

- 1    Q.    Further to NP-243 NLH, please update the response to reflect the revised  
2           filing dated October 31, 2003.  
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5    A.    Please refer to attached schedule.

## Newfoundland & Labrador Hydro Salary Expense

Description	2002 Actuals	2003 Forecast	Variance	2004 Forecast	Variance
Salaries	50,323	48,712	(1,611) <sup>1</sup>	49,925	1,213 <sup>9</sup>
Directors fees	23	62	39 <sup>2</sup>	62	0
Overtime	3,910	3,863	(47) <sup>3</sup>	2,869	(994) <sup>3</sup>
Employee Future Benefits	2,445	3,631	1,186 <sup>4</sup>	3,727	96 <sup>4</sup>
Fringe Benefits	6,630	6,944	314 <sup>5</sup>	7,110	166 <sup>5</sup>
Group Insurance	1,123	1,600	477 <sup>6</sup>	1,950	350 <sup>6</sup>
Labrador Travel Benefit	105	97	(8) <sup>7</sup>	99	2 <sup>7</sup>
Vacancy Allowance	0	(220)	(220) <sup>8</sup>	(2,500)	(2,280) <sup>10</sup>
	64,559	64,689	130	63,242	(1,447)

1 Decrease in 2003 is mainly due to the full year's effect of the 46 positions eliminated in late 2002 partially offset by general scaling increases.

2 Less travel expenses in 2002.

3 Overtime did not decline as much as anticipated in 2003, primarily due to overtime on capital projects.

4 Increase is due to higher projected costs in actuarial estimates. This higher cost is a result of increased cost of health care benefits.

5 Increase is due to escalating Provincial Pension Plan rates and to a lesser extent, Canada Pension Plan contributions.

6 Increase is due to higher group insurance rates which resulted from higher costs for drugs and expanded coverage for temporary employees.

7 The variance for Labrador Travel Benefit is not material.

8 Vacancy allowance has been adjusted to reflect actual vacancies experienced year-to-date and anticipated

9 The increase in 2004 is mainly due to an overall scaling increase of approximately 3%.

10 Vacancy allowance and provision for anticipated future savings as a result of a continuous review of Hydro's work processes.