

1 **Q. Reference CA-NP-58: p. 91 of Notes to Consolidated Financial Statements, it states:**
2 **“Additionally, the Corporation, Terasen Gas companies, FortisAlberta,**
3 **Newfoundland Power and Maritime Electric provide retirement allowances and**
4 **supplemented retirement plans for certain of its executive employees.” Please detail**
5 **what these allowances and supplemental retirement plans consist of.**
6

7 **A.** Retirement Allowances are a benefit paid to all Regular Newfoundland Power employees
8 including Executive members under the following condition:
9

10 Upon retirement a Regular Employee with ten (10) years or more of service who qualifies
11 for and receives a Company pension will be entitled to a Retirement Allowance equal to
12 the amount obtained upon multiplying the number of completed years of continuous
13 employment with the Company by their basic weekly pay to a maximum of twenty-three
14 (23) weeks, and as of January 1, 2011 a maximum of twenty-four (24) weeks.
15

16 Newfoundland Power does not have details on the retirement allowance provisions for
17 Fortis Inc. and its subsidiaries.
18

19 Newfoundland Power maintains a Supplemental Employee Retirement Plan (“SERP”) for
20 its Executive. The SERP provides for the accrual of 13% of base salary and annual
21 incentive in excess of the Canada Revenue Agency limit. At time of retirement, the
22 notional amounts accumulated under the SERP may be paid in one lump sum, or in equal
23 payments over fifteen (15) years, subject to withholding taxes. Fortis Inc., Terasen Gas
24 Inc., and FortisAlberta also participate in the SERP.¹ Details for Maritime Electric are
25 not publically disclosed.

¹ Information regarding this and other retirement plans for executive of these companies is available through public disclosure required by securities regulation.