

## Components of Net Benefit Plans Cost (Credit)

The table below shows the net benefit plans cost (credit) before and after recognizing its long-term nature. The recognized net benefit plan cost (credit) reflects the amount reported in our statement of operations and is calculated according to our accounting policy.

FOR THE YEAR ENDED DECEMBER 31	PENSION BENEFITS			OTHER BENEFITS		
	2004	2003	2002	2004	2003	2002
Current service cost	243	222	223	31	31	35
Interest cost on accrued benefit obligation	806	757	749	104	105	94
Actual (return) loss on plan assets	(1,074)	(1,583)	854	(4)	(8)	(1)
Past service costs arising during period	77	4	50	14	2	—
Actuarial loss (gain) on accrued benefit obligation	772	513	(19)	102	(52)	173
<b>Elements of employee future benefit plans cost (credit), before recognizing its long-term nature</b>	<b>824</b>	<b>(87)</b>	<b>1,857</b>	<b>247</b>	<b>78</b>	<b>301</b>
Excess (deficiency) of actual return over expected return <sup>(1)</sup>	121	648	(1,981)	(6)	(1)	(10)
Deferral of amounts arising during period:						
Past service costs	(77)	(4)	(50)	(14)	(2)	—
Actuarial (loss) gain on accrued benefit obligation	(772)	(513)	19	(102)	52	(173)
Amortization of previously deferred amounts:						
Past service costs	10	9	6	—	—	—
Net actuarial losses	33	23	1	1	—	—
Transitional (asset) obligation	(44)	(44)	(56)	30	30	39
<b>Adjustments to recognize long-term nature of employee future benefit plans cost (credit)</b>	<b>(729)</b>	<b>119</b>	<b>(2,061)</b>	<b>(91)</b>	<b>79</b>	<b>(144)</b>
Increase (decrease) in valuation allowance	3	(12)	14	—	—	—
Other	2	(2)	—	—	—	—
<b>Net benefit plans cost (credit), recognized</b>	<b>100</b>	<b>18</b>	<b>(190)</b>	<b>156</b>	<b>157</b>	<b>157</b>
Comprised of:						
Defined benefit plans cost	85	13	(190)	156	157	157
Defined contribution plans cost	15	5	—	—	—	—

(1) The expected return on plan assets for a given year is calculated based on the market-related value of plan assets as at the beginning of that year. The market-related value of pension plan assets was \$13,044 million at January 1, 2004, \$12,542 million at January 1, 2003, and \$13,922 million at January 1, 2002.

## Significant Assumptions

We used the following key assumptions to measure the accrued benefit obligation and the net benefit plans cost (credit) for the DB pension plans and plans that provide other employee future benefits. These assumptions are long-term, which is consistent with the nature of employee benefit plans.

	PENSION BENEFITS			OTHER BENEFITS		
	2004	2003	2002	2004	2003	2002
<b>At December 31</b>						
Accrued benefit obligation:						
Discount rate, end of year	6.2%	6.5%	6.5%	6.2%	6.5%	6.5%
Rate of compensation increase, end of year	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
<b>For the year ended December 31</b>						
Net benefit plans cost (credit):						
Discount rate, end of preceding year	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Expected return on plan assets, end of preceding year	7.5%	7.5%	8.3%	7.5%	7.5%	8.3%
Rate of compensation increase, end of preceding year	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%