

*Requests for Information*

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1 **Q. Further to CA-NP-326, please provide the information requested so that the impact**  
2 **of all retirees paying one-half of premiums on the calculations respecting OPEBs as**  
3 **set out in the Application may be ascertained.**  
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5 A. As indicated in response to Request for Information CA-NP-326, an updated OPEBs  
6 valuation is required to determine the impacts requested. Such a valuation requires  
7 detailed plan amendments including specific coverage changes, member participation and  
8 claims estimates.  
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10 The Company has requested a *pro-forma* indication of cost impacts from its actuary to  
11 respond to this Request for Information.  
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13 The *pro-forma* indication assumes (i) all employees retiring effective January 1, 2010 and  
14 onward were required to pay one-half of premiums for medical coverage in an amended  
15 OPEBs plan, (ii) 100% of employees retiring effective January 1, 2010 elected to  
16 participate in the amended OPEBs plan, (iii) the maximum annual benefit cap of \$5,000  
17 was removed and as a result (iv) total medical claims increase only 10%.  
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19 Based upon these assumptions, the projected accrued benefit OPEBs obligation would  
20 decrease from approximately \$74.6 million to \$72.1 million.<sup>1</sup> The *pro-forma* OPEBs cost  
21 for 2010 (on an accrual basis of accounting) would decrease by approximately \$2.5  
22 million.  
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24 Newfoundland Power does not consider these assumptions to be realistic for the reasons  
25 set out in the response to Request for Information CA-NP-345(d) and (e).  
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27 Further, Newfoundland Power observes that *any* change from current employee post  
28 retirement benefits will impact annual OPEBs costs.

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<sup>1</sup> Reflects a discount rate of 6.50%.