

1 **Q. Reference: CA-NP-335**

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3 **Please confirm if any surpluses or deficits have been paid in respect of the**
4 **Newfoundland Power Benefit Plan for the years 2007 to 2009; further, please**
5 **provide the amounts of any such payments and to whom they were paid.**
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7 A. No surpluses or deficits have been *paid* in respect of the Newfoundland Power Benefit Plan
8 for the years 2007 to 2009.
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10 As of August 31, 2008, the Newfoundland Power benefit plan health insurance and life
11 insurance accounts had accumulated deficit balances of approximately \$390,000 and
12 \$553,000, respectively.¹ The health insurance deficit balance reflects a transfer of
13 approximately \$126,000 from the Unrestricted Deposit Account (“UDA”) surplus, which
14 was applied toward health insurance premiums in 2008.²

¹ Account balance information for the year ending August 31, 2009 will be available to the Company during the benefit plan renewal process in October 2009. Newfoundland Power anticipates deficit balances in these accounts at that time.

² The UDA serves to increase stability in premiums for benefit plan members. This account reflects any differences between total premiums billed for coverage and total premiums paid by employees and the Company related to the Company’s benefit plan. In 2007, a surplus balance accumulated in the UDA due to reduced premium rates established during the 2006 renewal. Members’ premiums paid were stable in this period, from July 1, 2005 to January 1, 2008. As of August 31, 2008, the UDA held a surplus balance of approximately \$300,000.