRA/ESA.

## Safety Impact

In the past year, ESA has continued to focus on sharing electrical risk information to influence safety behaviour around the home, when doing electrical work, and when working around powerlines. Safety initiatives have been tracked to ensure that ESA efforts through communication campaigns, engineered solutions, training and safety partnerships are in fact making a difference as measured by a call to action and a reduction in electrical incidents. These efforts are supported by ESA employee input, contributions from Stakeholder Advisory Councils, and our many safety allies. ESA's "Ontario Electrical Safety Report" provides year by year summaries of electrical incident data and ESA's response to protect the Ontario public.

With electrical inspections as the primary service, ESA has established an approach to and methodology for measuring electrical safety impact linked to electrical inspection activities. This will be implemented into the business systems in FY2010, and will provide a safety metric that complements the number of inspections conducted and number of defect hazards reported.

FY2009 was a busy year as ESA worked to meet safety goals, solidify a longer-term safety strategy focused on prevention, identified opportunities to strengthen stakeholder engagement, and strengthened internal processes to secure ESA's safety operation. We look forward to working with our safety partners over the next year to achieve continued success in reaching our vision.



John Wiersma,  
Chair, Board of Directors  
Electrical Safety Authority



# President and CEO Report

## ESA's Evolution...

It has been my great pleasure to be at ESA during a time of significant positive change. This change has been accomplished through the excellent work of our employees, our Executive Management Team, our stakeholders, the Ministry of Consumer Services and our Board.

## Some of the things that we can be very proud of...

Ontario's overall electrical safety has continued to improve. Until we realize our Vision of "An Ontario free of electrical fatalities and serious injury, damage or loss" we cannot be complacent about our current situation - but good progress has been made within the electrical trade and within targeted high risk occupations. In particular, our campaigns associated with 347-volt lighting, multimeter fused leads, and arc flash safety have made a very positive difference, and have helped to ensure more electrical workers in Ontario are returning home safely.

The importance of electrical safety has continued to increase within Ontario. New regulatory initiatives associated with electrical contractor licensing, electrical utilities and electrical product safety have continued to build a framework that ensures Ontarians are well served from an electrical safety and a consumer protection standpoint.

Awareness of electrical safety issues has increased. Much work remains to be done in this area, but significant progress has been made. Our annual "Ontario Electrical Safety Report" identifies where safety improvement investments are likely to yield the best results. Our successful communication campaigns to the general public related to public risk awareness and contractor licensing are having a positive impact.

Working in close collaboration with our Board of Directors, we have created governance and risk management systems that hold ESA to a high standard of public safety and consumer protection in our province.

We have realized significant growth in our Continuous Safety Services (CSS) program for Ontario businesses and managers. This has had the effect of improving electrical safety for their facilities. Our Operations organization has been restructured to accommodate our increased focus in this area.

We have made significant investments to upgrade our training for employees. ESA invests in annual training for its Inspectors to ensure they are up to date on business process changes and changes to codes and standards. A comprehensive new Inspector training program has been put in place to ensure new hires have the tools they need to succeed. Our Inspectors are very highly regarded based on third party surveys of our CSS customers and Licensed Electrical Contractors.

We continue to enjoy increased engagement with our safety partners such as the Ministry of Labour, Ontario Office of the Fire Marshal, WSIB, IAPA, CSA and other certification organizations. We deeply appreciate the contributions of the Electrical Contractors Association of Ontario, the Ontario Electrical League and the Electricity Distributors Association. Realization of our Vision requires the co-operation and help of others. We are grateful for the support we have received from these organizations and their members.

We have created a powerful technology platform that allows ESA to deliver its services in a cost effective manner. ESA generates close to 400,000 work orders per year using a powerful technology platform that provides many features such as an on-line application process. ESA Inspectors can access ESA's substantial database wirelessly from their vehicles. Contractors can obtain answers 24/7 to Frequently Asked Questions on the Code. Our [esasafe.com](http://esasafe.com) website provides on-line product registration to global product manufacturers in English, French, Mandarin and Japanese.

We have an exceptional Customer Service Centre that delivers quality service to our customers in an effective and timely manner. Our latest Contractor Satisfaction Survey shows that our Customer Service Center is viewed as providing a very high-level of service.

We have grown our non-regulatory business. Our Field Evaluation and Mining Safety Services lines of business have successfully served customers in competitive markets. These businesses provide a funding source for our general safety programs and affirm that we deliver value in an open marketplace.

We have a prudent financial foundation that includes the ownership of the 2 largest buildings ESA uses for its operations – the Provincial Office and the Customer Service Centre.

While we can be proud of our accomplishments, there is still much work to be done. We have a 5-year Strategic Plan that we believe will allow us to continue to make progress towards our Vision.

While this is my last report as President and CEO, I will continue to follow ESA's future development with great interest. Thank you for your support over the years. I wish all of you the best in your future endeavours and wish you much success as we strive to realize our Vision.

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**Robert M. Stelzer**  
*President and Chief Executive Officer*  
*(Retired May 2009)*  
*Electrical Safety Authority*



# Letter from the President and CEO

## ESA's Future ...

The Electrical Safety Authority (ESA) has made a significant contribution to electrical safety in its first ten years of operation. I celebrate the success ESA has achieved, and recognize the contribution that the dedicated employees have made to both public electrical safety and our business. I have been engaged in the development of ESA's strategic business direction as a member of the Board of Directors since 2007. I appreciate the accomplishments of the past President and CEO, Bob Stelzer, and am committed to advancing the established safety direction with the support and cooperation of ESA employees, stakeholders and safety allies.

ESA's strategic direction recognizes that our organization needs to support other safety and environmental factors to help us realize our Vision. The electricity sector that we serve is not immune to heightened concern about public safety. By viewing electrical safety as part of a province-wide system, and by supporting the creation of a broader safety culture, ESA will achieve our vision of "an Ontario free of electrical fatalities and serious injury, damage and loss". Working with the support of industry and safety stakeholders, including: Electrical Contractors Association of Ontario, Electricity Distributors Association (and Local Distribution Companies), Industrial Accident Prevention Association, Ontario Electrical League, the Ontario Office of the Fire Marshal, Workplace Safety and Insurance Board, and Certification Organizations, ESA will maintain existing safety regulations and identify new opportunities to reinforce a safety culture that will create unprecedented opportunity to improve public electrical safety.

To improve electrical safety we will need to add a broader range of preventative services that target high-risk areas and segments. This means more emphasis on codes and standards, early education, worker communication, training and general public risk awareness. We need to maintain our powerline safety strategy, respond to issues associated with an aging infrastructure, continue to encourage safe work practices for electrical workers, and extend our important public safety messaging on electrical risks in homes and the importance of using licensed electrical contractors.

The changing electricity “architecture” will create opportunities for ESA to make a positive difference in the lives of Ontarians. The *Green Energy Act* will have a major impact on the use of renewable energy sources, many of which will be hosted in homes and businesses that have historically been consumers not generators of electricity. The “right-to-connect” to distribution systems will encourage standardization of connection and inspection processes.

As we move forward, the ongoing engagement of our many stakeholders will continue to be important to gathering the advice and guidance from the communities we represent and safety partners we work with. As a result, ESA will address the recommendations received on stakeholder engagement practices following the FY2009 independent consultant review of our Councils, including: Consumer Advisory, Contractor Advisory, Industry Advisory, Utility Advisory, and the Electrical Contractor Registration Agency of the Electrical Safety Authority. Our employees are ESA’s most important resource. We strive to continue to increase their engagement in the business, and to become an employer of choice.

ESA has established business practices that have resulted in a sound financial control and management. We will need to explore financial management and funding options to support the business in its efforts to prevent electric shock and incidents, and fire hazards. At the same time, ESA will continue to ensure we are responding to stakeholder needs, and will continue to investigate opportunities to ensure that we are delivering excellent value with our services.



**David Collie**  
*President and Chief Executive Officer (June 2009)*  
*Electrical Safety Authority*



# Leading

*In 1999 the Electrical Safety Authority (ESA), a standalone self-sustaining business with a new mandate, managed the transition from Ontario Hydro's Electrical Inspection department to a business that would move electrical safety forward in Ontario.*



# Safety

## Major Milestones:

| 1999                                                           | 2000                                               | 2001                                                                      | 2002                                                                 | 2003 |
|----------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------|------|
| Industry Advisory Council<br>Ontario Provincial Code Committee | Consumer Advisory Council<br>ESA/CSA Joint Program | Regulatory Affairs Committee<br>Fire Marshal's Public Fire Safety Council | Objective: "Easy to do business with"<br>Contractor Advisory Council |      |

ESA focused on building an identity synonymous with safety, customer needs, and ensuring employees would grow their safety capability to become an industry leader. As a result, ESA set about the business of implementing a safety business infrastructure based on best business practices and worked to develop processes and approaches to grow safety compliance, risk management, and integrated communication and marketing to strengthen its response to safety needs and opportunities.

ESA has demonstrated it can meet Ontario’s broad public safety mandate. The business evolved from “being easy to do business with”, to “achieving operational excellence”, to finally “striving for safety excellence”. This journey led to approval to introduce new regulation, the creation of consultation processes, and the development of initiatives and campaigns to influence electrical safety. These efforts were strengthened through the introduction of stakeholder councils to provide advice and recommendations on ESA’s strategic direction and safety initiatives. Councils represent the broad interests ESA touches, and include: public/ consumers, industry, local distribution companies, and contractor interests as well as specific industry consultations associated with changes to the Ontario Electrical Safety Code and updates to ESA’s Fees for Services. ESA engages a mix of stakeholder interests to encourage dialogue and feedback on the Ontario Electrical Safety Code and Contractor Licensing through the Ontario Provincial Code Committee and the Electrical Contractor Registration Agency of the Electrical Safety Authority Advisory Board. In addition, ESA built alliances and established memoranda of understanding to extend safety and to support ESA in meeting customer needs.

By 2005 ESA worked to develop a longer term strategic plan to commit to a business direction that was supported by ESA’s many stakeholders. This effort, together with the leadership of ESA’s Board of Directors, resulted in the development of a safety vision and mission that will sustain ESA for the longer-term. To effectively grow the electrical safety mandate ESA will: strive to improve electrical safety for the well-being of the people of Ontario, with the vision of an Ontario free of electrical fatalities and serious injury, damage or loss.

**FY2009 Safety Performance:**

- surveyed employees - 85% feel ESA has a positive impact on public safety
- created a business continuity plan
- developed a project plan and expect to achieve level 1 Certification from NQI in FY2010
- diversified revenue to fund safety services
- introduced a financial model to support the implementation of the Product Safety Regulation
- produced an on-line reporting system for serious electrical product incidents or defects ([www.esasafe.com](http://www.esasafe.com))
- received 307 unsafe product reports
- established a Don’t Work Live strategic alliance with CSA
- initiated “specialty investigation teams” to respond to serious incidents

| 2004                                                            | 2005                           | 2006                                                                           | 2007                        | 2008                                                     |
|-----------------------------------------------------------------|--------------------------------|--------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------------|
| Objective: “Operational excellence”<br>Utility Advisory Council | Objective: “Safety Excellence” | Electrical Contractor Registration Agency Board<br>Safety Management Framework | Product Safety Consultation | “Getting to Zero: a commitment to safety”<br>5 year plan |
|                                                                 |                                | New Vision & Mission                                                           |                             |                                                          |

# Advocating



*With the successful implementation, management, and enforcement of the Ontario Electrical Safety Code the Electrical Safety Authority (ESA) worked to gather information and statistics to identify areas that pose potential risk of electrical hazard that need to be addressed with regulatory change.*

## Major Milestones:

| 1999                                                                            | 2000 | 2001 | 2002                                               | 2003 |
|---------------------------------------------------------------------------------|------|------|----------------------------------------------------|------|
| Ontario Regulation 89/99 designates ESA authority for public electrical safety. |      |      |                                                    |      |
|                                                                                 |      |      | 23rd Edition of the Ontario Electrical Safety Code |      |

Ontario’s changing Utility structure together with the high number of powerline incidents resulted in growing concerns associated with electrical distribution standards for new work. Following extensive consultation the Ontario government passed the *Electrical Distribution Safety* Regulation 22/04 to ensure standards for new electrical distribution system components continued to meet an acceptable level for public electrical safety. The adaptation of this regulation introduced a dedicated function within ESA, and resulted in the creation of a Utility Advisory Council and the development of industry supported guidelines to reinforce safety standards.

With the support of the Ontario Electrical League and the Electrical Contractors Association of Ontario activities were initiated to introduce a province-wide licensing regime for electrical contracting businesses. Ontario Regulation 570/05 *Provincial Electrical Contractor Licensing* would reinforce a consistent playing field for the electrical industry in Ontario to advance safety compliance and consumer protection by ensuring qualified and licensed individuals were doing electrical work. The initiative required the creation of the Electrical Contractor Registration Agency of the Electrical Safety Authority, and an advisory board dedicated to advising ESA’s Regulatory Affairs Committee of the Board on policy issues related to licensing.

ESA has maintained its focus on ensuring the requirements defined in the Ontario Electrical Safety Code. A network of provincial Technical Advisors and the creation of an on-line “Frequently Asked Questions” database, ensures identification of electrical risks, provides technical bulletins to support Code compliance, and offers advice and guidance to inspectors, electrical trades, and business owners to advance public safety.

Growing concerns associated with unsafe electrical products resulted in the introduction of Ontario Regulation 438/07 *Product Safety* which will be implemented by ESA. Stakeholder consultation was undertaken to ensure the management of reporting requirements for product accidents, incidents and defects and a consistent approach to assessing risks associated with unsafe electrical products. In addition, guidelines defining specific requirements for corrective action and public notification have been developed through extensive stakeholder consultation to advance consumer protection.

**FY2009 Safety Performance:**

- implemented a *Product Safety Regulation* following stakeholder review
- established a registration process to support Ontario’s *Product Safety Regulation*
- introduced 24th Edition of the *Ontario Electrical Safety Code (2009)*
- reached 22 million Ontarians with the *Plug in Safely hire a licensed electrical contractor public awareness campaign* since *Licensing regulation* was introduced July 2006
- processed 6,987 *Electrical Contractor Licenses*, and 8,312 *Master Electrician Licenses*
- issued 763 “*Notices of Violation*” (32% increase over FY2008)
- resolved 96% of complaints associated with unlicensed contractors within 20 business days

| 2004                                                         | 2005                                       | 2006               | 2007                                                          | 2008 |
|--------------------------------------------------------------|--------------------------------------------|--------------------|---------------------------------------------------------------|------|
| Electricity Act modified to accommodate licensing regulation |                                            |                    | Plug In Safely hire a licensed electrical contractor campaign |      |
| Electrical Distribution Safety Regulation                    | Provincial Electrical Contractor Licensing | Appeals Regulation | Product Safety Regulation                                     |      |

# Promoting



*To support its electrical safety mandate, the Electrical Safety Authority (ESA) worked with safety allies to advance public electrical safety messaging. The creation of the Elecsafe Alliance in 2000 established a common ground for the electrical industry to join forces to promote electrical safety.*

# Safety

## Major Milestones:

| 1999 | 2000                              | 2001                                        | 2002                                                           | 2003 |
|------|-----------------------------------|---------------------------------------------|----------------------------------------------------------------|------|
|      | Portable Standby Generator Safety | Elecsafe Alliance                           | Elecsafe - Powerline Safety – Children, Farmers & Construction |      |
|      |                                   | Home Depot “point-of-purchase” safety pilot |                                                                |      |

Leveraging stakeholders to advance messaging, ESA worked with Home Depot to extend safety information to consumers at the “point-of-purchase”. An in-store kiosk that shares safety tips, tests risk awareness, and provides access to ESA’s Frequently Asked Questions database is available in 15 Ontario locations.

With the introduction of Ontario’s *Electrical Distribution Safety* Regulation (22/04) ESA worked with Local Distribution Companies to create public awareness of powerline safety with a campaign encouraging Ontarians to “Look Up Look Out” Respect the Power at home, work and play. Subsequent campaigns targeting Farmers, Dump Truck Operators and Roofing/Siding/Eavestrough Installers, were well received and remembered by as many as 80% of the intended audience.

Working with electrical trade associations ESA has influenced safe electrical practices for 347-volt lighting systems and proper meter use with fused leads. Recent efforts have focused on a “Don’t Work Live” campaign that responds to increasing reports of arc flash incidents. 89% indicated these campaigns help to improve safety on the job.

As ESA acquired new data on electrical shock and fire hazards attention was placed on understanding the public’s electrical “risk perception”. Comprehensive research resulted in campaign efforts to educate the public to look out for common electrical hazards they can easily address, hidden hazards, and be aware that electrical work can result in shock and fire hazards if done incorrectly.

This married well with messages supporting the implementation and enforcement of a province-wide electrical contractor licensing regime. ESA worked to notify the public of safety and regulatory requirements to modify consumer and homeowner behaviour. The successful launch of radio media and public relations campaigns allowed ESA to reach Ontarians an average of three times with the “Plug in Safely, hire a licensed electrical contractor”.

In the background ESA has developed a corporate information website that shares electrical safety information and a number of customer newsletters. The website receives over six million successful server hits and 200 inquiries monthly. ESA’s “Plugged In” Newsletter is issued six times a year and provides the electrical industry with information on Code changes, new service offerings, an update from the Licensing Registrar, enforcement and inspection statistics, and information on electrical product recalls. In addition, program specific newsletters are produced for ESA’s Authorized Contractor Program and Continuous Safety Services Program participants.

#### FY2009 Safety Performance:

- increased public electrical risk awareness by 23% in 8 pilot locations
- impacted 70% of targeted Roofers/Eavestrough & Siding installers with powerline safety messages
- maintained powerline safety messaging to high-risk groups
- distributed six issues of ESA’s “Plugged-In” Newsletter to more than 12,000 customers and stakeholders (per issue)
- developed an Intranet to support information exchange and process consistency
- distributed an “arc flash safety campaign” to over 30,000 electrical workers
- distributed more than 600,000 electrical safety information/promotional brochures to workers, business owners, and homeowners to increase awareness of potential electrical hazard
- arranged media ads (radio & newsprint) on risk awareness, powerline safety and the importance of using licensed electrical contractors to reach more than 16 million residents across Ontario
- reached 21 million residents across Ontario with the “Plug in Safely hire a licensed electrical contractor” public relations campaign
- updated 11 training modules and introduced 5 new training modules

| 2004                      | 2005                                                           | 2006                                | 2007                                            | 2008                                |
|---------------------------|----------------------------------------------------------------|-------------------------------------|-------------------------------------------------|-------------------------------------|
| Elecsafe – Outlet Safety  | Public                                                         | Farmers                             | “Look Up, Look Out” Public Safety<br>Dump Truck | Roofers/Eaves/Siding                |
|                           | Home Depot electrical safety information kiosk in 15 locations |                                     |                                                 |                                     |
| 347 Volt Safety Awareness |                                                                | Multi-Meter Fused Lead              |                                                 | “Don’t Work Live”                   |
| Plugged In Newsletter     |                                                                |                                     |                                                 |                                     |
|                           |                                                                | www.esasafe.com<br>1 M hits a month | →                                               | www.esasafe.com<br>6 M hits a month |
|                           |                                                                |                                     | Public Risk Awareness Pilots                    |                                     |

# Delivering

*With 456 Electrical Inspectors, Customer Service Representatives, and Corporate Staff supporting ESA's safety business with inspections, investigations, training, services, and programs; and a state-of-the-art system infrastructure managing day-to-day business activities, ESA has made its mark.*



# Safety

## Major Milestones:

| 1999                              | 2000                                                | 2001                             | 2002 | 2003                          |
|-----------------------------------|-----------------------------------------------------|----------------------------------|------|-------------------------------|
|                                   | Introduced SAP                                      | Central Customer Service Center  |      | Dedicated Plan Approval Dept. |
|                                   |                                                     | 230k service calls               |      |                               |
| 293k notifications for inspection |                                                     |                                  |      |                               |
| 3,000 investigations              |                                                     |                                  |      |                               |
| 117k unsafe situations detected   |                                                     |                                  |      |                               |
| 10,460 trained                    |                                                     |                                  |      |                               |
|                                   |                                                     | Extended SAP to mobile workforce |      |                               |
|                                   | \$7M CSS Revenue - CSS non-jurisdictional customers |                                  |      |                               |
|                                   | Expand ACP to C/I & HVAC                            |                                  |      |                               |

The journey to this end has required changes to the business to ensure ESA can meet inspection requirements, provide electrical advice and information, introduce training initiatives to maintain and grow employee and customer knowledge and skills, increase electrical safety awareness, manage new safety regulations, and to engage stakeholders across the province.

Over the past 10 years, ESA has responded to a 53% growth in requests for electrical inspection, 128% growth in the CSS business, changes to investigation analysis, new customers and contractor training, follow-up on unsafe product reports, public safety awareness, and new safety regulations with streamlined processes and the addition of 29% more employees dedicated to electrical safety. In doing so we have grown customer satisfaction with FY2009 survey results identifying that 87% of survey participants classified quality of customer service as good and 78% classified the quality of inspectors and inspection processes as good.

The Fiscal 2002 centralization of ESA’s Customer Service Centre (CSC) reinforced service continuity, provided on-site training, and accommodated system changes allowing ESA to achieve a best average response time of 31 seconds while managing more than 3 million customer requests and inquiries through the CSC. An automated Integrated Voice Response System provides customer information updates and an On-Line Application system offers customer support 24/7. The introduction of an on-line FAQ database and an information Intranet have supported the business in achieving service satisfaction levels.

The 2004 introduction of Fieldworker allowed ESA to benchmark system excellence with a remote and mobile workforce that conducted 4.3 million electrical safety inspections and has delivered services to more than 20,000 CSS customers over the past ten years. Inspection service delivery has been supported by best business practices, annual inspector training, risk assessment models, and systems to document and respond to the 1.2 million electrical defects Inspectors reported over the past 10 years. Technical Advisors and Regional Inspection Representatives support front line Inspectors in providing the information they need to respond to customers.

ESA has evolved from an inspection business into an electrical safety business. To maintain safety standards, customer delivery expectations, and satisfaction ESA has created a leading-edge training program for all new Inspectors that join the business. In addition, ESA’s training commitment supports Inspector knowledge, consistency in service delivery, and the implementation of a succession strategy.

**FY2009 Safety Performance:**

- responded 370,392 calls in FY2009 compared to 442,700 calls in FY2008
- processed 380,082 notifications in FY2009 (7% increase over FY2008)
- increased presence in First Nations Remote Communities by 60%

**Ontario Electrical Safety Code**

- conducted 480,644 inspections (2% increase over FY2008)
- contracted 1,000+ new Continuous Safety Services sites
- completed 3,791 investigations in FY2009 (41% increase over FY2008)

| 2004                               | 2005                              | 2006                            | 2007                              | 2008                        |
|------------------------------------|-----------------------------------|---------------------------------|-----------------------------------|-----------------------------|
|                                    | ESA - accredited inspection body  | 900 attend ESA Contractor mtgs. | 1,700 attend ESA Contractor mtgs. |                             |
|                                    |                                   |                                 | 447k service calls                |                             |
|                                    | 385k notifications for inspection |                                 | 7,785 investigations              |                             |
|                                    |                                   |                                 | 199k unsafe situations detected   |                             |
|                                    |                                   |                                 | 13,878 trained                    |                             |
| Fieldworker software upgrade       |                                   |                                 |                                   |                             |
|                                    |                                   |                                 | \$16M CSS Revenue                 |                             |
| Self-serve & on-line functionality | Expand ACP to Pole Line           |                                 |                                   | 15,299 EC & master licenses |

**Electrical Distribution Safety Regulation**

- conducted 471 due diligence inspections
- resolved 159 complaints
- completed 85 compliance audits

**Province-wide Contractor Licensing**

- issued 557 Electrical Contractor licences, and 1,110 Master Electrician licences, and 19 Provisional licences
- responded to 1,167 enforcement notifications
- issued 763 “Notices of Violation” (32% increase over FY2008)

# Influencing

*The 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.*

# Safety

## Major Milestones:

| 1999                                                                   | 2000                                    | 2001                                 | 2002                                | 2003                                        |
|------------------------------------------------------------------------|-----------------------------------------|--------------------------------------|-------------------------------------|---------------------------------------------|
| 90% of inspection processes adopted as “standard operating procedures” |                                         | 1st Ontario Electrical Safety Report | Inspector Certification Program     | Risk model to prioritize safety initiatives |
| Technical Bulletins                                                    | Customer Relationship Management System | Campground Compliance Program        | ESA introduces 24/7 on-line service | Roadway Lighting Compliance Program         |
|                                                                        |                                         | Unapproved product response policy   |                                     |                                             |

“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.” Dane MacCarthy, Past Chair ESA.

The business has built the internal processes to support this vision. The expertise of the organization in working with stakeholders and the government to define regulatory change has launched ESA’s safety presence in Ontario. The creation of the Ontario Electrical Safety Report has heightened efforts to influence electrical safety. Risk assessment processes and tools have supported ESA in defining the cause of electrical hazards, prioritizing electrical safety risks, and streamlining approaches to developing safety initiatives. ESA has worked to support businesses and trades in complying with Ontario Electrical Safety Code requirements, and is educating workers on safe work practices and providing information to reduce worker incidents.

The measurement of the success of ESA’s efforts are seen in a combination of: the statistics that reinforce that electrical incidents in target areas are decreasing, the impact of awareness efforts, the enforcement efforts that are undertaken, and the stakeholder relationships and partnerships that ESA has sustained and grown over the years.

ESA has built an infrastructure, delivery system, and safety programs to reduce electrical incidents and educate homeowners, workers, and children about the importance of electrical safety. Processes are in place to maintain customer satisfaction, sustain stakeholder support, assess and respond to incident data, and to influence the electrical safety direction of Ontario through a broader safety management. Efforts to establish concrete safety attributes has led to the creation of an electrical safety impact measurement system that applies ESA inspection activities to an electrical safety index to define an electrical safety impact.

As ESA moves forward it is strengthening a safety management framework that focuses on ensuring the processes, tools and capabilities are in place to establish a proactive approach to electrical safety decision making.

**FY2009 Safety Performance:**

- **increased contractor satisfaction with ESA to 65.4% (from 64.7%)**
- **increased customer satisfaction with the CSS program to 76% (from 71%)**
- **created dedicated teams to respond to specific incident issues and investigations**
- **decreased serious electrical accidents and injuries by 25%**
- **decreased electrical incidents by 45%**
- **decreased electrical fires by 62%**
- **responded to 1 high-risk, 169 medium-risk, and 135 low-risk product safety issues**
- **issued 66 recalls, 5 safety alerts and 3 flash safety notices in FY2009**

| 2004                   | 2005                                                     | 2006                                                     | 2007                                                         | 2008                        |
|------------------------|----------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|-----------------------------|
| FAQ Technical Database | 44% reduction in 347 volt systems & multimeter incidents | 79% reduction in 347 volt systems & multimeter incidents | 0 347 volt systems & multimeter incidents (C/I electricians) | Safety Management Framework |
|                        | Defect follow-up process                                 | ESA Inspector Training Program                           | Emergency Response Plan                                      | Crisis Media Plan           |
|                        | Carnival Compliance Program                              |                                                          |                                                              | NQI Level 1 Certification   |

# Financial Summary

In Fiscal 2009 the Electrical Safety Authority (ESA) 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 \$4.3 million, included contractor licensing enforcement, electrical worker safety initiatives, and powerline safety campaigns, among others.

Revenue increased to \$78.4 million in Fiscal 2009, an increase of 5.6% from Fiscal 2008. As summarized in the following table, revenue is derived from safety services offered in both the Regulated and Unregulated sectors, and from investment income.

|                      | Revenue (\$000’s) | Net Excess (\$000’s) |
|----------------------|-------------------|----------------------|
| Regulated services   | \$68,687          | \$(414)              |
| Unregulated services | 9,667             | 329                  |
| Investment income    |                   | 2,444                |
|                      | <hr/>             | <hr/>                |
|                      | \$78,354          | \$2,359              |
|                      | <hr/>             | <hr/>                |

The following table summarizes revenue by service for Fiscal 2009 and Fiscal 2008.

|                                              | 2009 (\$000’s) | 2008 (\$000’s) |
|----------------------------------------------|----------------|----------------|
| Wiring – Residential                         | \$24,764       | \$24,108       |
| Wiring – Industrial/Commercial/Institutional | 16,715         | 16,052         |
| Continuous Safety Services (CSS)             | 18,558         | 18,083         |
| Product Approvals                            | 7,796          | 7,521          |
| Utility Regulation                           | 2,268          | 2,128          |
| Contractor Licensing                         | 2,861          | 2,732          |
| Plan Approvals                               | 1,202          | 1,121          |
| Other revenues                               | 4,190          | 2,432          |
|                                              | <hr/>          | <hr/>          |
|                                              | \$78,354       | \$74,178       |
|                                              | <hr/>          | <hr/>          |

Residential wiring revenue increased by 2.7%, and company efforts to diversify revenue sources have resulted in a 2.6% increase in Continuous Safety Services (CSS) revenue. Other revenues increased due to the introduction of the 2009 Ontario Electrical Safety Code (OESC) and related activities.

Total wiring services represented 53% of revenue in Fiscal 2009 (Fiscal 2008 – 54%); CSS services represented 24% of Fiscal 2009 revenue (Fiscal 2008 – 24%); and, other services represented 23% of Fiscal 2009 revenue (Fiscal 2008 – 22%). Revenue from unregulated business services, including Product Approvals and Mining services, totaled \$9.7 million in both Fiscal 2009 and Fiscal 2008.

Increased expenses related to business service activities, safety initiatives, contracted labour, and benefit costs, including pension costs resulted in a 6.6% increase in operating expenses (including amortization), as expenditures increased to \$78.4 million compared to \$73.6 million in Fiscal 2008. Non-labour related expenses increased by 14.1%, and labour related expenses increased by 3.9%. Management compensation (salary and bonus) totaled \$4.1 million for 25 individuals in Fiscal 2009, compared to \$3.4 million in the previous year for 20 individuals.

Specific initiatives, including many safety initiatives, resulted in additional spending of close to \$4.3 million in Fiscal 2009. These costs included programs to increase powerline safety awareness, public safety awareness, contractor licensing enforcement, unsafe product consultation, OESC implementation, investigations, and business diversification, among others. The cost of benefits, including pension costs, decreased from \$14.6 million last year to \$13.3 million this year, a decrease of 8.9%.

Capital spending of \$2.2 million was slightly down from the \$2.3 million spent last year, as ESA continues to make further investments in the continuous improvement of its information technology infrastructure.

For Fiscal 2009, revenue was virtually equal to operating expenses before investment income. This compares to a \$0.6 million net excess of revenue over operation expenses in Fiscal 2008. Investment income increased from \$2.2 million to \$2.4 million, resulting in a net excess for Fiscal 2009 of \$2.4 million compared to a net excess in Fiscal 2008 of \$2.8 million.

The balance sheet continued to improve in Fiscal 2009 with assets exceeding liabilities by \$17.6 million, of which \$8.1 million is represented by capital assets. However, the balance sheet does not reflect deferred deficiencies in the ESA Pension Plan and OPEB (other employee post retirement benefits) of \$23.9 million. The funding of these deficiencies, although a concern, is reflected in the Company's business plans.

ESA continued to maintain an adequate financial base to support the many safety initiatives and programs required to protect the citizens of Ontario in the past fiscal year. ESA has developed strong financial processes to ensure that spending is prudent, productivity is addressed, 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  
Electrical Safety Authority



## To the Directors of Electrical Safety Authority

We have audited the balance sheet of Electrical Safety Authority as at March 31, 2009 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 Company'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 Company as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at March 31, 2008 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their audit report dated May 2, 2008.

*PricewaterhouseCoopers LLP*

Chartered Accountants  
Licensed Public Accountants

Hamilton, Ontario

Balance Sheet

As at March 31, 2009

[in thousands of dollars]

|                                                     | 2009<br>\$   | 2008<br>\$   |
|-----------------------------------------------------|--------------|--------------|
| <b>ASSETS</b>                                       |              |              |
| <b>Current assets</b>                               |              |              |
| Cash and cash equivalents (note 6)                  | 8,966        | 15,293       |
| Accounts receivable                                 | 7,089        | 6,190        |
| Short-term investments (notes 3 and 6)              | 20,290       | 10,996       |
| Other assets                                        | 2,224        | 462          |
|                                                     | 38,569       | 32,941       |
| <b>Long-term investments (notes 3 and 6)</b>        |              |              |
| <b>Property, plant and equipment (note 4)</b>       | <b>8,132</b> | <b>7,742</b> |
| <b>Deferred pension asset (note 5)</b>              | <b>3,629</b> | <b>2,284</b> |
| <b>Other non-current assets</b>                     | <b>192</b>   | <b>210</b>   |
|                                                     | 75,106       | 66,592       |
| <b>LIABILITIES AND NET ASSETS</b>                   |              |              |
| <b>Current liabilities</b>                          |              |              |
| Accounts payable and accrued liabilities            | 10,596       | 9,669        |
| Deferred revenue                                    | 15,034       | 12,298       |
|                                                     | 25,630       | 21,967       |
| <b>Employee future benefit obligations (note 5)</b> |              |              |
|                                                     | 31,916       | 29,424       |
|                                                     | 57,546       | 51,391       |
| <b>Net assets</b>                                   |              |              |
| Invested in property, plant and equipment           | 8,132        | 7,742        |
| Unrestricted                                        | 9,428        | 7,459        |
|                                                     | 17,560       | 15,201       |
|                                                     | 75,106       | 66,592       |

Contingencies and commitments (note 8 and 9)

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board:



Director



Director

## Statement of Operations

For the year ended March 31, 2009

[in thousands of dollars]

|                                                                              | 2009<br>\$    | 2008<br>\$    |
|------------------------------------------------------------------------------|---------------|---------------|
| <b>Revenue</b>                                                               | <b>78,354</b> | <b>74,178</b> |
| <b>Expenses</b>                                                              |               |               |
| Salaries, wages and benefits (note 5)                                        | 55,634        | 53,567        |
| Operating                                                                    | 20,987        | 18,352        |
| Amortization                                                                 | 1,818         | 1,643         |
|                                                                              | <b>78,439</b> | <b>73,562</b> |
| <b>Excess (deficiency) of revenue over expenses before investment income</b> | <b>(85)</b>   | <b>616</b>    |
| <b>Investment income</b>                                                     | <b>2,444</b>  | <b>2,194</b>  |
| <b>Excess of revenue over expenses for the year</b>                          | <b>2,359</b>  | <b>2,810</b>  |

## Statement of Changes in Net Assets

For the year ended March 31, 2009

[in thousands of dollars]

|                                                              | Invested in<br>property and<br>equipment<br>\$ | Unrestricted<br>\$ | 2009<br>Total<br>\$ | 2008<br>Total<br>\$ |
|--------------------------------------------------------------|------------------------------------------------|--------------------|---------------------|---------------------|
| <b>Balance – Beginning of year</b>                           | <b>7,742</b>                                   | <b>7,459</b>       | <b>15,201</b>       | <b>12,740</b>       |
| Change in accounting policy (note 2)                         | -                                              | -                  | -                   | (349)               |
| <b>Balance – Beginning of year, as restated</b>              | <b>7,742</b>                                   | <b>7,459</b>       | <b>15,201</b>       | <b>12,391</b>       |
| Excess (deficiency) of revenue<br>over expenses for the year | (1,818)                                        | 4,177              | 2,359               | 2,810               |
| Purchase of property and equipment                           | 2,208                                          | (2,208)            | -                   | -                   |
| <b>Balance – End of year</b>                                 | <b>8,132</b>                                   | <b>9,428</b>       | <b>17,560</b>       | <b>15,201</b>       |

The accompanying notes are an integral part of these financial statements.

## Statement of Cash Flows

For the year ended March 31, 2009

[in thousands of dollars]

|                                                                                | 2009<br>\$ | 2008<br>\$ |
|--------------------------------------------------------------------------------|------------|------------|
| <b>CASH PROVIDED BY (USED IN)</b>                                              |            |            |
| <b>Operating activities</b>                                                    |            |            |
| Excess of revenue over expenses for the year                                   | 2,359      | 2,810      |
| Items not affecting cash                                                       |            |            |
| Amortization                                                                   | 1,818      | 1,643      |
| Loss on disposal of property, plant and equipment                              | -          | 4          |
| Decrease (increase) in deferred pension assets                                 | (1,345)    | 647        |
| Decrease (increase) in other non-current assets                                | 18         | (2)        |
| Increase in employee future benefit obligation                                 | 2,492      | 2,038      |
|                                                                                | 5,342      | 7,140      |
| Net change in non-cash working capital balances related to operations (note 7) | 1,002      | 1,494      |
|                                                                                | 6,344      | 8,634      |
| <b>Investing activities</b>                                                    |            |            |
| Net increase in investments                                                    | (10,463)   | (4,757)    |
| Purchase of property, plant and equipment                                      | (2,208)    | (2,254)    |
|                                                                                | (12,671)   | (7,011)    |
| Net increase (decrease) in cash and cash equivalents during the year           | (6,327)    | 1,623      |
| Cash and cash equivalents – Beginning of year                                  | 15,293     | 13,670     |
| Cash and cash equivalents – End of year                                        | 8,966      | 15,293     |
| <b>Cash and cash equivalents is comprised of the following:</b>                |            |            |
| Cash                                                                           | 2,703      | 2,028      |
| Short-term investments                                                         | 6,263      | 13,265     |
|                                                                                | 8,966      | 15,293     |

*The accompanying notes are an integral part of these financial statements.*

# Notes to Financial Statements March 31, 2009

[in thousands of dollars]

## 1. BASIS OF PRESENTATION

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 Small Business and Consumer Services (“MSBCS”). 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:

### Cash and cash equivalents

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

### Investments and investment income

Publicly traded securities are valued based on the latest bid prices. Short-term securities are valued based on cost plus accrued income, which approximates fair value. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Investment income, which consists of interest, dividends, and realized and unrealized gains and losses, is recorded as investment income in the statement of operations.

### Property, plant and equipment

Property, plant and equipment 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.

### Asset retirement obligations

On an annual basis, ESA reviews its assets and lease commitments to determine if there are any asset retirement obligations and associated asset retirement costs to accrue. Management has determined that no such accruals are required.

### Impairment of long-lived assets

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the long-lived assets may not be recoverable. If an impairment is determined to exist, the assets or group of assets are written down to fair value.

## Notes to Financial Statements March 31, 2009

[in thousands of dollars]

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *Continued*

#### **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.

#### **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.

#### **Financial instruments**

Financial instruments are financial assets or liabilities of ESA which, in general, provide ESA the right to receive cash or another financial asset from another party or require ESA to pay another party cash or other financial assets.

The fair value of ESA's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and deferred revenue approximate their carrying values due to the short-term nature of these financial instruments. The fair value of investments are disclosed in note 3.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and significant matters of judgement. Changes in assumptions could significantly affect the estimates.

#### **Financial instruments – Recognition and Measurement**

Financial assets and liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the ESA's designation of such instruments. All financial instruments are classified as held-for-trading, held-to-maturity, available-for-sale, loans and receivables, liabilities or derivatives and are measured at amortized cost or fair value depending on the type of instrument.

# Notes to Financial Statements March 31, 2009

[in thousands of dollars]

The following table presents the classification of financial instruments as at March 31, 2009:

|                                          | Classification        |
|------------------------------------------|-----------------------|
| Cash and cash equivalents                | Held for trading      |
| Accounts receivable                      | Loans and receivables |
| Investments                              | Held for trading      |
| Accounts payable and accrued liabilities | Other liabilities     |

On transition on April 1, 2007, investments were decreased by \$349 and unrestricted net assets were decreased by \$349.

### 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.

### Capital management

On April 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 1535 Capital Disclosures, which establishes standards for disclosing information about a Company’s capital and how it is managed to enable users of financial statements to evaluate the Company’s objectives, policies and processes for managing capital, quantitative data about what the Company regards as capital and whether the Company has complied with any externally imposed capital requirements (note 11).

The above noted new standard has no impact on the classification and valuation of ESA’s financial statements.

### Recent Canadian accounting pronouncements

The CICA has issued the following handbook section, which applies commencing with ESA’s 2010 fiscal year.

The Accounting Standards Boards (“AcSB”) has approved amendments to several of the standards dealing with not-for-profit organizations in the 4400 series of Handbook Sections. Specifically, the amendments eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets.

It is not anticipated that the adoption of these accounting principles will have a significant impact on ESA or its financial statements.

Notes to Financial Statements March 31, 2009

[in thousands of dollars]

3. INVESTMENTS

Investments consist of the following:

|                                       | 2009   | 2008   |
|---------------------------------------|--------|--------|
|                                       | \$     | \$     |
| Federal bonds                         | 9,197  | 7,865  |
| Provincial bonds                      | 12,208 | 8,566  |
| Corporate bonds                       | 23,469 | 17,980 |
|                                       | 44,874 | 34,411 |
| Less: Investments recorded as current | 20,290 | 10,996 |
|                                       | 24,584 | 23,415 |

Investments are internally restricted for future expenditures for post-retirement benefits (note 6). The bonds have a weighted average term to maturity of 50 months and a weighted average interest rate of 4.48%.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

|                                           | 2009   |                          |       | 2008   |                          |       |
|-------------------------------------------|--------|--------------------------|-------|--------|--------------------------|-------|
|                                           | Cost   | Accumulated amortization | Net   | Cost   | Accumulated amortization | Net   |
|                                           | \$     | \$                       | \$    | \$     | \$                       | \$    |
| Land                                      | 450    | -                        | 450   | 450    | -                        | 450   |
| Building                                  | 3,344  | 494                      | 2,850 | 3,344  | 360                      | 2,984 |
| Computer software and licenses            | 8,557  | 6,701                    | 1,856 | 7,865  | 5,972                    | 1,893 |
| Electronic equipment                      | 3,748  | 2,446                    | 1,302 | 2,949  | 2,044                    | 905   |
| Telephone and projection system equipment | 1,764  | 779                      | 985   | 1,291  | 558                      | 733   |
| Office furniture and inspection equipment | 1,263  | 878                      | 385   | 1,155  | 757                      | 398   |
| Leasehold improvements                    | 1,895  | 1,591                    | 304   | 1,761  | 1,382                    | 379   |
|                                           | 21,021 | 12,889                   | 8,132 | 18,815 | 11,073                   | 7,742 |

Included in computer software and licenses in 2009 is \$86 for capital projects (2008 - \$87), electronic equipment \$38 (2008 - \$296) and telephone and projection system equipment \$6 (2008 - \$668) which are in process and will be transferred to completed projects during 2010. There was no amortization recorded for capital projects and other equipment in process in 2009.

## Notes to Financial Statements March 31, 2009

[in thousands of dollars]

### 5. EMPLOYEE FUTURE BENEFIT PLANS

ESA's employee benefit plans include defined benefit plans that provide pension and other post-employment benefits ("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, 2008 and OPEB and long-term disability are measured as at March 31, 2009. The fair value of assets is determined using the December 31, 2008 asset values.

The actuarial present value of the accrued pension benefits for accounting purposes is estimated as at March 31, 2009 based on a projection of the actuarial valuation as of January 1, 2008. The effective date of the next required actuarial valuation report for funding purposes for the pension plans is January 1, 2011.

Information about ESA's defined pension benefit plans and OPEB plans for the year ended March 31, 2009 is as follows:

|                                                            | 2009                           |                  | 2008                           |                  |
|------------------------------------------------------------|--------------------------------|------------------|--------------------------------|------------------|
|                                                            | Pension<br>benefit plans<br>\$ | OPEB plans<br>\$ | Pension<br>benefit plans<br>\$ | OPEB plans<br>\$ |
| Accrued benefit obligation, end of year                    | 170,635                        | 33,869           | 190,579                        | 34,183           |
| Fair value of plan assets, end of year                     | 153,396                        | -                | 187,462                        | -                |
| Funded status – plan deficit                               | (17,239)                       | (33,869)         | (3,117)                        | (34,183)         |
| Unamortized net actuarial (gain) loss                      | (10,593)                       | 3,021            | 11,745                         | 5,520            |
| Deferred asset (gain) loss                                 | 30,679                         | -                | (6,818)                        | -                |
| Unamortized past service costs                             | -                              | -                | 250                            | -                |
| Unamortized transitional asset                             | (555)                          | (35)             | (1,111)                        | (70)             |
| Employer contributions from January to March 31, 2009      | 1,337                          | -                | 1,335                          | -                |
| Accrued benefit asset (liability)                          | 3,629                          | (30,883)         | 2,284                          | (28,733)         |
| Add: Workplace Safety Insurance Board of Ontario liability | -                              | (1,033)          | -                              | (691)            |
| Total employee future benefit asset (obligation)           | 3,629                          | (31,916)         | 2,284                          | (29,424)         |

The amount of \$3,629 (2008 - \$2,284) 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 \$4,294 (2008 - \$2,954) in the pension plan and a liability of \$665 (2008 - \$670) in the Supplementary Retirement Plan.

The net benefit plan expense for the year ended March 31, 2009 for the pension benefit plans is \$3,856 (2008 - \$5,996) and for OPEB plans is \$3,420 (2008 - \$3,415).

Notes to Financial Statements March 31, 2009

[in thousands of dollars]

5. EMPLOYEE FUTURE BENEFIT PLANS *Continued*

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 |           |
|----------------------------------|-----------------------|-----------|------------|-----------|
|                                  | 2009<br>%             | 2008<br>% | 2009<br>%  | 2008<br>% |
| Discount rate                    | 7.40                  | 5.50      | 7.40       | 5.50      |
| Rate of compensation             |                       |           |            |           |
| Increase (before merit)          | 3.00                  | 3.00      | -          | -         |
| Increase in Consumer Price Index | 2.40                  | 2.40      | 2.40       | 2.40      |

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 |           |
|--------------------------------------------------|-----------------------|-----------|------------|-----------|
|                                                  | 2009<br>%             | 2008<br>% | 2009<br>%  | 2008<br>% |
| Discount rate                                    | 7.40                  | 5.50      | 7.40       | 5.50      |
| Expected long-term rate of return on plan assets | 7.10                  | 7.10      | -          | -         |
| Rate of compensation                             |                       |           |            |           |
| Increase (before merit)                          | 3.00                  | 3.00      | -          | -         |
| Increase in Consumer Price Index                 | 2.40                  | 2.40      | 2.40       | 2.40      |

ESA's rate of growth for health care costs is estimated at 8.5% per annum and is assumed to decrease gradually to 4.5% in seven 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:

|                             | 2009<br>% | 2008<br>% |
|-----------------------------|-----------|-----------|
| Cash                        | 4         | -         |
| Fixed income securities     | 36        | 36        |
| Canadian equities           | 19        | 20        |
| U.S. equities               | 19        | 19        |
| Non-North American equities | 22        | 25        |

## Notes to Financial Statements March 31, 2009

[in thousands of dollars]

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

|                          | 2009<br>\$ | 2008<br>\$ |
|--------------------------|------------|------------|
| Employer's contributions | 5,187      | 5,317      |
| Employees' contributions | 2,194      | 2,068      |
| Benefits paid            | 7,141      | 6,734      |

### 6. INTERNALLY RESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS

Investments in the amount of \$24,584 (2008 - \$23,415) and cash and cash equivalents in the amount of \$7,332 (2008 - \$5,318) for a total of \$31,916 (2008 - \$28,733) 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.

### 7. STATEMENT OF CASH FLOWS

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

|                                          | 2009<br>\$ | 2008<br>\$ |
|------------------------------------------|------------|------------|
| Accounts receivable                      | (899)      | 159        |
| Other assets                             | (1,762)    | 245        |
| Accounts payable and accrued liabilities | 927        | 1,405      |
| Deferred revenue                         | 2,736      | (315)      |
|                                          | 1,002      | 1,494      |

### 8. 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, 2009

[in thousands of dollars]

## 9. 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:
- |            |        |
|------------|--------|
|            | \$     |
| <hr/>      |        |
| 2010       | 2,344  |
| 2011       | 1,919  |
| 2012       | 1,774  |
| 2013       | 1,773  |
| 2014       | 1,772  |
| Thereafter | 1,772  |
|            | <hr/>  |
|            | 11,354 |
| <hr/>      |        |
- b) The Company has signed a letter of intent to purchase the currently leased premises at 155A Matheson Boulevard West, Mississauga, Ontario for \$5,660. If the purchase agreement is reached, it is expected that the asset transfer would be completed in the first quarter of 2010.
- c) As at March 31, 2009, a letter of credit in the amount of \$693 has been issued to the Workplace Safety Insurance Board of Ontario to support an accrued liability of \$1,033. This letter of credit is collateralized by cash and cash equivalents.

## 10. FINANCIAL INSTRUMENTS

### Risks arising from financial instruments and risk management

ESA is exposed to a variety of financial risks including market and credit risk. ESA's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on ESA's financial performance. ESA is exposed to interest rate risk and market risk with regards to its short and long-term investments, which are regularly monitored.

### Credit risk and customer concentration

Credit risk arises from cash and cash equivalents held with financial institutions, and credit exposures to customers on outstanding accounts receivable balances. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. Cash is held at a major financial institution that has a high credit rating assigned to it by international credit-rating agencies minimizing any potential exposure to credit risk. ESA assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Management also monitors payment performance and the utilization of credit limits of customers.

Concentration of credit risk arises when a group of customers has similar characteristics, such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions. Management has assessed the risk of concentration of credit risk and has concluded that this is not a significant risk based on the make up of the accounts receivable balance. ESA has policies in place to ensure that sales are made to customers with an appropriate credit history.

## Notes to Financial Statements March 31, 2009

[in thousands of dollars]

### **Liquidity risk**

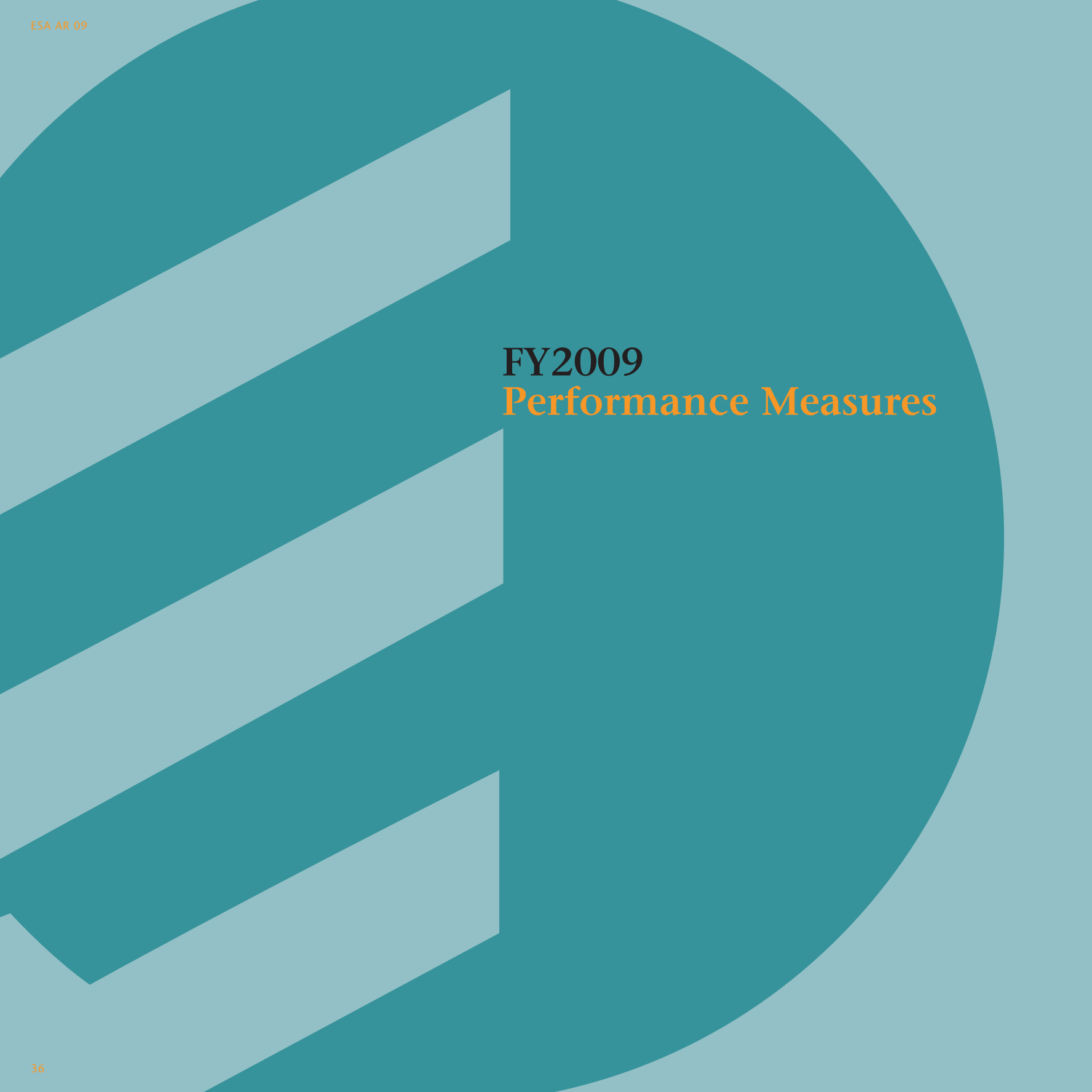
Liquidity risk results from the ESA's potential inability to meet its obligations associated with the financial liabilities as they become due. ESA monitors its operations and cash flows to ensure that current and future obligations will be met. ESA believes that its current sources of liquidity are sufficient to cover its currently known short and long-term cash obligations.

### **11. CAPITAL MANAGEMENT**

ESA defines its capital as the amounts included in its net asset balances.

ESA's objective when managing its capital is to safeguard its ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to its stakeholders.

ESA sets the amount of net asset balances in proportion to risk, manages the net asset structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.



# FY2009 Performance Measures

| Leadership<br>in electrical<br>safety | Success and Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Safety Awareness</b>               | <ul style="list-style-type: none"> <li>• Increase awareness of powerline safety campaign among high-risk groups (roofers, siders, and eaves trough installers) by 25%.</li> <li>• Reduce the number of fatalities and incidents in the electrical trades by 20%.</li> <li>• Develop an Arc Flash Safety campaign.</li> <li>• Implement and expand ESA-sponsored safety education to electrical apprentices.</li> <li>• Create a long-term Powerline Safety Strategy developed and updated with stakeholder input to drive ESA activities to reduce incidents.</li> </ul> | <ul style="list-style-type: none"> <li>• A targeted campaign resulted in 70% recall, with 75% of those indicating powerline safety information received was shared.</li> <li>• 3 critical injuries were reported for electrical trades working on panels. This represents a decrease of 40%.</li> <li>• A multifaceted campaign has been developed that includes a comprehensive worker safety awareness campaign, training materials, presentations, and a joint awareness campaign developed with the "Greater Toronto Electrical Contractors Association" targeting business owners.</li> <li>• ESA delivered 45 Safety Education sessions to 1,330 apprentices at 9 Community Colleges.</li> <li>• Strategy developed and updated with stakeholder input to drive ESA activities to reduce incidents.</li> </ul>                                                                                                                                                                                                                                                                                                                                |
| <b>Regulatory Development</b>         | <ul style="list-style-type: none"> <li>• 2009 Ontario Electrical Safety Code developed.</li> <li>• Identify and resolve 600 individuals doing electrical work without a licence.</li> <li>• Implement the next phase of contractor licensing enforcement and public awareness.</li> <li>• Create a database structure and processes to support corporate enforcement initiatives.</li> <li>• Implement Product Safety regulations.</li> </ul>                                                                                                                            | <ul style="list-style-type: none"> <li>• Ontario Electrical Safety Code was amended December 2008 and the 24th Edition/2009 Code became effective May 1st, 2009.</li> <li>• 763 notices of violation were issued as of March-end 2009.</li> <li>• 3 phase radio, media and public relations effort launched exceeding ESA's planned reach of 21+M to support of enforcement efforts.</li> <li>• A database structure has been developed and a provincial security investigator coordinator has been introduced to provide a consistent approach to investigations.</li> <li>• GM hired and department structured to support implementation of the Product Safety regulation. An unsafe product reporting database has been introduced within <a href="http://www.esasafe.com">www.esasafe.com</a> to support manufacturers, wholesalers, retailers, importers, distributors and consumers in reporting unsafe electrical products. Manufacturers, retailers, wholesalers, distributors and importers have been notified of the requirement and process for registration on-line at <a href="http://www.esasafe.com">www.esasafe.com</a>.</li> </ul> |
| <b>Safety Management Framework</b>    | <ul style="list-style-type: none"> <li>• Develop models for inspection prioritization and frequency.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• ESA has benchmarked inspection models used in other jurisdictions and has completed a report to support business decision-making.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Excellent Stakeholder Relations | Success and Performance Measures                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | Plan                                                                                                                                                                                                                                                                                                                                                                                | Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>New Initiatives</b>          | <ul style="list-style-type: none"> <li>• Increase engagement with First Nations Communities.</li> <li>• Provide electrical safety information to the public to increase risk awareness of potential electrical hazards by 25%.</li> </ul>                                                                                                                                           | <ul style="list-style-type: none"> <li>• ESA increased the frequency of visits to First Nations Remote Communities by 60% in FY09.</li> <li>• ESA's multi-media pilot campaign targeted 650K homeowners in 8 locations across Ontario and received a 23% recall. In addition, the direct mail component of the campaign provided a 20% recall of the "Plug In Safely, hire a licensed electrical contractor" messaging to support ESA's Licensing initiative.</li> </ul>                                                                                                                                                                                                                                                                                                |
| <b>Stakeholder Satisfaction</b> | <ul style="list-style-type: none"> <li>• Increase contractor satisfaction with ESA by 5%.</li> <li>• Increase Continuous Safety Services program satisfaction with ESA by 5%.</li> <li>• Respond to weaknesses identified by customer surveys.</li> <li>• Ensure that customers support the value for ESA fees.</li> <li>• Create "Don't Work Live" Strategic Alliances.</li> </ul> | <ul style="list-style-type: none"> <li>• Contractor Satisfaction increased 1.5% in FY09.</li> <li>• Continuous Safety Services customer satisfaction increased by 16.7%.</li> <li>• ESA has worked to enhance satisfaction through increased communication (6 issues of the Plugged In Newsletter, ongoing face-to-face meetings and contractor information sessions), training, the roll-out of technical bulletins, and the development of an account management structure for CSS.</li> <li>• ESA worked with its contractor community through a series of both 1 on 1 and regional group sessions to continue to enhance its value proposition.</li> <li>• ESA has formed an alliance with CSA to support the introduction of the new CSA Z462 standard.</li> </ul> |

| Skilled and Motivated Employees | Success and Performance Measures                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | Plan                                                                                                                                                                                                                                                                                                                                                                                                                  | Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>New Initiatives</b>          | <ul style="list-style-type: none"> <li>• Develop a communication strategy and implement Phase 1 to achieve the goal of over 70% of employees believe communication has improved.</li> <li>• Create a succession and organizational development plan for the business.</li> <li>• Implement first phase of Employer of Choice recognition program.</li> <li>• Develop and implement ESA corporate intranet.</li> </ul> | <ul style="list-style-type: none"> <li>• ESA introduced phase 1 focusing on facilitating information exchange through department updates, Council updates and increased frequency in production of the Plugged-In Newsletter. In a year-end survey 65% of employees identified that communication had improved.</li> <li>• A succession plan for "critical" positions within the corporation has been created.</li> <li>• ESA's employee survey with Hewitt was conducted in May to establish a benchmark. Cross-functional teams have been assembled to address opportunities to improve employee engagement.</li> <li>• A corporate Intranet has been created which includes all CSC processes, corporate information, and on-line access to CSS inspection content.</li> </ul> |
| <b>Stakeholder Satisfaction</b> | <ul style="list-style-type: none"> <li>• Create dedicated specialty teams dealing with special events, incident investigations, unsafe products, training delivery, and contractor licensing.</li> <li>• Address employee concerns raised in surveys.</li> <li>• Ensure over 85% of employees feel ESA has a positive impact on public safety.</li> </ul>                                                             | <ul style="list-style-type: none"> <li>• Dedicated teams have handled serious incident investigations and led to the justification of a full-time employee focused on specialty investigations.</li> <li>• Working groups have been assigned to review and respond to concerns that decrease employee engagement.</li> <li>• 87.8% of employees indicated they believe ESA has a positive impact on public safety.</li> </ul>                                                                                                                                                                                                                                                                                                                                                     |

| Financing the Safety Business         | Success and Performance Measures                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | Plan                                                                                                                                                                                                                                                                                                                                                               | Actual                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Financial Resource</b>             | <ul style="list-style-type: none"> <li>Fund safety services by diversifying revenue by 17%.</li> <li>Develop a long-term plan for sustainability of pension plans and OPEB benefits.</li> <li>Implement a plan for funding safety initiatives.</li> </ul>                                                                                                          | <ul style="list-style-type: none"> <li>An increase of 11% was achieved following a shortfall in Code sales due to pricing and economic concerns.</li> <li>Plans completed. An asset/liability study and recent preliminary actuarial valuations completed.</li> <li>Internal benchmarks completed, five year forecast updated, and financial framework updated.</li> </ul> |
| <b>Service / Program Expectations</b> | <ul style="list-style-type: none"> <li>Increase Continuous Safety Services program participation by 1,000 new sites.</li> <li>Implement the next phase of the Continuous Safety Services program strategy, and ensure alignment of the sales and delivery structure.</li> <li>Achieve agreement on the criteria to evaluate new business opportunities.</li> </ul> | <ul style="list-style-type: none"> <li>New sites have exceeded approximately 1,900.</li> <li>Sales and marketing and account management strategies have been completed to support targeted sales efforts and to streamline account management and delivery activities.</li> <li>Criteria have been defined to evaluate new business opportunities.</li> </ul>              |

| Effective Quality Service                       | Success and Performance Measures                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 | Plan                                                                                                                                                                                                                                                                                                                     | Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Improve Business Productivity/ Processes</b> | <ul style="list-style-type: none"> <li>Increase operational effectiveness by 4%.</li> <li>Increase Customer Service Centre effectiveness by 5%.</li> <li>Identify best practices organizations that ESA can benchmark against.</li> <li>Establish an external effectiveness measure and communicate to staff.</li> </ul> | <ul style="list-style-type: none"> <li>Operating effectiveness was increased by 7.1%.</li> <li>ESA's effectiveness effort has resulted in more than a 27.4% improvement in error rate.</li> <li>Benchmarking completed and ESA monthly reporting in place using BC Safety Authority as the measure.</li> <li>ESA has created a steering committee and a multi-discipline Project Team will focus on:               <ol style="list-style-type: none"> <li>Maintaining the steering committee structure</li> <li>Orienting all inspectors to the ESA concepts that have been completed</li> <li>Completing a comprehensive regulatory safety attributes model</li> <li>Identifying and acting on safety priority areas</li> <li>Establishing an ESA baseline</li> <li>Expanding electrical safety impact measures to training and CSS FY2010</li> </ol> </li> </ul> |
| <b>Enhance Information Systems</b>              | <ul style="list-style-type: none"> <li>Implement next phase of information technology upgrade.</li> <li>Continue implementation of the Business Continuity Plan.</li> <li>Introduce a quality management system.</li> </ul>                                                                                              | <ul style="list-style-type: none"> <li>ESA's network, servers, and laptops have been upgraded. Tools have been added to support CSC operations.</li> <li>IT technology plan completed that includes updates to CSC telephony and other systems.</li> <li>ESA has developed a project plan and expects to achieve level 1 Certification from NQI in FY2010.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

# Business Plan 2010 - 2012

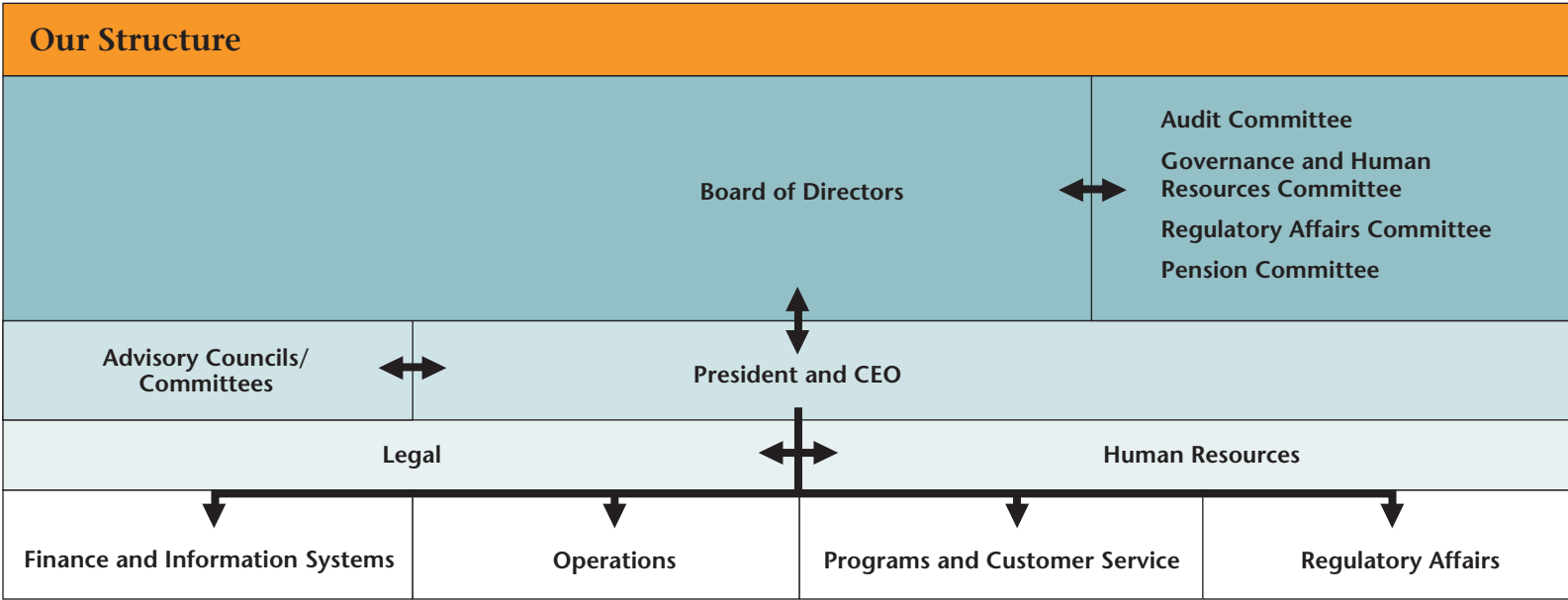
The Electrical Safety Authority's (ESA) business direction is driven by its mandate for public electrical safety. Aggressive objectives and action plans for the business cycle have been framed within a longer-term business strategy that carries us through to 2012. As we continue to advance public safety 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 and alliances 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.
- Business planning addresses potential business risks.
- Employees have the skills and motivation to advance the safety business.

# Planning Assumptions

The following assumptions have been taken into consideration, and must materialize, if the Electrical Safety Authority (ESA) is to meet the measures of success for its fiscal 2010-2012 business plan cycle:

- ESA successfully executes the strategic plan and annual business plans.
- 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 support residential and commercial/industrial 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.



# Business Plan

| Managing Risk & Demonstrating Leadership | Success and Performance Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Safety Management Framework              | <ul style="list-style-type: none"> <li>• Create an incident database.</li> <li>• Apply a consistent measure of electrical safety impact.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Influencing Safety Rules & Culture       | <ul style="list-style-type: none"> <li>• Identify and propose standards changes to address high-risk electrical incidents related to multi-meters, extension cords, working in panels, CFLs, and powerline clearances.</li> <li>• Sponsor and participate in the development of a CSA national standard for inspection of existing dwelling units.</li> <li>• Complete 2009 implementation of the OESC 24th Edition/2009.</li> <li>• Achieve enforcement alignment and program improvement.</li> <li>• Implement Product Safety regulations and programs.</li> <li>• Implement the next phase of Contractor Licensing Enforcement.</li> <li>• Develop and begin to implement a transition plan for Provisional Electrical Contractor Licensing.</li> <li>• 800 candidates pass the master electrician examination.</li> </ul> |
| Increased Prevention                     | <ul style="list-style-type: none"> <li>• Implement the FY2010 portion of the powerline safety strategy.</li> <li>• Increase awareness of powerline safety among tree trimmers and landscapers by 25%.</li> <li>• Develop an electrical fire safety strategy.</li> <li>• Establish ESA's training line of business as prevention training.</li> <li>• Expand ESA sponsored safety education and presentations to electrical apprentices.</li> <li>• Engage high-risk occupations in electrical safety awareness.</li> <li>• Reduce the number of panel related critical injuries and deaths among Electricians by 20%.</li> </ul>                                                                                                                                                                                              |

| Excellent Effective Stakeholder and Safety Partner Alignment                | Success and Performance Measures                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                             | Plan                                                                                                                                                                                                                                                                                                                                                                              |
| Strengthen Stakeholder Engagement, Partnerships and Alignment to ESA Vision | <ul style="list-style-type: none"> <li>• Communication to raise safety awareness to electrical contractors.</li> <li>• Align services with customer needs.</li> <li>• Create and leverage effective safety and strategic alliances.</li> <li>• Effective engagement of advisory councils.</li> <li>• Implement Board approved project plan for Stakeholder engagement.</li> </ul> |

Business Plan Continued

| Skilled and Motivated Employees                                             | Success and Performance Measures                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                             | Plan                                                                                                                                                                                                                                                                                                                          |
| Develop culture that engages ESA employees & aligns effort to safety vision | <ul style="list-style-type: none"><li>• Seek alignment and enhanced relationships between unions and management.</li><li>• Implement programs that address the top 5 priorities identified in the FY2009 employee survey (career opportunities, leadership, managing performance, recognition, and work processes).</li></ul> |
| Build organizational capabilities                                           | <ul style="list-style-type: none"><li>• Proactive planning to ensure organization resources and competencies are aligned with strategy.</li><li>• Achieve the best health &amp; safety programs including Z462 implementation.</li></ul>                                                                                      |

| Financing Financial Systems to Support Safety Initiatives & Risk Mngt. Culture | Success and Performance Measures                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                | Plan                                                                                                                                                                                                                                              |
| Financial Framework & Implementation of Safeguarding Processes                 | <ul style="list-style-type: none"><li>• Effective cost and reserve management practices.</li><li>• Develop a strategic business model for inspection and funding.</li><li>• Increase participation in CSS program by adding 1000 sites.</li></ul> |
| Integration of Enterprise Risk Management Framework                            | <ul style="list-style-type: none"><li>• Develop processes to regularly scan the environment to identify risks.</li><li>• Include risk mitigation controls, and execution of these controls, into the annual business planning cycle.</li></ul>    |

| Effective Best in Class Organization                         | Success and Performance Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                              | Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Develop Response Plans to Manage Unexpected Situations       | <ul style="list-style-type: none"><li>• Business continuity planning and testing.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Develop Best in Class Business Processes, Systems & Services | <ul style="list-style-type: none"><li>• Rationalize and improve core safety &amp; CSC processes.</li><li>• 85% of all wiring notifications will include Electrical Safety Impact rating.</li><li>• 90% of all technical defects are actioned within 60 days.</li><li>• Continue implementation of special investigation team program.</li><li>• Improve the effectiveness of information technologies and systems.</li><li>• Increase CSC effectiveness by 5%.</li><li>• Effective project and change management system.</li></ul> |



## Financial Projections and Trends

In the past, the Electrical Safety Authority's (ESA) strategic plan has addressed the need to achieve and maintain financial stability. While we continue to focus on that strategy, ESA will also address the need for adequate financing of its safety business. ESA will continue to develop prudent financial strategies to support adequate and ongoing funding of safety initiatives especially given the current economic environment.

The Company is impacted by the Ontario economy and will experience a decline in its revenue for Fiscal 2010. The Company will then expect to experience growth in future years, as the Ontario economy recovers from the current recession. Residential construction starts are expected to decline in Fiscal 2010, as is the Industrial/Commercial/Institutional sector. The introduction of the new Ontario Electrical Safety Code in Fiscal 2009 (actual implementation date of May 1, 2009) added to revenue in that year but the Company will not experience the same level of activity in Fiscal 2010.

The introduction of the *Green Energy Act* (GEA) will introduce the Company to new services related to the installation of micro generation facilities mainly in residences.

Annual revenue is expected to decrease by 3.2% in Fiscal 2010, and then increase by 7.2% in Fiscal 2011 and 8.4% in Fiscal 2012 due to the expected recovery of the economy and the impact of the GEA. The Company's objective is to diversify revenue so that less reliance is placed on wiring inspection services. The expansion of the Continuous Safety Services (CSS) program and other similar initiatives such as the GEA installations will provide new revenue sources. A rate increase averaging approximately 1.9% will be implemented on September 8, 2009, and further rate increases of approximately 2% per year are expected. The Company continues to strive for productivity improvements in all of its lines of business. Revenue will decrease to \$75.9 million in Fiscal 2010 but increase to \$88.2 million in Fiscal 2012.

Operating expenses are expected to decrease in Fiscal 2010 by \$1.1 million or 1.4%. This decrease in spending reflects the impact of the economy and reduced activity related to the 2009 OESC. Operating expenses increase by 7.0% in Fiscal 2011 and 9.2% in Fiscal 2012 which are approximately in line with the expected revenue increases in those years. As a result, ESA's plan assumes a cumulative modest excess (revenue exceeding expenses) of \$200,000 for the next three fiscal years.

Capital spending in Fiscal 2010 to Fiscal 2012 will focus on 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 2010 and future years. *Facing page are actual financial results for Fiscal 2009 and projections for the Fiscal Years 2010 to 2012. The projections for 2010 to 2012 are those of ESA management.*

# Revenue and Expenses

|                               | 2009        | 2010         |          | 2011         |          | 2012         |          |
|-------------------------------|-------------|--------------|----------|--------------|----------|--------------|----------|
| (\$ millions)                 | (actual)    | (projection) | % change | (projection) | % change | (projection) | % change |
| <b>REVENUES</b>               |             |              |          |              |          |              |          |
| <b>Total</b>                  | <b>78.4</b> | 75.9         | (3.2)    | 81.4         | 7.2      | 88.2         | 8.4      |
| <b>EXPENSES</b>               |             |              |          |              |          |              |          |
| Salaries, Wages<br>& Benefits | <b>55.6</b> | 55.7         | 0.0      | 59.3         | 6.5      | 65.3         | 10.1     |
| Operating Expenses            | <b>20.1</b> | 19.6         | (2.5)    | 21.5         | 9.7      | 23.0         | 7.0      |
| Depreciation                  | <b>1.8</b>  | 2.0          | 11.1     | 1.9          | (5.0)    | 2.0          | 5.3      |
| <b>Total</b>                  | <b>78.4</b> | 77.3         | (1.4)    | 82.7         | 7.0      | 90.3         | 9.2      |
| Margin                        | <b>0.0</b>  | (1.4)        |          | (1.3)        |          | (2.1)        |          |
| Investment income             | <b>2.4</b>  | 1.5          |          | 1.4          |          | 2.1          |          |
| <b>NET</b>                    | <b>2.4</b>  | 0.1          |          | 0.1          |          | 0.0          |          |

# Responding to Our Customers

## Our Privacy Guidelines

In accordance with the terms of our Administrative Agreement, the Electrical Safety Authority (ESA) implemented its customer privacy policy and appointed a Chief Privacy Officer to handle customer complaints.

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

ESA received and responded to 606 Freedom of Information requests in FY2009.

## 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. ESA's complaints policy is posted on its website at [www.esasafe.com](http://www.esasafe.com).

In Fiscal 2009 ESA received recorded 30 written complaints, and responded in accordance with ESA's compliant policy.

## 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 a required basis to ensure ESA fulfils its public safety mandate.

## Industry Advisory Council

**Brad Bell**, Hammerschlag and Joffe Consulting Engineers

**Brian Curran**, President & CEO, PUC Distribution Inc.

**Wayne Donaldson**, Vice President Marketing , Rexel Canada Electrical Inc.

**Nick Maalouf**, Vice President, QPS Evaluation Services

**Scott McKay**, Manager, Strategic Alliances, Industrial Accident Prevention Association

**Joseph Neu**, Vice President, Electro-Federation Canada

**Gary Rygus**, Director, Government Relations (Ontario), Retail Council of Canada

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

**Brian Savaria**, Manager, Codes & Standards, Eaton Electrical – Cutler-Hammer

**Doug Smith**, Manager, Product Services, Sears Canada Inc.

**Dave Sinclair**, President & CEO, Kenora Hydro

**Tim Woods**, National Manager, Engineering/Risk Management, Aviva Insurance Company of Canada

## Consumer Advisory Council

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**John Buchanan**, Ottawa

**Chris Ferguson**, Director, Consumer Protection Branch, Ministry of Consumer Services

**Ed Gulbinas**, Manager, Applied Research Ontario Office of the Fire Marshal

**Hollis Hopkins**, Toronto

**Kari Manninen**, Director, Municipal Health and Safety Association

**Joan A. Pajunen**, Collingwood

**Dick Vosburgh**, Professor Emeritus, Consumer Studies, University of Guelph

**Bob Wing**, Pickering

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**Glenn Carr**, Campbell & Kennedy Electric Limited

**Rick Charron**, Anew Electrical Contracting Limited

**Eric Glahs**, Lorne Electric - 1075777 Ontario Limited

**Mary Ingram-Haigh**, Ontario Electrical League

**Barry Moss**, Four-O-One Electric

**Sandy Ragno**, Solo Electric

**Eryl Roberts**, Electrical Contractors Association of Ontario

## Provincial Code Committee

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**Ken Brightwell**, Electrical Safety Authority

**Bill Burr**, CSA International

**Greg Galbraith**, G.E. Galbraith Electric

**Ed Garraway**, Garraway Electrical Services

**John Gryffyn**, Ministry of Municipal Affairs and Housing

**Armen Kassabian**, Ontario Office of the Fire Marshal

**Chris Magnusson**, General Motors of Canada

**Gabriel Mansour**, Ministry of Labour

**Michael Nusenbaum**, Underwriters' Laboratories of Canada

**Peter Olders**, IBEW Construction Council of Ontario

**Ted Olechna**, Electrical Safety Authority

**Tony Poirier**, Durham College

**Eerik Ransalu**, Ontario Office of the Fire Marshal

**Doug Reith**, Nexans Canada Incorporated

**John Salmon**, A.R. Milne Electrical Limited

**Brian Savaria**, Eaton Electrical Canada

**Ross Sutherland**, International Association of Electrical Inspectors

**Maurice Tucci**, Electricity Distributors Association

**Jeremy Walker**, Walker's Electric 2000

## Utility Advisory Council

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**Alan Beattie**, Vice President, Prevention Services, Electrical & Utilities Safety Association of Ontario

**Stephen Brown**, Director, Electrotechnical Standards, Canadian Standards Association

**Mary Bryne**, Manager, Standards & Policy Planning, Toronto Hydro – Electric Systems Limited

**Wayne Corrigan**, Regional Manager – External Liaison, Bell Canada

**Jim Douglas**, Executive Director, Ontario Regional Common Ground Alliance (ORCGA)

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

**Herbert Haller**, Vice President – Engineering & Stations, Waterloo North Hydro Incorporated

**Richard Hustwick**, Senior Policy Advisor, Ministry of Consumer Services

**Mary Ingram-Haigh**, President, Ontario Electrical League

**Rick Johnson**, Senior Inspector, Electrical Safety Authority

**Irv Klajman**, Director, Distribution Design, PowerStream Incorporated

**Pierre Lemay**, Supervisor – Commercial Design, Hydro Ottawa Limited

**Gabriel Mansour**, Provincial Coordinator, Professional & Specialized Services, Ministry of Labour

**John Mattinson**, President & Secretary, Orillia Power Distribution Corporation

**Brian McMillan**, Vice President – Distribution Electrical Systems, Greater Sudbury Utilities Incorporated

**Arlen Molyneaux**, Director of Engineering, Guelph Hydro Electric Systems Incorporated

**Doug Morrison**, Senior Manager of Distribution & Standards, Enersource Hydro Mississauga Incorporated

**George Mychailenko**, Chief Executive Officer, Brantford Power Incorporated

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

**Joan A. Pajunen**, Consumer Representative

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

**Peter Petriw**, Manager – Engineering & Construction, Veridian Connections Incorporated

**Neil Sandford**, Vice President – Distribution Utility Services, AESI Acumen Engineered Solutions International Incorporated

**John Savage**, Senior Policy Advisor, Transmission and Distribution Policy Branch, Ministry of Energy and Infrastructure

**William Schwarz**, W.O. Schwarz Consulting

**Jac Vanderbaan**, Vice President of Engineering & Operations, Festival Hydro Incorporated

**Jerry Van Ooteghem**, President & CEO, Kitchener-Wilmot Hydro Incorporated

**Ken Walsh**, Vice President – Engineering & Operations, London Hydro Incorporated

**Gaye-Donna Young**, Chief Operating Officer, Newmarket-Tay Power Distribution Limited

**Frank Zechner**, Executive Director, Ontario Sewer & Watermain Construction Association

# Summary 2008 Ontario Electrical Safety Report

# Summary

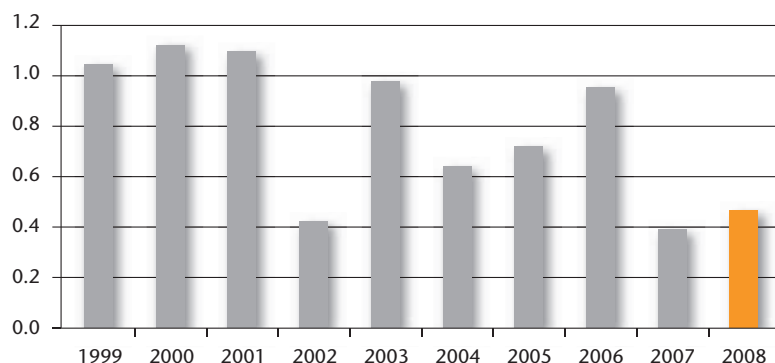
## 2008 Ontario Electrical Safety Report (as of June 24, 2009)

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 business plans, safety management framework, proposals for regulatory design and change, safety and awareness programs, and support ESA in defining safety alliances and effective enforcement activities.

Information for this assessment is focused on electrical contact incidents and is primarily based on the compilation of records from Ontario coroners. In 2008 there were six electrocutions and five fatalities as a result of electrical fires. The reported rate of electrocution per million population in Ontario increase slightly from .389 in 2007 to .464 in 2008.

Between 1999 and 2003 the fatality rate per million population was 0.929 compared to 0.631 between 2004 and 2008 representing a 31.9% reduction. The fire fatality rate has also declined in the same period;

**Figure 1: Electrocution vs. Population Rate**

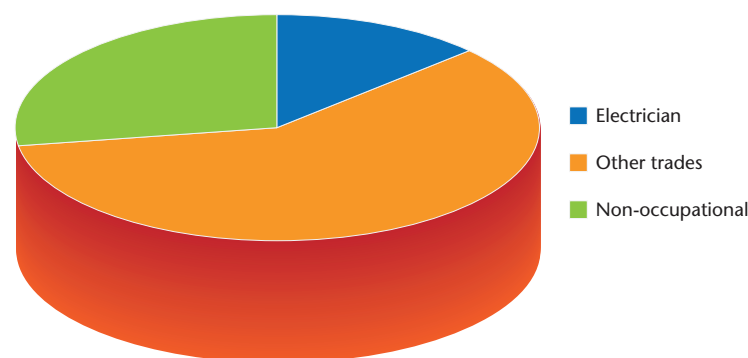


between 1999 and 2003 the fatality rate of electrical fire deaths was -.846 per million population, and between 2004 and 2008 the rate was 0.456 representing a 46% reduction.

In 2008 there were six reported electrocution fatalities. This included two occupational deaths in 2008 and four non-occupational deaths

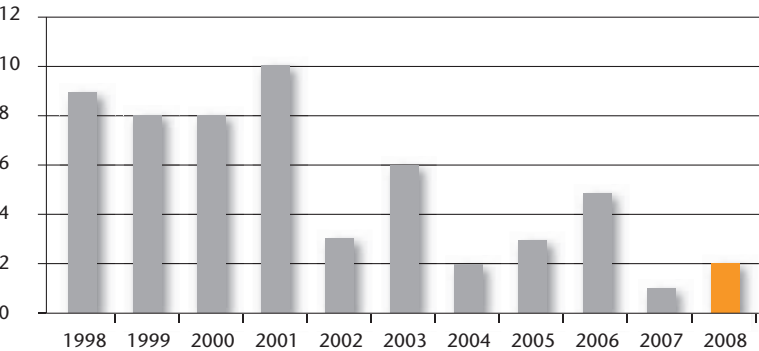
Occupational deaths account for more than half of the electrocutions in Ontario in the past ten years. The prevalence of occupational deaths has actually increased in the last five years. Between 1999 and 2003, occupational deaths accounted for 65% of all electrocutions in Ontario. In the past five years (2004 to 2008) the prevalence increased to 70%. Between 1999 and 2003, electricians accounted for only 5.6% of all electrocutions in the workplace. This increased to 21.4% between 2004 and 2008.

**Figure 2: Rate of All Electrocutions – Electricians, Other Trades, and Non-occupational 2004 to 2008**



The significant decrease in powerline contact deaths, in particular in the last five years, is the main reason for the drop in the overall electrocution rate in Ontario. Between 1999 and 2003 there were 35 deaths attributed to inadvertent contact with powerlines compared to 13 deaths (a 63% decrease in occurrences) between 2004 and 2008. Powerline contact represented 64% of all electrocutions in Ontario between 1999 and 2003; however this number decreased to 33% between 2004 and 2008. In 2008 there was an increase in crime-related fatalities involving distribution-related equipment and powerlines with one fatality associated with theft of power and a second associated with theft of copper.

Figure 3: Powerline Electrocutions



PREVALANCE OF ELECTROCUTION AND ELECTRICAL FIRE FATALITIES

In addition to a steady decline in electrocution rates, Ontario’s fire fatality rates reduced by 46% from .846 per million from 1999 to 2003 to .456 from 2004 to 2008.

Electrical fires have decreased by 22.8% in the last ten year period. Cooking fires continued to decline at a greater rate than fires associated with electrical distribution equipment. In the past 10 years the difference between these two sources has narrowed from 653 in 1998 to 146 in 2007.

Figure 4: Comparison of Electrocutions to Fire Fatalities, per million population 1999 to 2008

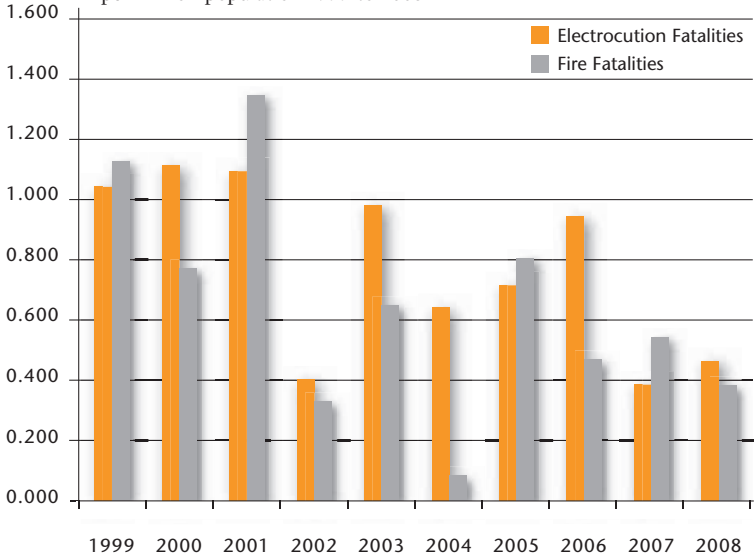
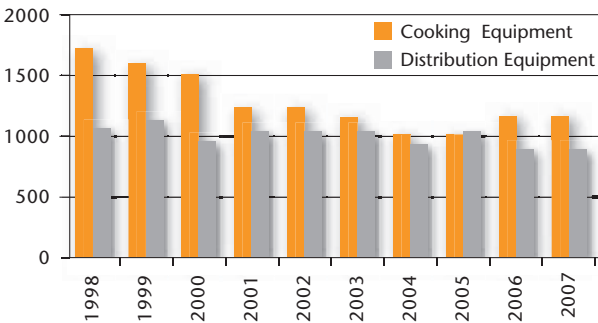


Figure 5: Number of Electrical Fires Based on Ignition Source from 1998 to 2007





CELEBRATING 10 YEARS



OF WORKING TOGETHER  
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