

1 **Q. Please provide a more thorough description of the benefits, insurance arrangements,**
2 **and premiums in respect of OPEB. For instance, page 19 of the Report on Non-**
3 **Pension Retirement Expense for Fiscal 2008 Under CICA Section 3461 (OPEB**
4 **valuation), specifies premium rates and employer cost sharing of those rates. What**
5 **benefits do these premiums cover? How do these premiums factor into the**
6 **calculation of OPEB expenses for purposes of the rate application?**

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8 A. A detailed description of benefits has been provided in the group insurance booklets filed
9 in Response to Request for Information CA-NP-304.

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11 Premiums are cost shared 50/50 (employee/employer) for active employees and retirees
12 under age 65. Over the age of 65, the employer pays 100% of the premiums; however,
13 benefit coverages are reduced.

14
15 A summary of plan provisions and the reduction in coverage at age 65 is detailed in
16 Appendix D of the Actuarial Valuation of OPEBs found in *Volume 2: Supporting*
17 *Documents, Tab 5.*

18
19 The premiums paid by employees serve to reduce the accrued benefit obligation of the
20 Company that is used in determining the OPEBs expense. The premiums paid by the
21 Company are incorporated into the computation of OPEBs expense.

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23 The calculation of the OPEBs expense is provided in Attachment C to response to
24 Request for Information CA-NP-317. The premiums paid by Newfoundland Power are
25 referred to as Employer Contributions in Attachment C.