

1 Q. Further to NP-9, explain why the annual pension plan expense increased  
2 from an average of \$2.3 million over the years 1992-1999 to an average of  
3 \$2.9 million for the years 2000-2002.

4

5 A. The annual pension plan expense will vary depending on the amount of  
6 salaries . During the periods 1992 to 1995 there were no wage increases.  
7 As well, effective January 1, 1998 there is a 1% contribution increase which  
8 is to be phased in over a four-year period at  $\frac{1}{4}$  % per year.