

1    Q.    **Grant Thornton's Prefiled Evidence**

2            Page 39 lines 36-39 – Please provide a calculation of the fringe benefits  
3            percentage for 2002 (13.15%), forecast 2003 (14.22%) and forecast 2004  
4            (14.24%).

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7    A.    The fringe benefit calculation is based on an estimate of company  
8            contributions for the Provincial Pension Plan, the Canada Pension Plan,  
9            Employment Insurance and Worker's Compensation Benefits. Normally, the  
10           estimate for budgeting purposes is based on the previous year's actuals  
11           which has been approximately 13% of the salary expenses for the past few  
12           years. Fringe benefits for 2003 and 2004 are estimated to increase by  
13           approximately 1% due to increases in both the Provincial Pension Plan and  
14           Canada Pension Plan contributions.