



Appendix I

EPCOR WATER SERVICES

Corporate Costs Allocation Methodology

May 31, 2024

1.0 OVERVIEW

1. EPCOR Water Services (“EWS”) obtains corporate services from its parent corporation, EPCOR Utilities Inc. (“EUI” or “EPCOR”). Corporate services are comprised of activities that are centrally managed within the EPCOR group due to their nature and/or for the purpose of realizing economies of scale and greater effectiveness. The amounts paid by EWS in respect of these services include Corporate Shared Service costs. The Corporate Shared Service costs are determined on a cost recovery basis in accordance with EPCOR’s Inter-Affiliate Code of Conduct and are reflected in a Service Agreement between the parties.

2. This section describes the corporate services received from EUI. The process used to develop the forecast of Corporate Shared Services costs is described in Section 1.1. The process used to allocate Corporate Shared Services costs to the business units is described in Section 1.2 below.

3. Appendix J describes the shared services and costs related to services provided by functional groups that are a part of the EWS business unit. For some functional categories, such as Human Resources, Supply Chain and Communications and Public Engagement, services are provided from both EUI and EWS. In these instances, the services provided by EUI tend to be limited to governance, oversight and broad policy considerations, while the services provided by EWS are more tactical and are specifically driven by the business needs of EWS. In the case of Information Services, the EUI cost allocation is generally related to corporate applications such as the financial and human resources systems while EWS Information Services costs are generally related to applications and technical infrastructure unique to EWS, such as the geographic information system (GIS).

1.1 Corporate Service Cost Forecast Process

4. The forecast Corporate Shared Services costs for the 2024 base year are based on EUI's 2024 budget. In developing its budget, EUI used a "bottom up" approach to forecast expenditures based on the best available information with respect to historical workloads, expected work activity and cost levels.

1.2 Corporate Service Cost Allocation Process

5. Consistent with its approach in previous years, EUI allocates Corporate Shared Services costs to the EPCOR business units using the following five step process:

1. Categorize Corporate Shared Services costs as directly assignable or allocable.
2. Assign directly assignable costs to the appropriate business unit.
3. Review/develop/modify allocation method for allocable costs.
4. Apply allocation method to allocable costs.
5. Conduct a final review for reasonableness.

Step 1 - Categorize Corporate Shared Services costs as either directly assignable or allocable.

6. The first step in developing Corporate Service Charges was to review the components of Corporate Shared Services costs and categorize them into two defined groups:

- Directly assignable costs; and
- Allocable costs.

7. Directly assignable costs are those costs that are directly associated with a particular business unit's activity or operation. The relevant Corporate Services department and business unit work together to determine the quantum of directly assigned costs, if any, related to the Corporate Service in question.

8. Allocable costs are those costs that provide benefits to EUI business units but by their nature cannot be directly assigned and are charged to business units using an appropriate cost allocator. These costs are allocated among EPCOR business units using cost allocators that reflect the factor or factors that drive the cost of providing the Corporate Service to each business unit.

9. Directly assignable Corporate Services costs include the following:
- Certain information system operating costs that can be directly attributable to business units (e.g., support costs for business unit specific applications and databases; server costs and licensing fees that relate to business unit specific applications; and desktop support costs for desktops that are used by a business unit).
 - Space rent costs for office space in the EPCOR Tower.
 - Corporate security costs incurred directly on behalf of business units.
 - Health and Safety costs incurred directly on behalf of business units.
 - Community sponsorship.
 - Fleet Safety Services costs such as permits, vehicle collision investigations, inspections and skills evaluations that can be directly attributable to the business units.

Step 2 - Assign directly assignable costs to Business Units

10. Once the directly assignable costs are identified and determined they are charged directly to each business unit. Directly assignable costs are included in the budgets of the business units and excluded from the respective Corporate Service departments. In other words, the allocated corporate costs exclude directly assignable corporate costs.

Step 3 - Review/develop/modify allocation method for allocable costs

11. EPCOR's cost allocation process is designed to ensure that the allocation of Corporate Shared Services costs among business units is appropriate, fair and reasonable, cost-effective, predictable, reflects the benefit received by function (i.e., cost causation), and is consistent with the transfer pricing principles in EPCOR's Inter-Affiliate Code of Conduct. In situations where a revision to the cost allocator or allocation method is deemed necessary, soliciting input from the business unit is a vital step. This process ensures that the allocation process is not only accurate and efficient but also enables informed decisions.

12. The costs associated with a Corporate Services department, except for the Treasurer-Corporate Finance and Treasury Operations, are allocated on one of two bases: (i) using a single "functional cost causation allocator", or (ii) using a "composite cost causation allocator". The allocation method for Treasurer – Corporate Finance costs uses a weighting of three financial drivers: PPE, Acquisitions and Capital Expenditures. This is deemed as an appropriate allocator as each driver is directly related to the amount of effort required to obtain financing and service a business unit's share of funding, for either maintenance of existing assets or new growth by

means of capital expenditures or acquisitions. The Treasury Operations costs are allocated using a composite of the Net Income, Depreciation and Debt allocators. This is an appropriate allocator as it reflects the activities and level of effort required to manage cash flow in each business unit.

13. A functional cost causation allocator has been used where the costs can be logically allocated using an identified cost causation driver, such as headcount. The composite cost causation allocator has been used where the costs cannot be allocated using a particular functional cost causation allocator. The latter types of costs tend to be related to Corporate Services that are of a governance nature, and it is appropriate that these types of costs be allocated based on a composite cost allocator which factors in the business unit's share of EPCOR's group revenues, assets, and headcount.

14. The allocation methods applicable to EUI's allocable Corporate Shared Services costs for 2025 to 2027 are summarized in Table 1.2-1 below.

Table 1.2-1
Allocation Methods by Department and Function

Department and Function		A EUI – EWS Allocators
Board Costs		
1	All Costs	Composite - EUI Revenue, Assets, Headcount
Executive and Executive Assistants		
2	All Costs	Composite - EUI Revenue, Assets, Headcount
Corporate Finance Services		
3	Corporate Finance	Composite - EUI Revenue, Assets, Headcount
4	Accounts Payable	Functional Cost Causation – Number of Invoices
5	Accounts Receivable	Functional Cost Causation – Number of AR Invoices
Treasury		
6	Treasurer - Corporate Finance	40% PPE, 30% Capital Expenditures, 30% Acquisitions
7	Treasury Operations	50% of (Net Income + Depreciation), 50% Debt
8	Taxation	Composite - EUI Revenue, Assets, Headcount
Audit & Risk Management		
9	Internal Audit	Composite - EUI Revenue, Assets, Headcount
10	Risk Management	Functional Cost Causation - PP&E
11	Centre of Excellence	Composite - EUI Revenue, Assets, Headcount
12	Organizational Project Management	Functional Cost Causation – PP&E
Human Resources		
13	Total Rewards	Functional Cost Causation – Headcount
14	Human Resources Consulting	Functional Cost Causation – Headcount
15	Talent Development	Functional Cost Causation – Headcount
16	Learning and Development	Functional Cost Causation – Headcount
Information Services		
17	Application Services	Functional Cost Causation - Headcount
18	Infrastructure Operations	Functional Cost Causation - Direct IS Costs
19	Major Capital Projects	Functional Cost Causation - Headcount
Supply Chain Management		
20	Contract Management	Functional Cost Causation - SCM Embedded Headcount
21	Facility Operations	Composite - EUI Revenue, Assets, Headcount
22	Mailroom	Functional Cost Causation –Headcount
23	SCM Corporate Services - Tower Rent, Maintenance, Security	Composite - EUI Revenue, Assets, Headcount
24	Disaster Recovery Planning	Functional Cost Causation - Direct IS Costs
Communications and Public Engagement		
25	Community Relations	Functional Cost Causation - Net Income
26	Corporate Communications	Functional Cost Causation - Net Income
27	Government Relations	Composite - EUI Revenue, Assets, Headcount
Legal Services		
28	All Costs	Composite - EUI Revenue, Assets, Headcount
Health, Safety, Security and Environment		
29	Health, Safety and Environment	Functional Cost Causation - Headcount
30	Security	Functional Cost Causation – Headcount
Incentive Compensation		
31	All Costs	Average Corporate Cost Allocation
Asset Usage Fees		
32	Leasehold Assets	Proportional Corporate Costs.

Department and Function		A EUI – EWS Allocators
33	Human Resource System	Functional Cost Causation – Headcount
34	Information Systems	Direct IS Operating Costs
35	Financial System	Weighted average of finance and payroll function and weighted average of the Purchase Order Lines
36	Furniture and Fixtures	Proportional Corporate Costs
37	Vehicles	Proportional Corporate Costs
38	Customer Information System	Proportional Customer Sites

Step 4 – Apply allocation methods to allocable costs

15. Once the allocation methods are determined, they are applied against EUI’s final budgeted Corporate Services costs to arrive at the amounts charged to each business unit.

Step 5 - Final review of Corporate Service Charges for reasonableness

16. The resulting Corporate Services charges were carefully reviewed by EUI and EWS senior management to confirm that the process set out above was properly applied, and that the resulting charges were reasonable.

1.3 Allocated Corporate Costs

17. Further details regarding the allocated corporate costs are provided for each Corporate Service department in the subsections that follow.

1.3.1 Board

18. EUI’s Board of Directors (the “Board”) provides corporate governance functions to EWS and other EPCOR subsidiaries. The governance functions include:

- Establishing the strategic objectives and direction of the EPCOR group.
- Maintaining and enforcing articles and corporate bylaws.
- Electing and appointing corporate officers.
- Delegating special authorities to management.
- Reviewing and approving corporate policies.
- Providing direction and oversight to safeguard and maintain the long-term value of corporate assets.
- Reviewing and approving significant financial matters.

- Making recommendations to the shareholder.
- Participating in the strategic planning process for the EPCOR group.
- Approving capital and operating budgets to meet the objectives established in the EPCOR group's strategic plan.
- Approving compensation policies and programs for employees.
- Evaluating and assessing corporate performance against strategic, operating and capital plans.
- Understanding and monitoring corporate business risks.
- Approving and monitoring compliance with all significant corporate policies and procedures.
- Directing management to ensure compliance with legal requirements.

19. Board costs include Director's fees, Director and Officer insurance costs, travel expenses, legal fees incurred at the Board level and other related expenses, such as external consultants and experts as required.

20. The Board is comprised of members that are independent from EPCOR, which ensures that there is an appropriate segregation of duties and responsibilities between the Board and CEO. This independence in oversight is a best practice in governance and is necessary to ensure that EUI and its subsidiaries meet their obligations and responsibilities free from conflicts of interest.

21. The Board members are not members of management and have no direct or indirect material relationships with EPCOR; as such, the Board members provide a third party service to EUI and its subsidiaries. Board members are appointed by the City of Edmonton in its role as shareholder of EUI, and are compensated for their services. Director compensation is regularly reviewed by the Corporate Governance & Nominating Committee, which receives independent advice from a third party compensation expert, and makes recommendations to the City of Edmonton to determine Directors' compensation.

1.3.2 Executive and Executive Assistants

22. Executives provide governance and leadership services to EWS and other EUI subsidiaries.

These activities include:

- Establishing and recommending broad corporate policies for approval by the Board of Directors.
- Reviewing and recommending significant financial matters/decisions for approval by the Board of Directors.
- Developing corporate-level strategy and plans for approval by the Board of Directors.
- Carrying out the special authorities delegated by the Board of Directors.
- Establishing and maintaining an adequate control framework in relation to internal controls over financial reporting and disclosure controls and procedures, conducive to fulfilling compliance with National Instrument 52-109, the Canadian legislation equivalent to the United States Sarbanes–Oxley Act (commonly referred to as “CSOx”).
- Establishing appropriate processes, procedures and controls to ensure the EPCOR group fulfills its statutory obligations to provide utility services and contractual obligations to service its commercial customers.
- Corporate Secretarial services include providing assistance with Board, Committee and Shareholder material submissions and preparing resolutions.

23. The costs are made up of salaries and related costs for four senior EUI Executives and their respective Executive Assistants (“EAs”). The four senior Executives include:

- President and Chief Executive Officer (“CEO”);
- Senior Vice President and Chief Financial Officer (“CFO”)
- Senior Vice President, Sustainability, General Counsel and Corporate Secretary; and
- Senior Vice President Corporate Services.

24. Four EAs provide administrative support for the four Executives’ activities.

25. Executive leadership and related support is needed to provide corporate governance and oversight over EPCOR group business operations; to develop policies and provide strategic direction for EUI and its subsidiaries; to make strategic-level decisions on significant financial

matters; to manage the enterprise risk of EUI and its subsidiaries; and to ensure that the EPCOR group has the overall resources necessary to enable it to meet the group's duties and obligations.

1.3.3 Finance

1.3.3.1 Corporate Finance Services

26. The Corporate Finance department provides services to EWS and other EUI subsidiaries in the areas of:

- Corporate Finance
 - Corporate Accounting;
 - Consolidated Reporting and Analysis;
 - Audit Fees;
- Accounts Payable; and
- Accounts Receivable.

1.3.3.1.1 Corporate Accounting

27. The Corporate Accounting function develops and maintains corporate accounting policies, procedures and internal controls, and provides advice and direction to EWS and other EPCOR subsidiaries with respect to these policies, procedures and internal controls. Corporate Accounting also includes accounting activities in support of the financing provided to EWS and other EPCOR subsidiaries, as well as accounting for and calculating the allocation of corporate costs to each of the EPCOR subsidiaries and maintaining and reviewing the allocation methodologies applied to those corporate costs to ensure they are fair, reasonable and reflective of services provided. In connection with these activities, the Corporate Accounting group assists with the preparation of all regulatory related documentation and filings involving the allocation of corporate costs.

1.3.3.1.2 Consolidated Reporting and Analysis

28. The Consolidated Reporting and Analysis group is responsible for the preparation of consolidated financial statements and analysis and discussion of the results. More specifically, this includes:

- Ensuring appropriate accounting policies are developed and the relevant accounting standards are properly and consistently applied by all EPCOR subsidiaries;

- Ensuring appropriate internal controls over financial reporting are developed and consistently applied by all EPCOR subsidiaries to ensure that EUI interim and annual consolidated financial statements accurately and fairly present the financial results of the company;
- Preparing EUI interim and annual consolidated financial statements and management discussion and analysis as required under securities regulations;
- Preparing internal consolidated financial statements and analysis for executives.
- Reviewing audited financial statements prepared by EUI subsidiaries to ensure they are prepared in accordance with accounting standards and consistent presentation and disclosure with the audited consolidated financial statements of EUI;
- Providing the executive with profitability, cost-effectiveness and other analyses as required; and
- Managing the annual budgeting and quarterly re-forecasting processes for all of EPCOR including performing various ad hoc analyses as required by EUI and its various subsidiaries.

1.3.3.1.3 Audit Fees

29. Audit Fees relate to the outsourced function of performing audits and quarterly reviews of EUI's annual and quarterly interim consolidated financial statements.

30. External financial statement audit services are necessary for EWS to provide utility service. In order to access capital, EWS relies on EUI to meet the financial reporting requirements set by creditors. If EUI's financial statements are not audited, access to capital could be restricted, which could in turn limit the utilities' ability to make infrastructure investments.

31. By statute, financial statement audits can only be provided by chartered accounting firms. Therefore, the Audit fees function is solely comprised of external resources.

1.3.3.1.4 Accounts Payable

32. The Accounts Payable function maintains vendor master files that are used for various purchasing, contract management and vendor payment functions. In addition, the Accounts Payable department is responsible for the management of procurement cards and processes all vendor invoices, credit notes and adjustments for payment on a periodic basis. The Accounts

Payable function also develops and maintains all of the accounts payable related forms, policies, procedures and controls to be applied by all EPCOR's activities.

33. Accounts Payable is necessary for EWS and other EUI subsidiaries to provide utility service as each utility incurs costs from external parties related to utility service and these costs require payment. Accounts Payable classifies costs for management reporting and analysis purposes and ensures that invoices are paid on time. In doing so, Accounts Payable can take advantage of cash discount terms where appropriate.

1.3.3.1.5 Accounts Receivable

34. The Accounts Receivable function is responsible for the management and processing of all customer invoices (excluding customer utility billings), credit notes and adjustments on a periodic basis. The Accounts Receivable function also develops and maintains all of the accounts receivable related forms, policies, procedures and controls to be applied by all EPCOR's activities.

35. Accounts Receivable is necessary for EWS and other EUI subsidiaries to provide utility service as each utility has commercial and intercompany activities that require invoicing to external and intercompany parties to ensure timely collection.

1.3.4 Treasury

36. The Treasury department provides the following services to EWS and other EUI subsidiaries:

- Treasurer – Corporate Finance;
- Treasury Operations; and
- Taxation.

1.3.4.1.1 Treasurer – Corporate Finance

37. The Treasurer – Corporate Finance function performs the services associated with raising capital, primarily through the issuance of debt, necessary to finance EWS's and other EPCOR subsidiaries' capital expenditures and working capital requirements. The activities within this service include:

- Preparing prospectuses for EUI's issuance of public debt for the benefit of EWS and other EPCOR subsidiaries.
- Raising capital in the public and private markets for EUI and its subsidiaries.

- Meeting with credit rating agencies and providing the information required by the rating agencies to provide credit ratings.
- Preparing short-term and long-term loan arrangements between EUI and the subsidiaries.
- Performing credit reviews and analysis of commercial counterparties for EUI and its subsidiaries.
- Providing subsidiaries with financing and capital structuring advice for capital projects and acquisitions.
- Managing the strategic planning process and developing EUI's corporate strategy and annually refreshing its five year long-term plan; assisting EUI subsidiaries in developing their long-term plans; developing and maintaining the EPCOR groups' long-term planning model; providing financial and analytical support to EUI subsidiaries in relation to long-term planning; and completing an annual valuation of EUI and its subsidiaries.
- Providing financial projections that underlie the strategic plan and preparing other long range financial forecasts.
- Providing business development support, including all valuations work, for EUI and its subsidiaries.

38. The Treasurer – Corporate Finance function's activities are necessary for EWS to provide utility service. The ability to raise capital is fundamental to the sustainability of utility operations and the Treasurer – Corporate Finance function lowers costs by optimizing borrowings and negotiating cost-effective terms and conditions.

1.3.4.1.2 Treasury Operations

39. Treasury Operations provides banking and cash management services to EWS and other EPCOR subsidiaries. The activities within this service include:

- Opening and closing bank accounts;
- Arranging and maintaining operating credit facilities with lenders;
- Cash forecasting and processing;
- Accounting for all of the treasury transactions and loans between EPCOR entities; and
- Managing exposure to foreign currency and interest rate fluctuations on behalf of all EPCOR entities.

40. Treasury Operations services are activities that are necessary for EWS to provide utility service. This function ensures that the EPCOR group's short-term working capital requirements are met and that there is an availability of cash on a day-to-day basis.

1.3.4.1.3 Taxation Services

41. Taxation Services include all reporting and compliance related to taxes, inclusive of property taxes and linear taxes related to business unit property and utility assets, Goods and Services Taxes ("GST") and harmonized Sales taxes ("HST") related to business unit operations, Provincial Sales Taxes ("PST") related to business unit operations, Canadian and U.S. federal, provincial and state income taxes in relation to taxable business units, non-resident withholding taxes ("NRWT") on services performed on behalf of the business units by non-resident corporations, contractors and consultants, and customs duties related to materials and equipment imported by the business units.

42. The activities performed by the Taxation group include:

- Preparing and filing returns and remittances related to GST, HST, PST, income taxes, property and linear taxes, and NRWT.
- Reviewing the appropriateness and accuracy of assessments and reassessments issued by tax authorities in relation to all forms of tax, including the preparation and filing of any required notices of objection.
- Performing research and generally maintaining a current level of knowledge related to all present and proposed forms of tax to ensure compliance with related rules and regulations conducive to minimizing interest and penalties on assessment and reassessment.
- Planning and executing system and process changes required to implement new and revised taxes and tax rates (e.g., changes in HST and GST rates).
- Performing employee training sessions on the various forms of tax to ensure compliance at the business unit level.
- Providing advice to Corporate and business unit management on the development of policies and procedures that may be affected by any form of tax.
- Performing acquisition due diligence.
- Liaising with federal, provincial, state, municipal and county auditors on behalf of the business units in relation to audits performed of any form of tax.

- Providing tax planning services to minimize tax expenses.

43. The Taxation group ensures that EWS is compliant with all tax legislation. This group also devises tax strategies to ensure that EWS has minimized its GST, PST, and NRWT, property tax, linear tax and income tax liabilities.

1.3.5 Audit and Risk Management

44. The Audit and Risk Management department provides the following services to EWS and other EUI subsidiaries:

- Internal Audit;
- Risk Management;
- Centre of Excellence; and
- Organizational Project Management (OPM).

1.3.5.1.1 Internal Audit

45. The Internal Audit ("IA") department provides services to EWS and other EUI subsidiaries in the areas of:

- Administration of the EPCOR group's internal program that ensures compliance with National Instrument 52-109, the Canadian legislation equivalent to the United States' Sarbanes-Oxley Act (commonly referred to as "CSOx"), including:
 - Providing administration, oversight, advisory and testing services to assist management in meeting its reporting obligations with respect to Disclosure Controls and Procedures ("DC&P") and Internal Controls over Financial Reporting ("ICoFR").
 - Coordinating quarterly CSOx sub-certifications with internal business process owners on the design and effectiveness of the key controls mitigating financial reporting risk.
 - Continuing to improve and align internal business processes and accompanying controls with the external auditor to effectively meet the objectives of this program and improve overall internal and external audit efficiencies.
- Providing assurance and advisory services under the EPCOR group's annual risk based audit plan to independently examine, evaluate and report on the adequacy,

effectiveness and efficiency of the systems of internal controls across EPCOR's operations. Specific types of services include operational audits, information systems audits, environmental, health and safety audits, fraud detection and prevention, and audit advisory services.

- Managing the follow-up of open audit items, including reporting to Senior Management and the Audit Committee, to ensure audit items are remediated in a timely manner.

46. The activities performed by IA are necessary for EWS to provide utility service. These activities serve to reduce risks by evaluating the design and/or effectiveness of systems of internal controls in addition to risk mitigation strategies that provide management and the Board with assurance information needed to fulfill their managerial and governance responsibilities. They also serve to reduce or avoid costs, especially through the performance of operational audits.

1.3.5.1.2 Risk Management

47. Risk Management provides insurance and enterprise risk management ("ERM") services to EWS and other EUI subsidiaries. The activities within this service include:

- Managing all EPCOR business units' insurance requirements with overall responsibility for EPCOR's corporate insurance program. This includes coverage determination, negotiation and placement of insurance contracts as well as surety bonds, facilitating insurer loss control activities, negotiating and settling insured losses and insurance contract/legal review including risk identification.
- Developing and maintaining an ERM framework and risk management process standard for all EPCOR business units and facilitating operational risk assessments across EPCOR. This program includes the integrated identification, analysis and monitoring of the top risks across EPCOR, including strategic and operational activities, with quarterly reporting to the Board of Directors.

48. Risk Management activities are necessary for EWS to provide utility service. The Risk Management group manages the risk of damage to or caused by physical assets owned by EWS. This service ensures that all EPCOR group operations are protected by the broadest coverage available in the insurance market. Having the appropriate amount of insurance is commonly required for debt issuances that might be secured by physical assets.

1.3.5.2 Centre of Excellence

49. The Centre of Excellence provides leadership, best practices, research, support and training for the Oracle Financial suite of products and the Adaptive budgeting and forecasting tool. The Centre of Excellence fosters a culture of process improvement while ensuring that existing processes are maintained.

50. The activities performed by the Centre of Excellence group include:

- Identification and analysis of issues that impact operational performance and lead the implementation of any new improvements across EPCOR.
- Leading groups of knowledgeable employees that are assigned to contribute to specific group objectives on a part time basis (Communities of Practice).
- Delivery of training and support utilizing multiple methods of delivery such as eLearning, face-to face instruction, on the job support tools and knowledge portals.
- Performing conversion and training related to acquisition integration.

51. The Centre of Excellence group ensures that EWS staff are properly trained and following consistent EPCOR wide processes and procedures. The focus on process improvement and a consistent approach fosters best practices and allows the finance groups across EPCOR to rotate staff with minimal disruption.

1.3.5.3 Organizational Project Management

52. Organizational Project Management (“OPM”) was transferred to Corporate in June 2020 to develop a company-wide standardized approach for project management (i.e., standardized systems, processes and practices) and ensure cross-functional efficiencies. An example of a cross-functional efficiency is the coordination of the water, wastewater, drainage and electrical work necessary for large projects such as the utility work related to the light rail transit expansions. The goal is to visit the work site in a manner that decreases disruption to the area and completes the work in the most cost-effective manner. EPCOR established an Organizational Project Management Committee made up of members from across EPCOR’s business areas to collaborate and develop new project management standards for the EPCOR group. The OPM function will improve the EPCOR group’s ability to efficiently, safely, consistently and successfully manage field-related capital and operating projects through their initiation, planning, executing, monitoring and controlling, and closing lifecycle phases. The OPM function is currently in Corporate to achieve a collaborative solution for the impacted business units.

53. The activities performed by the OPM Committee include:
- Defining a company-wide project management framework to support EPCOR's strategic objectives within project, program and portfolio management.
 - Developing a company-wide project governance model for monitoring and approving project performance activities.
 - Supporting project managers by enhancing the tools and processes at their disposal.
 - Developing a Project Management Information Technology roadmap, implementing and enhancing systems in accordance with this roadmap.
 - Developing and delivering training and support utilizing multiple methods of delivery such as eLearning, face-to-face instruction, on-the-job support tools and knowledge portals.

1.3.6 Human Resources Services

54. The functions in the HR department include the administration and management of employee compensation and benefits programs, support of recruitment efforts, job and organizational design, coaching and conflict resolution, succession and workforce planning and performance management for corporate shared service departments and the continued delivery of professional development courses. The Human Resources ("HR") department provides the following services to EWS and other EUI business units:

- Total Rewards;
- Human Resources Consulting;
- Talent Development; and
- Learning and Development

1.3.6.1 Total Rewards

55. The Total Rewards department provides oversight and services related to Payroll, Oracle HRIS & Analytics, Labour Relations and the planning, design and administration of the overall EPCOR compensation, benefits, pension and savings plans.

56. The Labour Relations function is responsible for the planning and execution of collective bargaining for all of EPCOR's unions across the enterprise, and includes direction, administration and support for managers on the dispute resolution processes found in all of EPCOR's collective agreements.

57. The Human Resources Information System (“HRIS”) is an enterprise-wide system that is used to manage all employee data for the purpose of payroll, pension, compensation, benefits and organizational structure. The support for HRIS is included in the Total Rewards area. This involves managing the development, ongoing enhancements and maintenance of the Oracle-based HRIS application. HRIS & Analytics activities include employee data management and analysis, troubleshooting, and managing system enhancements. HR Analytics is also included under Total Rewards. This includes collecting, reporting and analyzing human capital metrics for EPCOR enterprise-wide.

1.3.6.2 Human Resources Consulting

58. Human Resources Consulting (“HR Consulting”) provides services such as recruitment and selection, job and organizational design, coaching and conflict resolution, succession and workforce planning, performance management, diversity and inclusion, and engagement action planning.

59. The services provided by HR Consulting are required to ensure that each Corporate Services department/EPCOR business unit is staffed appropriately to provide the services it delivers. HR Consulting provides recruitment services, conducts succession planning, and provides advice and support to managers regarding EPCOR’s corporate policies and legislative and regulatory requirements for employee performance management. HR Consulting provides support to managers to develop and implement action plans to improve employee engagement based on employee responses to EPCOR’s engagement survey. HR Consulting provides support and advice to managers to implement changes that will achieve key company goals related to building a diverse and inclusive workplace. HR Consulting also ensures that the recruiting process enables EPCOR to attract qualified candidates, while adhering to corporate standards and policies and the requirements of collective agreements in place for unionized employees. These services are necessary for the recruitment, training and retention of high quality staff with technical and operational knowledge and experience for EWS and other EUI subsidiaries.

60. The payroll processing function performs the following activities in connection with paying employees’ wages:

- Maintains the employee master files, which form the foundation for all human resources and payroll functions including new-hire, life event changes, transfers, promotions, termination, and wage rate changes.
- Performs pension administration.

- Performs full payroll services, including bi-weekly payroll processing.
- Preparation of all statutory filings and source deduction and other remittances including workers compensation remittances.
- Develops and maintains appropriate payroll policies, procedures and controls for all EPCOR subsidiaries and assists in developing employee benefit policies.

61. The services provided by Total Rewards are required to enable EWS to provide utility service to customers. Total Rewards provides EWS and other EUI subsidiaries with labour relations support, compensation programs, benefit and retirement programs, maintains employee records and provides all payroll and pension administration services, including any payroll-related compliance requirements. Total Rewards performs a key strategic function in developing a compensation program that positions EWS and other EUI subsidiaries to successfully attract and retain employees and ensuring that employees are paid for the work performed.

1.3.6.3 Talent Development

62. The Talent Development team provides services, programs, and tools that support employee training, professional growth, career development, leadership assessment, leadership development, and succession planning. This ensures that members of the EPCOR group have the leadership and staff bench strength required to run their businesses and an increasingly skilled pipeline of future leaders and staff to support succession and company growth. The caliber of EPCOR's leadership team directly impacts the employee experience, and its brand in the employment marketplace. Having highly effective leaders supports the attraction, development, engagement, and retention of highly qualified employees. As such, services provided by Talent Development are required to enable EWS to effectively and efficiently provide utility service to customers.

63. The shared services approach to delivering Talent Development services permits EUI to develop, train, engage, retain and promote internal staff while fostering a shared culture across the organization. The Talent Development group develops training materials and delivers programs to a number of business units. This provides EWS with economies of scale that would not be possible if the services were provided within EWS and other EUI subsidiaries at the subsidiary-level, allowing EWS to access and leverage highly-effective programming developed for use across EPCOR on a cost-effective basis.

1.3.6.4 Learning and Development

64. The Learning and Development group provides the processes, programs, systems, and structures to ensure that each business unit is able to meet its legislated training requirements. The Corporate Services Learning and Development group is focused on the following activities:

- Developing core curriculum that can be augmented and delivered by embedded business unit teams.
- Delivering training programs that are generic across the company (e.g., First Aid, Cannabis in the Workplace, Ethics training, Mental Health training).
- Developing the learning systems and processes required to support records administration, course hosting, and tracking information related to competency-based assessments.
- Developing and maintaining processes, standards, tools and templates to enable the work of embedded business unit teams (e.g., competency framework, Emergency Operations Centre (EOC)).
- Developing, delivering and tracking legislatively mandated compliance training (e.g., Workplace Hazard Materials Information System (“WHMIS”), Transportation of Dangerous Goods (“TDG”), legislation awareness training about key sections of Alberta’s OH&S Act, Regulation and Code; Harassment and Bullying, or First Aid).
- Developing, delivering and tracking conformance training (i.e., Alcohol and Drug Standard training, Life Saving Rules, and driving training).

65. The services provided by Corporate Services Learning and Development are required to enable EWS to provide utility service to customers. Corporate Services Learning and Development provides EWS and other EUI subsidiaries with effective, consistent and efficient training services. The various activities carried out by the Corporate Services Learning and Development group outlined earlier in this section are all required to enable EWS to provide utility service.

1.3.7 Information Services

66. The IS department provides the following services to EWS and other EUI subsidiaries:

- Major Capital Projects;
- Application Services; and
- Infrastructure Operations.

1.3.7.1 Application Services

67. Application Services provides user support services related to shared business system applications such as the various Oracle modules (Financials, Human Resources Information System, Projects, Assets, Time and Labour) as well the various EWS specific business systems such as the GIS systems, AMI, internet and intranet user support and database administration support.

68. Application Services are required for EWS to provide utility services. EWS is heavily dependent on IS infrastructure in providing utility services. The activities as outlined above, performed by the Application Services function are required to support the corporate Enterprise Resource Planning (“ERP”) application used by Corporate Services staff and staff within EWS. These systems provide the core finance and HR system functions to the organization. These systems must be maintained, and occasionally upgraded to meet vendor and other stakeholder requirements (e.g., regulatory change).

69. In addition to the important role this team plays in supporting and maintaining the critical Finance and HR applications used by EWS, the Application Services team provides both Database and Web design services. Both of these services increase the quality of the systems implemented at EUI and in the case of the Web designer team they also enhance the customer contact experience with EWS.

1.3.7.2 Infrastructure Operations

70. Infrastructure Operations provides the following services:

- Manages the operation and maintenance of the computer hardware platforms (i.e., servers, networks, etc.) and operating systems that shared applications (i.e., Oracle business system) and EWS and other EUI subsidiaries specific systems applications (i.e., CIS retail utility billing and information system).
- Supports telecommunications services and desktop applications (i.e., all Microsoft applications including electronic mail) for EWS and other EUI subsidiaries.
- Conducts cyber security threat and risk analysis and delivers IT security planning and services. The group ensures that data which is stored cannot be compromised and provides mitigation plans for threats or vulnerabilities that may jeopardize the systems.

- Provides governance services such as oversight, management compliance monitoring of EPCOR's internal information services governance and control policies and procedures and oversight.
- Manages EPCOR's internal system recovery for contingency planning testing such as disaster recovery and pandemic planning.

71. Infrastructure Operations services are required for EWS to provide utility service. EWS is heavily dependent on IS infrastructure in providing utility services. The Infrastructure Operations service is by nature a critical operational role, in that it provides oversight as well as strategic infrastructure and governance activities. This team provides governance and control services, including the development and maintenance of internal policies, procedures and controls for the outsourced services that provide the infrastructure backbone that EUI and its subsidiaries rely on. The infrastructure they support provides the base for the corporate and business specific applications and the communication network used by EWS and is sourced through this group to external service providers. As such, this group relies heavily on third party service providers. Infrastructure Operations' use of third party service providers is appropriate and fiscally prudent.

1.3.7.3 Major Capital Projects

72. Major Capital Projects manages the implementation of major applications and the installation of major computer hardware devices. In addition, project management services may extend to managing major projects of a non-IT nature for EPCOR subsidiaries, such as constructing leasehold improvements in the EPCOR Tower. Major Capital Projects services include:

- Planning and architecture services, including the creation and continuing maintenance of EPCOR's information services strategic plan, 5-year tactical business system plans (including 5-year and annual capital planning), IT architectural design services, as well as the elicitation and completion of all business requirements related to information technology projects.
- Development of business cases to support utilities' requirements and the regulatory process, as well as the post-implementation review process.
- Overall program and project execution management, including a governance and approval structure. Services include: management and oversight of all IT projects and project management services such as project integration, scope, time, cost, quality, human resource, communications, risk, and procurement management.

- Project planning and architecture services such as data analysis and database design to integrate data.
- Project Management Office services, including progress reporting, cost forecasting, training, scheduling and continuous improvement.

73. Major Capital Project services are required for EWS to provide utility service. EWS is heavily dependent on IS infrastructure in providing utility services. The activities outlined above performed by the Major Capital Projects team are generally required by most major corporations that have a significant IS capital project budget. It is a prudent practice for organizations to take a hands-on role in large Capital IT projects and to have in place capital project processes and governance to manage both the delivery of and capital expenditures for each project.

1.3.8 Supply Chain Management

74. The services in Supply Chain Management are:

- Contract Management (formerly Corporate Procurement);
- Facility Operations (formerly Real Estate)
- Mailroom;
- SCM Corporate Services; and
- Disaster Recovery Planning Facilities.

1.3.8.1 Contract Management (formerly Corporate Procurement)

75. The Contract Management (renamed from Corporate Procurement) group includes a centralized procurement and warehousing function to support EWS and other EUI subsidiaries. This group improves the efficiency and effectiveness of the EPCOR group's procurement function and other related supply chain functions such as warehousing.

76. The primary functions within the Procurement group include:

- Reporting and Analytics
- Transactional Centre

77. The reporting and analytics group provides the following services:

- Maintain and monitor adherence to policy and procedures;
- Ensure compliance with legislation;

- Provide training and support of procurement processes;
- Conduct market analysis;
- Analyze spending trends by the EPCOR group;
- Develop procurement strategies;
- Manage the end-to-end procurement processes to ensure that the EPCOR group obtains the best pricing available for their required goods and services; and
- Implement process improvements by developing processes, procedures, and training content.

78. The centralized Transactional Centre provides the following services:

- Manage the acquisition of goods and services on behalf of Corporate Services Departments and the business units;
- Undertake vendor management, including management and development of vendor contract terms and conditions and contract negotiation, ensuring standardization and mitigation of contract risk exposures as required by EUI's Corporate Services departments.

79. The reporting and analytics function runs reports, creates dashboards and generates meaningful information required to efficiently and accurately review spend data, track efficiencies and look for opportunities to analyze common spend in order to prioritize strategic sourcing initiatives and further test the market. It also allows EPCOR to monitor adherence with the trade agreements EPCOR operates under.

80. The Transactional Centre primarily processes purchase requisitions within Corporate and the business units into purchase orders, which are binding agreements with suppliers. The Transactional Centre also supports and manages low risk procurements from across Corporate and the business units. The Transactional Centre provides benefits to the business units by ensuring requisitions are entered into the Oracle system in a consistent manner, requisitions with errors are rejected and, because the team members have been trained to process the requisitions in a standardized manner, requisitions are handled in a more efficient manner.

1.3.8.2 Facility Operations (formerly Real Estate)

81. The Facility Operations (renamed from Real Estate) maintains and operates EPCOR's corporate facilities including: budgeting and administration; planning, design, parking

administration, space and project management and move coordination; and tenant services. The services also include negotiating and managing facility leases, and paying the rent and operating costs associated with premises leased by members of the EPCOR group.

82. The Facility Operations is required to ensure that the staff and contractors operating within EWS and other EUI subsidiaries have a safe and clean environment to work in and that facilities are leased or purchased at a reasonable price.

1.3.8.3 Mailroom

83. Mailroom services are provided to EPCOR locations and include processing incoming and outgoing internal mail between all EPCOR locations as well as external mail through outsourced couriers and Canada Post.

1.3.8.4 SCM Corporate Services

84. SCM Corporate Services is comprised of space rent associated with EPCOR's Corporate Services departments and business units that are located in EPCOR Tower. Space rent costs are directly assigned to specific business units that have employees that work in EPCOR Tower. These costs are identified as business unit recoveries and are directly assigned to the business units. EPCOR also charges space rent costs to Capital Power Corporation ("CPC") for their employees that work out of EPCOR Tower. These costs are identified as cost recoveries and are directly charged to CPC.

1.3.8.5 Disaster Recovery Planning Facilities

85. Disaster Recovery Planning Facilities provides services for maintaining continuity of the critical information systems of EUI, EWS, EDTI, EEA, and other members of the EPCOR group in the event of a disaster, including the operation and maintenance of an off-site data centre for IT infrastructure.

86. Disaster Recovery Planning Facilities services are required to enable EWS to provide utility service to customers. It is prudent for the company to take reasonable steps to maintain its business operations, and thus its ability to maintain service, in the event of a disaster.

1.3.9 Legal and External Relations

87. Legal and External Relations provides the following services to EWS and other EUI subsidiaries:

- Communications and Public Engagement;
- Legal Services;
- Health, Safety, Security and Environmental Services; and
- Security.

1.3.9.1 Communications and Public Engagement

88. Communications and Public Engagement provides the following services to EWS and other EUI subsidiaries:

- Corporate Communications;
- Government Relations; and
- Community Relations.

1.3.9.1.1 Corporate Communications

89. Corporate Communications provides strategic advice and support in responding to customer, stakeholder and community-based issues that may arise in relation to the EPCOR group's business activities, or broader industry developments. Corporate Communications provides services for external and internal employee communications, which include media relations; reporting of quarterly and annual financial results; annual sustainability targets and progress reporting; major employee learning events and corporate announcements; customer, stakeholder and public safety communications online and through social media; communications support to Corporate Services departments; company-wide employee health and safety promotions and events; and communications for learning and development.

90. Corporate Communications services are required for EWS and other EUI subsidiaries to provide utility services to customers through facilitating timely and relevant communications and providing access to information.

1.3.9.1.2 Government Relations

91. Government Relations provides liaison services and briefing support in relation to all three levels of government (federal, provincial, and municipal), as well as government agencies and staff, with respect to existing or proposed policies and legislation. Indigenous Relations is also part of Government Relations. Government Relations also provides analysis and advice to EPCOR businesses respecting the impact of current or contemplated government policy and

legislation. Government Relations is responsible for developing and managing the corporation's Political Involvement Policy.

92. Government Relations services are required to enable EWS to provide utility services to customers by ensuring that government at all three levels are aware of issues that could impact EWS and its customers. Government Relations staff work directly with elected officials and their key staff on behalf of EWS on a regular basis to influence policy development and regulation change to minimize any potential negative impact on EWS's customers.

1.3.9.1.3 Community Relations

93. Community Relations services utilizes community engagement tools, processes and investment strategies to support EPCOR's reputation and relationship objectives. This includes establishing the brand design and creative guidelines for all EPCOR communications productions, developing and delivering education programs such as public safety awareness and school electrical safety awareness and developing on-line educational materials about electricity, water and energy conservation. The Community Relations group is also responsible for advancing the achievement of EPCOR's long-term plans by implementing strategies that enhance the profile, reputation, and image of EPCOR with key audiences and providing strategic advice on the most effective means to interface with customers to ensure consistent, clear and proper messaging.

94. Services are also provided by this group to EPCOR Human Resources in support of employee recruiting, retention and engagement. This includes planning and delivering recruiting materials and planning and executing employee events.

95. Services provided by Community Relations are required to enable EWS and other EUI subsidiaries to provide utility services to customers. Community Relations is EPCOR's face in the community and ensures customers are aware as to who is providing utility services. Community Relations also makes items such as conservation, customer service and safety matters accessible and understandable to the general public.

1.3.9.2 Legal Services

96. Legal Services is responsible for providing legal, governance and compliance related activities to EWS and other EUI business units and subsidiaries.

97. Legal Services include:

- Managing all claims and litigation affecting EUI and its business units and subsidiaries.

- Negotiating, drafting and monitoring material contracts and contractual matters with employees, vendors and other parties.
 - Creating and updating EUI and its business units and subsidiaries' standard form contracts and other precedent documents to reflect changes in law or business context.
 - Providing advice with respect to contracts entered into by EUI and its business units and subsidiaries with its suppliers and customers.
 - Providing legal research, advice, drafting of various documents and agreements and services on capital projects, mergers and acquisitions and other transactions undertaken by EUI and its business units and subsidiaries.
 - Analyzing legal risks and providing advice to project teams regarding all legal issues which may affect the viability of a business initiative and/or project.
 - Providing legal research, advice and services on numerous other corporate/commercial, financing and securities matters.
 - Providing advice, research and assistance on regulatory law matters, including regulatory applications.
98. Governance oversight services include:
- Reporting all material claims and litigation affecting EUI and its business units and subsidiaries.
 - Providing oversight, advice and reports on transactions undertaken by EUI and its business units and subsidiaries.
 - Providing advice regarding corporate governance matters, including information on company structure, ownership and directors' and officers' information.
 - Providing input into annual reports and filings as well as numerous corporate policies.
 - Maintaining corporate records including registrations and preparation of supporting documentation of applications as it relates to changes to directors, officers and/or shareholders to comply with legislation.
 - Preparing corporate documentation including supporting annual resolutions for all subsidiary corporations in order to comply with legislation. For example, appointing or dispensing with an auditor is requirement of business corporation legislation.

99. Compliance services include administration and oversight in the areas of ethics, privacy, the Code of Conduct Regulation, the EPCOR Inter-Affiliate Code of Conduct, and records management for EUI and its Canadian business units and subsidiaries' activities. These responsibilities include developing and implementing policies and procedures, educating and training employees, monitoring compliance, coordinating documentation, internal and external reporting, investigating and resolving complaints and violations, and interfacing with auditors and regulators. Records management services include developing, implementing and overseeing hardcopy and electronic document retention schedules.

100. All of these services are required by EWS. Legal Services provides these services using the shared service model to achieve economies of scale benefits and cost efficiencies for EWS and other EUI Canadian subsidiaries. Legal Services provides the majority of Canadian legal services using internal legal, paralegal and administration staff. Performing oversight, governance and corporate secretarial services internally ensures that there is an appropriate level of control in EUI and its subsidiaries and is consistent with best industry practices.

1.3.9.3 Health, Safety, Security and Environment

101. The Health, Safety, Security and Environment ("HSSE") group provides the following services to EWS and other EUI subsidiaries:

- Health, Safety and Environment; and
- Security.

102. In April 2022, the Security group was transferred to HSSE from Supply Chain Management.

1.3.9.3.1 Health, Safety and Environment

103. The Health, Safety and Environment ("HSE") department functions include:

- Governance, maintenance, and ongoing implementation of the Integrated Health, Safety and Environment Management System, which conforms to ISO 14001 (Environment) and OHSAS 18001 (Health and Safety) requirements, and is implemented across all business units within EPCOR. In March 2021, OHSAS 18001 was replaced by ISO 45001 (published on March 12, 2018).
- Trend analysis, evaluation, and reporting for the EPCOR group to assist business units in ensuring that regulatory monitoring and reporting requirements are met.

- Creation and management of a detailed HSE strategic plan and updating corporate HSE policies, standards, procedures and related documentation for all EPCOR business units to ensure consistent and efficient delivery of HSE programs.
- Governance and oversight of fundamental HSE processes such as hazard identification and operational controls, employee competency and training, HSE role expectations, incident management, worksite inspections, performance measurement, communication, safety culture assessment for consistency and improved overall safety.
- Management and Administration of the Event Reporting System (ERS), Alcohol and Drug Program, Contractor Management, Occupational Health and Hygiene programs, Vision Care Program, and other related HSE Corporate Programs and Standards within EPCOR's HSE Management System to ensure consistent and efficient delivery of HSE programs and information systems across EPCOR.
- Ensuring a comprehensive HSE performance assessment process is in place, including leading and lagging metric indicators along with an operational and management review process to improve health and safety performance through early identification of trends and safety issues.
- Facilitation and administration for various HSE Committees and oversight and approval of content of the Corporate HSE Website, improving safety-related communications and safety performance across EPCOR's business units through information sharing.
- Providing subject matter expertise for corporate groups and business units as required – Legal Requirements, Audits, Human Resources, Security, Emergency Management, Training, Communications and Public Engagement and Business Resilience.

104. EWS has an obligation to ensure that its employees can perform their duties in a safe environment. Corporate HSE reduces potential costs associated with operational and litigation risk by creating corporate policies that minimize workplace and environmental incidents. These services are necessary to enable EWS to provide utility service to its customers, and the costs of providing these services are reasonable.

1.3.9.3.2 Security

105. Security provides continuous threat and risk analysis of all physical security respecting EPCOR's businesses and facilities, including those arising from criminals, terrorists and employees. Other services provided by this function include conducting training exercises, awareness sessions, and providing guidance to prepare EWS and other EUI subsidiaries to prevent and minimize losses during an emergency or disaster. Security guard protection services are entirely outsourced across EPCOR.

106. Security services are required to enable EWS and other EUI subsidiaries to provide utility services to customers. The services are required to ensure staff and contractors operating within EWS and other EUI subsidiaries have a safe and secure environment to work in. Security services are also essential to ensure that the workforce, both contractors and employees, is properly background screened. Security services are also required to ensure that facilities are protected from break-ins, damage, theft, and terrorism threats.

1.3.10 Incentive Compensation

107. Corporate incentive compensation is paid to Corporate Services employees based on individual performance ratings and EUI's overall annual corporate targets. The EPCOR groups' structure for compensating its non-union employees has four components: base compensation (annual salary), employer paid benefits, Short Term Incentive ("STI"), and Mid Term Incentive ("MTI") for participating Directors, VPs and Executives. EPCOR's structure for compensating unionized employees has three components: base compensation (hourly wages / annual salaries), employer paid benefits and STI. The compensation was designed to bring employee total compensation to a level which is at par with comparable positions in the market from which EPCOR must draw employees (i.e., to market value).

1.3.11 Asset Usage Fees

108. EUI charges fees relating to general plant assets owned by EUI that are used in providing Corporate Services to EPCOR business units. These fees are referred to as Corporate Asset Usage Fees. The categories of assets for which Corporate Asset Usage Fees are charged include the following:

- Leasehold Assets;
- Human Resources Information System ("HRIS");
- Information System ("IS") Infrastructure;

- Financial System;
- Furniture and Fixtures;
- Vehicles; and
- Customer Information System (“CIS”).

109. The forecast Asset Usage Fee for each category of corporate assets comprises both a “return of” capital (or depreciation expense) and a “return on” capital. The return on capital component is calculated using EWS’s weighted average cost of capital.

1.3.11.1 Leasehold Assets

110. Leasehold Assets include:

- Disaster Recovery Leasehold; and
- EPCOR Tower (Station Lands) Leasehold Improvements.

1.3.11.2 Human Resources Information System

111. The HRIS is a software application that is used by EUI’s HR department to manage the employees of the EPCOR group, including such things as recruiting, hiring, managing and paying employees (including the calculation of pensions, CPP, UIC, income tax and other payroll deductions).

1.3.11.3 Information Systems Infrastructure

112. The Information System’s assets include servers, electronic storage devices, information system networks, desktops and Information System Applications used by Corporate Services departments to provide services to EWS and other EUI subsidiaries.

1.3.11.4 Financial System

113. The Financial System costs represent the current financial application that is used to pay invoices, record and report financial information, prepare financial statements, calculate depreciation, purchase goods and services and manage project costs. The software application, Oracle Financials, uses modules that include Accounts Payable, Accounts Receivable, General Ledger, Purchasing, Projects and Fixed Assets.

1.3.11.5 Furniture and Fixtures

114. These asset costs represent furniture such as offices, workstations, chairs, tables, file cabinets and shelves used by employees in Corporate Services departments.

1.3.11.6 Vehicles

115. Vehicle assets are used for security and for employees at EPCOR Tower to travel to meetings at EUI sties.

1.3.11.7 Customer Information System ("CIS")

116. The Customer Information System ("CIS") is a single, integrated system that ensures that EPCOR continues to be able to respond to customer account inquiries, set up or remove services, maintain customer accounts and transaction history, calculate and generate bills, and receive payments.