

Q. Reference Volume 2, Tab 5, p. 19

(a) What is the base against which the increases in utilization by age are calculated?

(b) Please provide a comparison of the assumed increase in utilization by age with the actual experience in utilization by age for retirees since 1998.

A. (a) Increases in utilization by age are calculated based on reviews performed by the Company's actuary that measure the relative increase or decrease in utilization by age compared to an average individual age of 65. This information is then used to produce standard utilization tables for OPEB valuation purposes.

The current utilization tables are based on an industry wide study completed by the Company's actuary in 2007 which included various OPEB plans in Canada.

(b) There is insufficient data available at Newfoundland Power to properly compare the assumed increase in utilization by age to the actual utilization experience by age since 1998. For credibility purposes, the Company's actuary would require individual data on more than Newfoundland Power's 1,024 retirees to complete this request. Current utilization tables are based on a study of over 500,000 Canadian retirees from various plans.