

1 **Q. Please provide a copy of any standard form correspondence or notice sent to (a)**  
2 **employees, and (b) retirees from the Company pertaining to the group benefits plan**  
3 **over the past 10 years.**  
4

5 A. (a) Attachment A contains copies of all standard form correspondence and notices sent  
6 to employees pertaining to the Company's group benefits plan since 1999.  
7

8 (b) Attachment B contains copies of all standard form correspondence and notices sent  
9 to retirees pertaining to the Company's group benefits plan since 1999.

**Standard Form Correspondence and Notices to Employees since 1999  
pertaining to the Group Benefits Plan**

## Notice to Employees of Benefit Changes

Following a recent review of proposals from various insurance companies, the Company wishes to advise employees of changes to health benefit coverages and premiums:

- **Great-West Life** has been retained as our **benefit carrier**. Overall, employees will receive a reduction in benefit premiums (excluding dental) accompanied by an increase in coverages.
- Our **dental plan** will move from **Blue Cross** to **Great-West Life**. This move is being made to avoid a significant increase in dental premiums.
- **All coverage changes are effective May 1, 1999**. Changes to premiums will be reflected on your May 21<sup>st</sup> paycheck.

Summary of Changes to Benefit Premiums	
<b>Basic Life Insurance</b>	Decrease of approximately 15%.
<b>Optional Life Insurance</b>	Refer to information on reverse.
<b>Basic AD&amp;D and Optional AD&amp;D</b>	Decrease of approximately 17%.
<b>Optional Dental</b>	Increase of \$1.18 per month for single coverage and \$2.76 per month for family coverage.
<b>Health Care</b>	Increase of \$0.26 per month for single coverage and \$.95 per month for family coverage.
<b>Travel Health</b>	No Change
<b>Dependent Life</b>	No Change

*Updates to the Employee Benefits Manual and further information on the Advanced Death Benefit and Critical Illness Benefit will be issued in May.*

*Please see reverse for more information.*

## Summary of Coverage Changes Effective May 1, 1999

### Change in Optional Life Insurance Rates

Revised Rate	Monthly Rate per \$10,000						
	35-39	40-44	45-49	50-54	55-59	60-64	65-69
<b>Smoker</b>	0.77	0.88	1.65	3.08	5.94	9.57	12.98
<b>Non-Smoker</b>	0.44	0.55	0.77	1.54	2.97	4.84	6.49

### Change in Long-Term Disability Coverage

Our "one year own occupation" of the Long-Term Disability program will be enhanced to a "two year own occupation" program. This enhancement will be evaluated in April 2000 to determine its continuance.

### Change in Dental Plan Carrier

Our dental plan carrier will change from Blue Cross to Great-West Life, resulting in a 5% increase in dental premiums. (If the Company had retained Blue Cross, there would have been an 18% increase in premiums). Employees should continue sending dental claims to Blue Cross up to April 30, 1999. As of May 1, 1999, all claims are to be submitted to Great-West Life. There are no changes to coverage or yearly maximums.

### Change in Vision Care Coverage

The maximum for vision care has been increased from \$125 to \$150 in any 24 month period.

### Change in Travel Health Coverage

Coverage for Travel Health has been changed from unlimited coverage to a maximum of \$1 million per person, per lifetime.

### Advanced Death Benefit

There is now an Advanced Death Benefit in our Life Insurance Plan. Terminally ill retirees can obtain a portion of their life insurance while they are living.

# EMPLOYEES - Changes in Benefit Deductions

Effective October 1, 2000\*, premiums for certain insurance benefits will increase. They are summarized as follows:

Basic Life/Dependent Life.....	No increase
Basic AD&D .....	No increase
Travel Health.....	No increase
Health (Single) .....	Increase of \$ 3.68 per month
Health (Family) .....	Increase of \$13.04 per month
Long Term Disability .....	10 % increase
Optional Life .....	No increase
Optional AD&D .....	No increase
Dental .....	No increase

**The following is an overview of the plans listed above and the reasons for any rate changes.**

For the plans:

Basic Life/Dependent Life  
Basic AD &D  
Travel Health  
Optional Life  
Optional AD&D  
Optional Dental

Claims have followed a relatively normal pattern. No change in premium is required.

## **Health**

Claims under this plan are either for drugs or extended medical. Extended medical covers such services as physiotherapy, nursing & hospital care, ambulance, transportation benefits, orthotic aids and diabetic supplies.

Claims and associated costs under our drug program and extended medical programs have seen significant increases.

The main reasons are:

- the cost and volume of new drugs;
- less services being covered by MCP;
- increased costs in providing extended medical services; and
- greater claims, mainly because of an aging population.

(over)

## **Long Term Disability**

As a result of both an increase in the number and duration of disability claims under our program, a 10% increase in the LTD rate is required at this time.

While it does not appear that the "two year own occupation" definition is impacting the claims experience, we will continue to monitor its effectiveness.

If you have any questions concerning your coverage or these increases, please call Doug Chafe at 737-5775 or Sharon Quinton at 737-2843.

- \* Increases were effective April 1, 2000, however, the Company has been successful in deferring any corresponding increase in employee contributions for a period of 6 months.**

## **EMPLOYEES - Changes in Benefit Deductions**

Effective **April 1, 2002**, premiums for certain insurance benefits will increase. They are summarized as follows:

Basic Life/Dependent Life .....	No increase
Basic AD&D .....	No increase
Travel Health (Single).....	Increase of \$0.40 per month
Travel Health (Family).....	Increase of \$1.27 per month
Health (Single) .....	Increase of \$2.89 per month*
Health (Family) .....	Increase of \$10.11 per month*
Long Term Disability .....	30% increase
Optional Life .....	No increase
Optional AD&D .....	No increase
Dental (Family) .....	Increase of \$7.16 per month
Dental (Single) .....	Increase of \$3.06 per month

\* Due to the financial status of the benefits plan, the health increase will be deferred until April 2003.

**The following is an overview of the plans listed and the reasons for any rate changes.**

For the plans:

Basic Life/Dependent Life  
Basic AD &D  
Optional Life  
Optional AD&D

Claims have followed a relatively normal pattern. No change in premium is required.

### **Travel Health**

Claims under this plan are for out-of-country emergencies, such as hospitalization, doctor's visits, etc. In recent years, claims and associated costs under this benefit have seen significant increases.

### **Health**

Claims under this plan are either drugs or extended medical. Extended medical covers such services as physiotherapy, nursing & hospital care, ambulance, transportation benefits, orthotic aids and diabetic supplies.

In the past year, claims and associated costs under our drug program and extended medical programs have increased.

The main reasons are:

- The cost and volume of new drugs;
- Less services being covered by MCP;
- Increased costs in providing extended benefit services;
- Greater claims, mainly because of an aging population.

**Long Term Disability**

There has been a substantial increase in the incidence of disability claims under our program over the past several years. In each of the last two years, paid claims have exceeded the paid premium. Considering the number of new claims and the demographics of the insured employees, a 30% increase in the LTD rate is required at this time.

**Optional Dental**

The main reasons for increases in the dental premiums are:

- increased fees charged by dentists;
- increased utilization by members; and
- decreased member participation.

If you have any questions concerning your coverage or these increases, please call Pamela Hart at 737-2843 or Doug Chafe at 737-5775.

September 25, 2003

Dear Employee/Retiree:

We wish to inform you that the Company has renewed its benefit program with Great-West Life.

Our latest review resulted in a premium increase for Health Care Insurance effective June 2003. These increases are primarily attributed to trends in health care costs nationwide, particularly, prescription drugs. We have deferred these increases up to now by using money held in a reserve account for such purposes. The funds in this account will be depleted by the end of this year and the increases will be passed on to the Company and employees effective January 2004.

The following chart summarizes the current and proposed costs for employee Health Coverage. In June 2004, Great-West Life will advise the Company if further increases to Health Care Insurance rates are required. Rates for Group Travel Insurance and the "Optional" Dental Plan will also be reviewed at that time. Please note that costs for other insurances will remain the same until June 2005 as per our two-year guarantee with Great-West Life.

### **Health Care Insurance**

	<b>CURRENT PREMIUM (PER MONTH)</b>		<b>EFFECTIVE JANUARY 1, 2004 (PER MONTH)</b>	
	<b>Single</b>	<b>Family</b>	<b>Single</b>	<b>Family</b>
<b>HEALTH CARE INSURANCE</b>	\$35.67	\$125.48	\$41.44	\$145.69
<b>EMPLOYEE PORTION</b>	\$17.84	\$62.74	\$20.72	\$72.85

Increasing costs are a concern for everyone and we are working with Great-West Life to balance the benefits you need with rising health care costs.

.../2



September 25, 2003

Page 2

Enclosed is a **Health Care Positive Enrollment Form** that must be completed by you to ensure Great-West Life has your enrollment information. If you have a spouse, ensure you complete the Spouse Information Section. Please provide the requested information concerning your spouse's plan if your spouse is insured for health and/or dental benefits through his/her employer. This information will enable claims to be properly coordinated through both plans. Depending on your spouse's plan, you may be able to obtain full coverage on items that are not fully reimbursed under the Company's plan and vice versa.

Remember, when coordinating benefits with your spouse's plan, you and your spouse must first submit claims to your own group plan. Claims for dependent children must first be submitted to the plan of the parent who has the earlier birth date in the calendar year. Any unpaid balance can then be submitted to the plan of the other person.

Please return your completed positive enrollment form to Human Resources by **October 24, 2003**. Ensure that the information provided is complete and accurate and that all birth dates are correctly recorded. (Omission of required dependent information could result in delays in processing claims for your dependents.)

The Company is committed to working with Great-West Life and our employees to keep our benefit plan competitive and affordable for all plan participants.

Should you have any questions or require additional information, you can contact Pamela Hart, Human Resources at 737-2843.

Yours truly,

Gerard O' Reilly  
Director, Compensation & Benefits

Enclosure



May 27, 2004

Newfoundland Power Inc.

Human Resources  
55 Kenmount Road  
PO Box 8910  
St. John's, Newfoundland  
A1B 3P6  
Business: (709) 737-5776  
Facsimile: (709) 737-2967  
www.newfoundlandpower.com

Dear Employee: *(SHORT TERM TERMS)*

In a letter sent to employees on September 17, 2003, we informed you that there may be increases to health care insurance rates at the time of renewal. Our insurer, Great-West Life, has advised us that there will be an increase in health insurance premiums effective June 1, 2004.

In 2002 and 2003, the Company was able to absorb increases in premiums for employees by using money held in a reserve account. However the funds in this account have been depleted.

The chart below summarizes the employee portion for the current and new costs for health care insurance. Premiums for other insurances will remain the same until at least June 2005 as per our two-year guarantee with Great-West Life, including: basic life/dependent life; basic accidental death and dismemberment; long term disability; optional life; and, optional accidental death and dismemberment.

	CURRENT PREMIUM PER MONTH		JUNE 1, 2004 PREMIUM PER MONTH	
	Single	Family	Single	Family
HEALTH CARE	\$20.72	\$72.85	\$24.87	\$87.42

This level of increase is a concern to us all, however premium increases are unavoidable at this time. Such increases are being experienced across the country, mainly due to: greater claims as a result of an aging population; the increased utilization of prescription drugs; the cost of new drugs on the market; and, the transferring of more medical services from MCP to private insurance carriers.

The Company reviews its insurance program and assesses other insurers in the market on an ongoing basis to ensure that we are providing the benefits employees require at the lowest premiums possible. In 2003, the Company completed a market assessment and determined that Great-West Life was the best choice to continue to meet employees' needs at the lowest cost.

.../2

May 27, 2004

Page 2

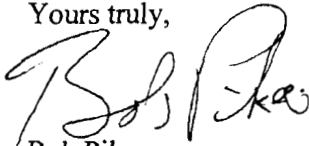
The Company will continue to work with leading insurance benefit consultants to explore various options and to identify opportunities to help minimize future increases in premiums. We are asking employees for their support as well. The Company offers the following health and wellness initiatives that have the potential to positively impact our health care costs, and we encourage employees to avail of them when offered:

- blood pressure monitors located throughout the Company;
- glucose and cholesterol screening;
- presentations on stress and mental illness;
- nutrition education sessions;
- presentations on early detection of type II diabetes; and,
- ulcer clinics.

In addition to these initiatives, we encourage individuals to ask their doctors for the low-cost brands of prescribed medications and choose discount pharmacies when filling prescriptions, as these efforts can certainly have a positive impact on future rates.

Should you have any questions or require additional information, feel free to call Gerard O'Reilly at 737-2885 or Pamela Hart at 737-2843.

Yours truly,

A handwritten signature in black ink, appearing to read "Bob Pike". The signature is stylized with a large, looped "B" and a cursive "Pike".

Bob Pike

Manager, Corporate Communications  
and Human Resource Services



May 27, 2004

*Newfoundland Power Inc.*

**Human Resources**

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Business: (709) 737-5776

Facsimile: (709) 737-2967

[www.newfoundlandpower.com](http://www.newfoundlandpower.com)

Dear Employee:

In a letter to you on September 17, 2003, we informed you that there may be increases to health care insurance rates at the time of renewal, which is June 1, 2004, and rates for group travel insurance and the optional dental plan would also be reviewed at that time. Our insurer, Great-West Life, has advised us that there will be an increase in health, travel and dental insurance premiums effective June 1, 2004, which will have an overall impact of an 11.9 per cent increase on the total benefit package to employees.

In 2002 and 2003, the Company was able to absorb increases in premiums for employees by using money held in a reserve account. However the funds in this account have been depleted.

The chart below summarizes the employee portion for the current and new costs for health care, travel and dental insurance. Premiums for other insurances will remain the same until at least June 2005 as per our two-year guarantee with Great-West Life, including: basic life/dependent life; basic accidental death and dismemberment; long term disability; optional life; and, optional accidental death and dismemberment.

	CURRENT PREMIUM PER MONTH		JUNE 1, 2004 PREMIUM PER MONTH	
	Single	Family	Single	Family
<b>HEALTH CARE &amp; TRAVEL INSURANCE</b>	\$22.06	\$76.53	\$27.28	\$94.23
<b>OPTIONAL DENTAL INSURANCE</b>	\$28.52	\$66.84	\$29.86	\$69.98

This level of increase is a concern to us all, however premium increases are unavoidable at this time. Such increases are being experienced across the country, mainly due to: greater claims as a result of an aging population; the increased utilization of prescription drugs; the cost of new drugs on the market; and, the transferring of more medical services from MCP to private insurance carriers. As well, travel health claims for out-of-province emergencies, such as hospitalization and doctor visits, have increased. The main reasons for increases in dental premiums include: increased fees charged by dentists; increased utilization by members; and, decreased member participation.

.../2

May 27, 2004

Page 2

The Company reviews its insurance program and assesses other insurers in the market on an ongoing basis to ensure that we are providing the benefits employees require at the lowest premiums possible. In 2003, the Company completed a market assessment and determined that Great-West Life was the best choice to continue to meet employees' needs at the lowest cost.

The Company will continue to work with leading insurance benefit consultants to explore various options and to identify opportunities to help minimize future increases in premiums. We are asking employees for their support as well. The Company offers the following health and wellness initiatives that have the potential to positively impact our health care costs, and we encourage employees to avail of them when offered:

- blood pressure monitors located throughout the Company;
- glucose and cholesterol screening;
- presentations on stress and mental illness;
- nutrition education sessions;
- presentations on early detection of type II diabetes; and,
- ulcer clinics.

In addition to these initiatives, we encourage individuals to ask their doctors for the low-cost brands of prescribed medications and choose discount pharmacies when filling prescriptions, as these efforts can certainly have a positive impact on future rates.

Should you have any questions or require additional information, feel free to call Gerard O'Reilly at 737-2885 or Pamela Hart at 737-2843.

Yours truly,

A handwritten signature in black ink, appearing to read 'Bob Pike', with a stylized flourish at the end.

Bob Pike

Manager, Corporate Communications  
and Human Resource Services



Newfoundland Power Inc.

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June 27, 2005

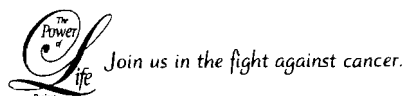
Dear Employee:

It is renewal time for Newfoundland Power's Health Care Plan and our insurance provider, Great-West Life, has advised us that again this year we will experience an increase to our premiums. Effective July 1, 2005 there will be increases in health, life, and long term disability premiums which will have an overall impact of an 8.9% (percent) increase on the total benefit package to employees. A table summarizing these increases can be found at the end of this letter.

While the overall increase is within the range for annual increases being experienced by benefit plans, we felt it was important to note the unusually high increase to our Long Term Disability premiums. While we were able to negotiate with Great West Life to lower the increase from 50% to 31%, the increased premiums are largely due to our experience rating (i.e. history of past use). As a Company we are committed to our early and safe return to work program, and we will work diligently with employees and their physicians, as well as Great West Life, in an effort to re-integrate those employees with an illness or injury back into the workforce as quickly as possible.

The rising cost of Newfoundland Power's benefits program is of great concern; based on insurance industry estimates, the cost of the medical plan could double in six years and triple in just over ten years. Due to these increasing costs, we feel it necessary to conduct a market review of insurance providers early next year to ensure our current benefit costs remain competitive.

Each and every one of us can help control rising costs in a positive manner by asking doctors for the low-cost brands of prescribed medications where generic drugs are not available, filling smaller prescriptions when initially trying new drugs or filling larger prescriptions for extended use of a drug to reduce dispensing fees. Most importantly, prevention is where we can make the biggest impact such as taking advantage of our wellness programs to help live a healthier lifestyle. The Company will continue its part to work with leading insurance benefit consultants to explore various options and to identify opportunities to help minimize future increases in premiums; but we need your help.



Newfoundland Power offers various health and wellness initiatives that have the potential to positively impact our health care costs, and we encourage employees to avail of them when offered. These include:

- blood pressure monitors located throughout the Company
- glucose and cholesterol screening
- presentations on stress and mental illness
- nutrition education sessions
- presentations on early detection of Type II diabetes
- other awareness/prevention clinics
- flu shots
- fitness center discounts
- early and safe return to work program.

Should you have any questions or require additional information concerning these increases, feel free to contact Pamela Hart, Human Resources Assistant by e-mail or by calling 737-2843.

For more information on our health and wellness programs, feel free to contact Noel Flynn, our Health and EAP Coordinator by e-mail or by calling 737-5640.

Yours truly,



Robert Pike  
Manager, Corporate Communications  
and Human Resource Services

Summary of Changes to Benefit Premiums	
Basic Life Insurance	Increase of approximately 5%
Basic AD &D	No Increase
Dependent Life	Increase of approximately 5%
LTD	Increase of approximately 31%
Health Care	
Single	Increase of \$1.25 per month
Family	Increase of \$4.37 per month
Travel	
Single	Decrease of \$0.54 per month
Family	Decrease of \$1.64 per month
Dental	
Single	No Increase
Family	No Increase



August 1, 2006

Dear Employee/Retiree:

In response to employee feedback and concerns regarding rising benefit costs, we contracted Aon Consulting Inc. to review our existing plan and invite proposals from key insurance carriers to deliver our benefits program.

Based on the results of this market study, we have chosen a new insurance carrier to deliver our benefits program to employees and retirees. Effective October 1, 2006, **Medavie Blue Cross** will be managing Newfoundland Power's benefits program, including Basic and Dependant Life insurance, Optional Life, Long Term Disability Insurance, and Health Care, Travel and Dental insurance. (Accidental Death & Dismemberment and Critical Care insurance will remain with Citadel Insurance.)

Blue Cross is an industry leader in the area of health care claims management and we felt their local office in St. John's would enhance the current level of customer service, a concern raised by many of you. As a further benefit and again in response to your expressed concerns regarding benefit coverage, we are pleased to provide the following enhancements at **no additional cost to you**:

- **Vision Care** – Increase in benefits for eyeglass frames and lenses (or contact lenses) to **\$200** in any 12-month period for dependent children under the age of 18, if required due to a change in prescription, and any 24-month period for all others from the date of purchase.
- **Paramedical Practitioners** – Services of a **chiropractor** are increased to a limit of **\$500** in any calendar year.

While quoted premiums were lower for the next 15 months, Blue Cross forecast significant increases in the following three years. Upon recommendation from our consultants, and with a view to stabilize rates over the longer term, we have decided to maintain our current premiums until January 2008, to minimize future increases.

Also, in an effort to control rising costs, we will continue to provide you with information regarding our health and wellness initiatives as well as educational programs focused in the areas of specific concern to you. We will also communicate cost savings tips to help offset escalating drug costs. We encourage all employees and retirees to avail of the services and information we provide and appreciate your continued cooperation as we move forward. Collectively, our goal will be to stabilize rates as much as possible.

In addition, Aon's review of our existing plan indicated that we are highly competitive when compared to other health and benefit plans in the market place. In fact, in some areas we enjoy significantly higher benefit coverage (specifically - life insurance coverage and survivor benefits under health insurance plan for active employees and retirees under age 65, LTD 100% pre-disability earnings for active employees and free benefit coverage for retirees over age 65).

In an effort to keep you informed, further details will be provided to you as we move from Great West Life to Medavie Blue Cross however, until September 30, 2006, your coverage remains unchanged through Great West Life.

Yours truly,

Robert Pike  
Manager, Corporate Services



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December 17, 2007

Dear Employee:

When we changed insurance carriers last year for our group health care plan, we were able to do so without an increase to our premiums for a sixteen month period and avoided a 12% increase.

It is now renewal time and Medavie Blue Cross (MBC) has advised that effective January 1, 2008, there will be an overall increase to our insurance premiums of approximately 11% depending on your individual insurance package. (A table summarizing the changes can be found at the end of this letter.) The increase is driven primarily by our claims experience which has increased significantly since moving to Blue Cross. The increase in premiums would have been in excess of 25% were it not for an offsetting reduction in LTD rates.

The rising cost of Newfoundland Power's benefits program is a concern for all of us. We will continue to review the design of our plan with our benefit consultant to ensure we remain competitive compared to market while providing sufficient coverage for our employees and retirees. In addition, we will continue to explore various options and identify opportunities to help minimize future increases. Your role in helping minimize the cost of these benefits is very important.

Each and every one of us can have a significant influence on helping control rising costs by:

- asking doctors for the generic brand of any drug prescribed;
- asking doctors for less expensive brands of prescribed medications where generic drugs are not available; and,
- filling smaller prescriptions when initially trying new drugs or filling larger prescriptions for extended use of a proven drug to reduce dispensing fees.

In an effort to minimize the impact on future premiums on a go forward basis only items within the current plan design will be covered. Since our change in insurance carriers we have encountered numerous instances where items were being claimed that were not included in our health plan which can impact our claims experience and contribute to rising costs.

The insurance industry estimates costs of medical plans could double in the next six years and triple in just over ten years. Therefore, we have to work together to keep costs as low as possible and to avoid facing much higher increases to premiums in future years.




Support cancer care . . . right here!

Prevention is where we can make the biggest impact on cost savings. Lifestyle changes could significantly reduce drug utilization and we are committed to working with you to help you enhance your lifestyle through participation in our various health and wellness promotions. We offer various health and wellness initiatives that have the potential to improve your health as well as positively impact our health care costs, and you are encouraged to avail of them when offered. In 2008 we will continue to expand on our wellness initiatives in an effort to reduce future health care increases.

We welcome any suggestions or comments you may have to support us in our efforts to contain our benefit costs. Should you have any questions or require additional information concerning these increases or our health and wellness programs, feel free to contact Noel Flynn, Health and EAP Coordinator, by email or call 737-5640 or Cathy Dormody, Occupational Health and Safety Nurse by email or by calling 737-5238. As well you may contact me directly at 737-5674 or any member of the Human Resources team.

Yours truly,



Robert Pike  
Manager, Corporate Services

Health/Travel	
Single	\$73.44
Family	\$242.85
Dental	
Single	\$31.54
Family	\$73.84
<b>LTD</b>	\$2.558 per \$100
<b>Basic Life</b>	\$0.253 per \$1,000
<b>Basic AD&amp;D</b>	\$0.0168 per \$1,000

15-24	\$0.076	\$0.049
25-29	\$0.076	\$0.049
30-34	\$0.079	\$0.053
35-39	\$0.109	\$0.065
40-44	\$0.179	\$0.092
45-49	\$0.326	\$0.167
50-54	\$0.528	\$0.267
55-59	\$0.902	\$0.436
60-64	\$1.354	\$0.684

Dear Employee,

As you may be aware, changes were made in 2007 to the Newfoundland and Labrador Human Rights Code allowing employees to work beyond age 65. As you approach the age of 65 and remain actively employed as a regular, full-time employee of Newfoundland Power, we would like to inform you of changes to your insurance benefits that will become effective on your 65<sup>th</sup> birthday. These insurance benefits changes are consistent with industry for individuals over age 65 that remain in the workforce.

**Basic Benefits**

- Health/Travel Insurance – No change to your current benefit.
- Group Life Insurance and Accidental Death & Dismemberment – Coverage reduces to \$25,000 at age 65. (Short term temp reduces to \$10,000.)
- Dependent Life Insurance – No change to your current benefit.
- Long Term Disability Insurance – Benefit terminates at age 65 less the elimination period of 105 days (e.g., if an employee is disabled 60 days prior to their 65<sup>th</sup> birthday, they are not eligible for this benefit.)

**Optional Insurances**

- Optional Life Insurance – Benefit ceases at age 65.
- Optional Accidental Death & Dismemberment – Benefit ceases at age 70.
- Dental Insurance – Benefit ceases at age 70.
- Critical Care Illness – Employee coverage terminates at age 65; Spousal coverage terminates when spouse reaches age 65.

**Workers Compensation Benefits**

If you continue to work past age 65, coverage under the Workplace Health, Safety and Compensation Act is as follows:

Injured workers aged 63 or more at the time of injury will continue to receive loss of earning benefits for up to two years. For example, an active employee who is age 67 and injured on the job will be entitled to Workers Compensation benefits for two years up to age 69.

Should you require additional information on your group insurance coverage as an active employee over age 65, please contact Sharon Moore, Human Resources Coordinator, by e-mail at [smoore@newfoundlandpower.com](mailto:smoore@newfoundlandpower.com) or by calling 737-2843.

Sincerely,

Chari Bishop  
Director Employee Relations & Benefits

55 Kenmount Road  
PO Box 8910  
St. John's, NL  
A1B 3P6  
Business: (709) 737-5776  
Facsimile: (709) 737-2967  
newfoundlandpower.com

December 17, 2008

Dear Employee:

It is renewal time for Newfoundland Power's group insurance plan. Based on our claims experience over the past year, Medavie Blue Cross (MBC) has advised that effective January 1, 2009, we will experience an increase to our health, disability and life insurance premiums. Dental premiums will decrease effective January 1, 2009.

The increase in the health, life and disability premiums will continue to be cost shared 50/50 with the Company. The decrease in dental premium will be to the benefit of the employee as dental premiums are paid 100% by the employee. The premium changes effective January 1, 2009 are detailed at the back of this letter.

Newfoundland Power is committed to promoting and supporting a safe, respectful and healthy workplace environment that will benefit the health and well-being of all employees. A healthy workforce can positively impact our health care costs and insurance premiums in the future. We offer a variety of Health and Wellness programs that focus on all aspects of employees' health including their physical, mental, emotional, and psychosocial well-being.

Lifestyle changes can also significantly reduce drug utilization and we are committed to working with you to help modify lifestyle habits through our various health and wellness promotions. Our programs include: employee assistance program; smoking cessation; blood pressure monitoring; health screening clinics; flu vaccines; early and safe return to work options following an illness/injury; ergonomics; travel health; fitness incentives; and health related education and awareness sessions, to name a few.

In addition to maintaining a healthy lifestyle, you can further help by:

- Asking your doctor for the generic brand of any drug prescribed;
- Asking your doctor for less expensive brands of prescribed medications where generic drugs are not available; and,
- Filling smaller prescriptions when initially trying new drugs or filling larger prescriptions for extended use of a proven drug to reduce dispensing fees.

Should you have any questions or require additional information, feel free to contact Sharon Moore, Human Resources Co-ordinator by e-mail or by calling 737-2843.

For more information on our health and wellness programs, feel free to contact Noel Flynn, our Health and EAP Coordinator by e-mail or by calling 737-5640 or Cathy Dormody, Occupational Health and Safety Nurse by e-mail or by calling 737-5238.

Sincerely,



Jocelyn Perry  
VP Finance & CFO



Support cancer care . . . right here!

<b>Summary of Changes to Benefit Premiums</b>		
<b>Benefit</b>	<b>Current Monthly Rate</b>	<b>2009 Monthly Rate</b>
<b>Health Care</b>		
Single	\$70.20	\$78.58
Family	\$236.39	\$264.64
<b>Travel (No change)</b>		
Single	\$3.23	\$3.23
Family	\$6.46	\$6.46
<b>Dental</b>		
Single	\$31.54	\$29.17
Family	\$73.84	\$68.30
<b>Long Term Disability</b>	\$2.558 per \$100	\$2.929 per \$100
<b>Life</b>	\$0.253 per \$100	\$0.314 per \$100
<b>AD&amp;D (No change)</b>	\$0.0168 per \$1000	\$0.0168 per \$1000

**Note:** These premiums reflect total monthly premiums paid by employee and employer. Health Care, Travel, Long Term Disability, Life and AD&D are cost shared 50/50 with the Company.



Support cancer care . . . right here!

**Standard Form Correspondence and Notices to Retirees since 1999 pertaining  
to the Group Benefits Plan**

## Notice to Retirees of Benefit Changes

Following a recent review of proposals from various insurance companies, the Company wishes to advise retirees of changes to health benefit coverages and premiums:

- Great West Life has been retained as our benefit carrier. Overall, retirees will receive a reduction in benefit premiums (excluding dental) accompanied by an increase in coverages.
- Our dental plan will move from Blue Cross to Great West Life. This move is being made to avoid a significant increase in dental premiums.
- All coverage changes are effective May 1, 1999. Changes to premiums will be reflected on your May pension cheque.

Summary of Changes to Benefit Premiums	
Basic Life Insurance	Decrease of approximately 15%
Optional Life Insurance	Refer to information on reverse
Basic AD&D and Optional AD&D	Decrease of approximately 17%
Optional Dental	Increase of \$1.18 per month for single coverage and \$2.76 per month for family coverage
Health Care	Increase of \$0.26 per month for single coverage and \$0.95 per month for family coverage
Travel Health	No Change
Dependent Life	No Change

Updates to the Employee Benefits Manual and further information on the Advanced Death Benefit will be issued in May.

Please see reverse for more information.

## Summary of Coverage Changes Effective May 1, 1999

### Change in Optional Life Insurance Rates

Age	Monthly Rate per \$10,000			
	34	35	40	45
Male	0.34	0.39	0.44	0.49
Female	0.27	0.32	0.37	0.42
Spouse	0.44	0.55	0.77	1.54
Survivor				2.97
				4.84
				8.48

### Change in Dental Plan Carrier

Our dental plan carrier will change from Blue Cross to Great West Life, resulting in a 5% increase in dental premiums. (If the Company had retained Blue Cross, there would have been an 18% increase in premiums). Retirees should continue sending dental claims to Blue Cross up to April 30, 1999. As of May 1, 1999, all claims are to be submitted to Great West Life. There are no changes to coverage or yearly maximums.

### Change in Vision Care Coverage

The maximum for vision care has been increased from \$125 to \$150 in any 24 month period.

### Change in Travel Health Coverage

Coverage for Travel Health has been changed from unlimited coverage to a maximum of \$1 million per person, per lifetime.

### Advanced Death Benefit

There is now an Advanced Death Benefit in our Life Insurance Plan. Terminally ill retirees can obtain a portion of their life insurance while they are living.

# Early Retirees

## Changes in Benefit Deductions



Effective May 1, 2001, premiums for certain insurance benefits will increase. They are summarized as follows:

Basic Life/Dependent Life .....	No increase
Basic AD&D .....	No increase
Travel Health (Single).....	Increase of \$1.08 per month
Travel Health (Family).....	Increase of \$3.23 per month
Health (Single) .....	No increase
Health (Family) .....	No increase
Optional Life .....	No increase
Optional AD&D .....	No increase
Dental (Family).....	Increase of \$1.74 per month
Dental (Single).....	Increase of \$0.74 per month

**The following is an overview of the plans listed and the reasons for any rate changes.**

*For the plans:* Basic Life/Dependent Life; Basic AD &D; Health; Optional Life; Optional AD&D. Claims have followed a relatively normal pattern. No change in premium is required.

### TRAVEL HEALTH

Claims under this plan are for out-of-country emergencies, such as hospitalization, doctor's visits, etc. In the past year, claims and associated costs under this program have seen significant increases.

### OPTIONAL DENTAL

The main reasons for increases in the dental premiums are:

- increased fees charged by dentists; and
- increased utilization by members.

If you have any questions concerning your coverage or these increases, please call Sharon Quinton at 737-2843 or Doug Chafe at 737-5775.





## EARLY RETIREES - Changes in Benefit Deductions

Effective April 1, 2002, premiums for certain insurance benefits will increase. They are summarized as follows:



Basic Life/Dependent Life	No increase	Health (Family)	Increase of \$10.11 per month*
Basic AD&D	No increase	Optional Life	No increase
Travel Health (Single)	Increase of \$0.40 per month	Optional AD&D	No increase
Travel Health (Family)	Increase of \$1.27 per month	Dental (Family)	Increase of \$7.16 per month
Health (Single)	Increase of \$2.89 per month*	Dental (Single)	Increase of \$3.06 per month

\* Due to the financial status of the benefits plan, the health increase will be deferred until April 2003.

The following is an overview of the plans listed and the reasons for any rate changes.

For the plans:

Basic Life/Dependent Life  
Basic AD &D  
Optional Life .....  
Optional AD&D

Claims have followed a relatively normal pattern. No change in premium is required.

### Travel Health

Claims under this plan are for out-of-country emergencies, such as hospitalization, doctor's visits, etc. In recent years, claims and associated costs under this benefit have seen significant increases.

### Health

Claims under this plan are either drugs or extended medical. Extended medical covers such services as physiotherapy, nursing & hospital care, ambulance, transportation benefits, orthotic aids and diabetic supplies.

In the past year, claims and associated costs under our drug program and extended medical programs have seen significant increases.

### The main reasons are

- The cost and volume of new drugs;
- Less services being covered by MCP;
- Increased costs in providing extended benefit services;
- Greater claims, mainly because of an aging population.

### Optional Dental

The main reasons for increases in the dental premiums are:

- increased fees charged by dentists;
- increased utilization by members; and
- decreased member participation.

If you have any questions concerning your coverage or these increases, please call Pamela Hart at 737-2843, or Doug Chafe at 737-5775

September 25, 2003

Dear Employee/Retiree:

We wish to inform you that the Company has renewed its benefit program with Great-West Life.

Our latest review resulted in a premium increase for Health Care Insurance effective June 2003. These increases are primarily attributed to trends in health care costs nationwide, particularly, prescription drugs. We have deferred these increases up to now by using money held in a reserve account for such purposes. The funds in this account will be depleted by the end of this year and the increases will be passed on to the Company and employees effective January 2004.

The following chart summarizes the current and proposed costs for employee Health Coverage. In June 2004, Great-West Life will advise the Company if further increases to Health Care Insurance rates are required. Rates for Group Travel Insurance and the "Optional" Dental Plan will also be reviewed at that time. Please note that costs for other insurances will remain the same until June 2005 as per our two-year guarantee with Great-West Life.

### Health Care Insurance

	CURRENT PREMIUM (PER MONTH)		EFFECTIVE JANUARY 1, 2004 (PER MONTH)	
	Single	Family	Single	Family
HEALTH CARE INSURANCE	\$35.67	\$125.48	\$41.44	\$145.69
EMPLOYEE PORTION	\$17.84	\$62.74	\$20.72	\$72.85

Increasing costs are a concern for everyone and we are working with Great-West Life to balance the benefits you need with rising health care costs.

.../2

September 25, 2003

Page 2

Enclosed is a **Health Care Positive Enrollment Form** that must be completed by you to ensure Great-West Life has your enrollment information. If you have a spouse, ensure you complete the Spouse Information Section. Please provide the requested information concerning your spouse's plan if your spouse is insured for health and/or dental benefits through his/her employer. This information will enable claims to be properly coordinated through both plans. Depending on your spouse's plan, you may be able to obtain full coverage on items that are not fully reimbursed under the Company's plan and vice versa.

Remember, when coordinating benefits with your spouse's plan, you and your spouse must first submit claims to your own group plan. Claims for dependent children must first be submitted to the plan of the parent who has the earlier birth date in the calendar year. Any unpaid balance can then be submitted to the plan of the other person.

Please return your completed positive enrollment form to Human Resources by **October 24, 2003**. Ensure that the information provided is complete and accurate and that all birth dates are correctly recorded. (Omission of required dependent information could result in delays in processing claims for your dependents.)

The Company is committed to working with Great-West Life and our employees to keep our benefit plan competitive and affordable for all plan participants.

Should you have any questions or require additional information, you can contact Pamela Hart, Human Resources at 737-2843.

Yours truly,

Gerard O' Reilly  
Director, Compensation & Benefits

Enclosure



May 27, 2004

**Newfoundland Power Inc.**

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Facsimile: (709) 737-5832  
[www.newfoundlandpower.com](http://www.newfoundlandpower.com)

Dear Retiree:

In a letter to you on September 17, 2003, we informed you that there may be increases to Health Care Insurance rates at the time of renewal, which is June 1, 2004, and rates for Group Travel Insurance and the Optional Dental Plan would also be reviewed at that time. Our insurer, Great-West Life, has advised us that there will be an increase in health, travel and dental insurance premiums effective June 1, 2004, which has an overall impact of an 11.9 per cent increase on the total benefit package to retirees under 65.

In 2002 and 2003, the Company was able to absorb increases in premiums for retirees under 65 years of age by using money held in a reserve account. However the funds in this account have been depleted.

The chart below summarizes the retiree portion for the current and new costs for health, travel and dental insurance. Premiums for other insurances will remain the same until at least June 2005 as per our two-year guarantee with Great-West Life, including: basic life/dependent life; basic accidental death and dismemberment; optional life; and, optional accidental death and dismemberment.

	CURRENT PREMIUM PER MONTH		JUNE 1, 2004 PREMIUM PER MONTH	
	Single	Family	Single	Family
<b>HEALTH CARE &amp; TRAVEL INSURANCE</b>	\$22.06	\$76.53	\$27.28	\$94.23
<b>OPTIONAL DENTAL INSURANCE</b>	\$28.52	\$66.84	\$29.86	\$69.98

This level of increase is a concern to us all, however premium increases are unavoidable at this time. Such increases are being experienced across the country, mainly due to: greater claims as a result of an aging population; the increased utilization of prescription drugs; the cost of new drugs on the market; and, the transferring of more medical services from MCP to private insurance carriers. As well, travel health claims for out-of-province emergencies, such as hospitalization and doctor visits, have increased. The main reasons for increases in dental premiums include: increased fees charged by dentists; increased utilization by members; and, decreased member participation.

.../2.

May 27, 2004

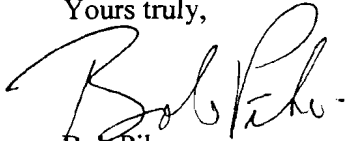
Page 2

The Company reviews its insurance program and assesses other insurers in the market on an ongoing basis to ensure that we are providing the benefits employees and retirees require at the lowest premiums possible. In 2003, the Company completed a market assessment and determined that Great-West Life was the best choice to continue to meet the needs of employees and retirees at the lowest cost.

The Company will continue to work with leading insurance benefit consultants to explore various options and to identify opportunities to help minimize future increases in premiums. We are asking employees and retirees for their support as well. We encourage individuals to ask their doctors for low-cost brands of prescribed medications and choose discount pharmacies when filling prescriptions, as these efforts can certainly have a positive impact on future rates.

Should you have any questions or require additional information, feel free to call Gerard O'Reilly at 737-2885 or Pamela Hart at 737-2843.

Yours truly,

A handwritten signature in dark ink, appearing to read "Bob Pike", with a stylized, flowing script.

Bob Pike

Manager, Corporate Communications  
and Human Resource Services



Newfoundland Power Inc.

**Human Resources**

55 Kenmount Road  
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Business: (709) 737-5776  
Facsimile: (709) 737-2967  
[www.newfoundlandpower.com](http://www.newfoundlandpower.com)

July 9, 2004

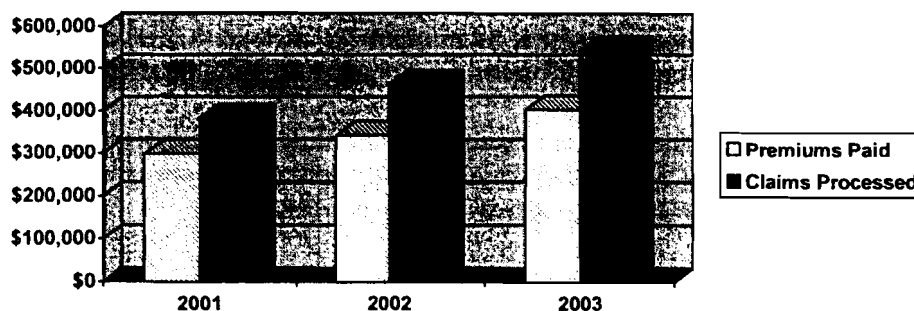
Dear Retiree:

As you know, health care premiums are a topic of much discussion these days. Rapidly increasing insurance costs, especially health care insurance costs, is a trend that is being experienced across the province and country. Such increases are mainly due to:

- increased utilization of prescription drugs;
- high costs of new drugs on the market;
- transfer of more medical services from MCP to private insurance carriers;
- increase in travel health claims for out-of-province emergencies, such as hospitalization and doctor visits; and,
- more claims as a result of an aging population.

Unfortunately, Newfoundland Power is not exempt from these increases. Because the Company pays 100 per cent of the premiums for your insurance coverage, you may not be aware that the Company has seen a significant increase in premiums over the past few years.

For example, health and travel insurance premiums in 2003 were over \$400,000, an increase of 26 per cent from 2001. Last year alone the cost of drugs for retirees over 65 was approximately \$500,000, a 34 per cent increase from 2001. In addition, as the graph below demonstrates, the claims you have been submitting and the services you have been utilizing far exceed the premiums we paid for on your behalf in recent years. This will no doubt have an effect on increases in future premiums.



.../2

July 9, 2004

Page 2

I am sure you will agree that these are significant increases and I trust that you share our concern. We are asking for the full support of retirees to keep our insurance costs as low as possible and suggest a number of simple, practical ways you can help control the cost of insurance premiums:

- when your doctor is prescribing medication for you, ask if a lower-cost generic brand is available that can treat you just as effectively;
- when filling prescriptions, choose pharmacies found in department and grocery stores, as these pharmacies typically have significantly lower dispensing fees (the dispensing fees for your prescriptions in 2003 alone were \$110,000);
- to lower dispensing fees, request a 90 day prescription for drugs that you use on a regular basis; and,
- if your doctor is prescribing a drug for a trial period to determine its effectiveness, ask him/her to prescribe only the amount needed to make this determination, rather than a full supply that may have to be discarded.

The Company has a proactive Health and Wellness Program to support our employee's health and well-being, and we also want to support our retirees in maintaining healthy lifestyles. There are some things you might want to consider in trying to improve your physical health, such as making healthy eating choices, getting regular exercise and refraining from smoking. Noel Flynn, the Company's Health and Employee Assistance Program Coordinator, offers programs and initiatives to help individuals make important, yet sometimes simple, lifestyle changes that can improve their health and the quality of their life. He is available to work with you if you would like more information on any of these initiatives. Feel free to contact Noel by phone at 737-5640 or by email at [nflynn@newfoundlandpower.com](mailto:nflynn@newfoundlandpower.com).

We look forward to your usual support and ask that you please give serious consideration as to how you can help minimize the level of premium increases in the future so that we can all continue to enjoy comprehensive benefit coverage from the Company.

Should you have any questions or require additional information, please feel free to contact either Gerard O'Reilly at 737-2885 or [goreilly@newfoundlandpower.com](mailto:goreilly@newfoundlandpower.com), or Pamela Hart at 737-2834 or [phart@newfoundlandpower.com](mailto:phart@newfoundlandpower.com).

Sincerely,



Bob Pike,  
Manager, Corporate Communications  
and Human Resource Services

**Newfoundland Power Inc.**

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June 27, 2005

Dear Retiree:

It is renewal time for Newfoundland Power's Health Care Plan and our insurance provider, Great-West Life, has advised us that again this year we will experience another significant increase to our health and life premiums. These increases are a direct result of the claims experience for both retirees and employees and are effective July 1, 2005. A table summarizing these increases can be found at the end of this letter.

While the overall increase is within the range for annual increases being experienced by benefit plans, the rising cost of Newfoundland Power's benefits program is of great concern. Based on insurance industry estimates, the cost of the medical plan could double in six years and triple in just over ten years. Due to these increasing costs, we feel it necessary to conduct a market review of insurance providers early next year to ensure our current benefit costs remain competitive.

Each and every one of us can help control rising costs in a positive manner just by asking doctors for the low-cost brands of prescribed medications where generic drugs are not available, filling smaller prescriptions when initially trying new drugs or filling larger prescriptions for extended use of a drug to reduce dispensing fees. Most importantly, prevention is where we can make the biggest impact such as taking advantage of wellness programs to help live a healthier lifestyle. The Company will continue its part to work with leading insurance benefit consultants to explore various options and to identify opportunities to help minimize future increases in premiums; but we need your help.

Newfoundland Power offers various health and wellness initiatives to our employees and we are pleased to expand this offer to the retiree group this fall. These initiatives have the potential to positively impact our health care costs, and we encourage retirees to avail of them when offered. Details of these initiatives will be communicated to you through pay stub inserts and include:


- glucose and cholesterol screening;
- presentations on stress and mental illness;
- nutrition education sessions;
- presentations on early detection of Type II diabetes
- other awareness/prevention clinics
- flu shots
- fitness center discounts



Should you have any questions or require additional information concerning this increase, feel free to contact Pamela Hart, Human Resources Assistant at 737-2843 (e-mail [phart@newfoundlandpower.com](mailto:phart@newfoundlandpower.com)).

For more information on our health and wellness programs feel free to contact Noel Flynn our Health and EAP Coordinator at 737-5640 (e-mail [nflynn@newfoundlandpower.com](mailto:nflynn@newfoundlandpower.com).)

Yours truly,



Robert Pike  
Manager, Corporate Communications  
and Human Resource Services

Summary of Changes to Benefit Premiums	
Basic Life Insurance	Increase of approximately 5%
Basic Accidental Death And Dismemberment	No Increase
Dependent Life	Increase of approximately 5%
Health Care	
Single	Increase of \$1.25 per month
Family	Increase of \$4.37 per month
Travel	
Single	Decrease of \$0.54 per month
Family	Decrease of \$1.64 per month
Dental	
Single	No Increase
Family	No Increase

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June 27, 2005

Dear Retiree:

It is renewal time for Newfoundland Power's Health Care Plan and our insurance provider, Great-West Life has advised us that again this year we will experience another significant increase (8.9%) to our premiums. This increase in premiums is the direct result of the claims experience for both retirees and employees. As in the past, for retirees over the age of 65 this increase will be covered by the Company.

While the overall increase for this year is within the range for annual increases being experienced for benefit plans, the increases for your particular group are well above the industry average. For example in 1991, family health benefits for **retirees over the age of 65** cost \$32.82 per month. That same coverage today costs the Company \$125.84 per month, an **increase** of close to **400%**. The rising cost of Newfoundland Power's benefits program is of great concern and based on insurance industry estimates, the cost of the medical plan could double in six years and triple in just over ten years.

Each and every one of us can help control rising costs in a positive manner just by asking doctors for the low-cost brands of prescribed medications where generic drugs are not available, filling smaller prescriptions when initially trying new drugs or filling larger prescriptions for extended use of a drug to reduce dispensing fees. Most importantly, prevention is where we can all make the biggest impact such as taking advantage of wellness programs to help live a healthier lifestyle. The Company will continue its part to work with leading insurance benefit consultants to explore various options and to identify opportunities to help minimize future increases in premiums; but we need your help.

Newfoundland Power offers various health and wellness initiatives to our employees and we are pleased to expand this offer to the retiree group this fall. These initiatives have the potential to positively impact our health care costs, and we encourage retirees to avail of them when offered. Details of these initiatives will be communicated to you through pay stub inserts and include:

- glucose and cholesterol screening;
- presentations on stress and mental illness;
- nutrition education sessions;
- presentations on early detection of Type II diabetes
- other awareness/prevention clinics
- flu shots
- fitness center discounts



*Join us in the fight against cancer.*

Should you have any questions or require additional information concerning these increases, feel free to contact Pamela Hart, Human Resources Assistant at 737-2843 (e-mail [phart@newfoundlandpower.com](mailto:phart@newfoundlandpower.com).)

For more information on our health and wellness programs, feel free to contact Noel Flynn, our Health and EAP Coordinator at 737-5640 (e-mail [nflynn@newfoundlandpower.com](mailto:nflynn@newfoundlandpower.com).)

Yours truly,

A handwritten signature in black ink, appearing to read "R. Pike", followed by a period.

Robert Pike  
Manager, Corporate Communications  
and Human Resource Services



Dear Employee/Retiree:

In response to employee feedback and concerns regarding rising benefit costs, we contracted Aon Consulting Inc. to review our existing plan and invite proposals from key insurance carriers to deliver our benefits program.

Based on the results of this market study, we have chosen a new insurance carrier to deliver our benefits program to employees and retirees. Effective October 1, 2006, **Medavie Blue Cross** will be managing Newfoundland Power's benefits program, including Basic and Dependant Life insurance, Optional Life, Long Term Disability Insurance, and Health Care, Travel and Dental insurance. (Accidental Death & Dismemberment and Critical Care insurance will remain with Citadel Insurance.)

Blue Cross is an industry leader in the area of health care claims management and we felt their local office in St. John's would enhance the current level of customer service, a concern raised by many of you. As a further benefit and again in response to your expressed concerns regarding benefit coverage, we are pleased to provide the following enhancements at **no additional cost to you**:

- **Vision Care** – Increase in benefits for eyeglass frames and lenses (or contact lenses) to **\$200** in any 12-month period for dependent children under the age of 18, if required due to a change in prescription, and any 24-month period for all others from the date of purchase.
- **Paramedical Practitioners** – Services of a **chiropractor** are increased to a limit of **\$500** in any calendar year.

While quoted premiums were lower for the next 15 months, Blue Cross forecast significant increases in the following three years. Upon recommendation from our consultants, and with a view to stabilize rates over the longer term, we have decided to maintain our current premiums until January 2008, to minimize future increases.

Also, in an effort to control rising costs, we will continue to provide you with information regarding our health and wellness initiatives as well as educational programs focused in the areas of specific concern to you. We will also communicate cost savings tips to help offset escalating drug costs. We encourage all employees and retirees to avail of the services and information we provide and appreciate your continued cooperation as we move forward. Collectively, our goal will be to stabilize rates as much as possible.

In addition, Aon's review of our existing plan indicated that we are highly competitive when compared to other health and benefit plans in the market place. In fact, in some areas we enjoy significantly higher benefit coverage (specifically - life insurance coverage and survivor benefits under health insurance plan for active employees and retirees under age 65, LTD 100% pre-disability earnings for active employees and free benefit coverage for retirees over age 65).

In an effort to keep you informed, further details will be provided to you as we move from Great West Life to Medavie Blue Cross however, until September 30, 2006, your coverage remains unchanged through Great West Life.

Yours truly,

Robert Pike  
Manager, Corporate Services

December 17, 2007

Dear Retiree:

It is renewal time for Newfoundland Power's group health care plan and our insurance carrier, Medavie Blue Cross (MBC) has advised that effective January 1, 2008, there will be a significant increase to our insurance premiums. The increase is driven primarily by our claims experience which has increased considerably since moving to Blue Cross.

For those retirees over the age of 65 premiums increased approximately 30%. In fact, over the past five years alone, these premiums have almost doubled in cost. Furthermore, the insurance industry estimates costs of medical plans could double in the next six years and triple in just over ten years. As in the past, for retirees over the age of 65 benefit premiums are paid 100% by the Company.

The rising cost of Newfoundland Power's benefits program is a concern for all of us. We will continue to review the design of our plan with our benefit consultant to ensure we remain competitive compared to market while providing sufficient coverage for our employees and retirees. In addition, we will continue to explore various options and identify opportunities to help minimize future increases. Your role in helping minimize the cost of these benefits is very important.

Each and every one of us can have a significant influence on helping control rising costs by:

- asking doctors for the generic brand of any drug prescribed;
- asking doctors for less expensive brands of prescribed medications where generic drugs are not available; and,
- filling smaller prescriptions when initially trying new drugs or filling larger prescriptions for extended use of a proven drug to reduce dispensing fees.

In an effort to minimize the impact on future premiums on a go forward basis only items within the current plan design will be covered. Since our change in insurance carriers we have encountered numerous instances where items were being claimed that were not included in our health plan which can impact our claims experience and contribute to rising costs.



Support cancer care . . . right here!

Prevention is where we can make the biggest impact on cost savings. Lifestyle changes could significantly reduce drug utilization and we are committed to working with you to help you enhance your lifestyle through participation in our various health and wellness promotions. In 2007 we offered benefit and wellness education sessions to the retiree group across the island and the response was very positive. We will continue to provide information sessions to you in the future on various health and wellness topics and we encourage you to avail of them when offered.

We welcome any suggestions or comments you may have to support us in our efforts to contain our benefit costs. Should you have any questions or require additional information concerning these increases or our health and wellness programs, feel free to contact Noel Flynn, Health and EAP Coordinator, by email or call 737-5640 or Cathy Dormody, Occupational Health and Safety Nurse by email or by calling 737-5238. As well you may contact me directly at 737- 5674 or any member of the Human Resources team.

Yours truly,

A handwritten signature in cursive script, appearing to read "Bob", followed by a period.

Robert Pike  
Manager, Corporate Services

**Newfoundland Power Inc.**

**Human Resources**

55 Kenmount Road  
P.O. Box 8910  
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December 17, 2008

Dear Retiree:

It is renewal time for Newfoundland Power's group insurance plan. Based on our claims experience over the past year, Medavie Blue Cross (MBC) has advised that effective January 1, 2009, we will experience an increase to our health and life insurance premiums. Dental premiums will decrease effective January 1, 2009.

The increase in the health and life premiums will continue to be cost shared 50/50 with the Company. The decrease in dental premium will be to your benefit as dental premiums are paid 100% by the employee or retiree. The premium changes effective January 1, 2009 are detailed at the back of this letter.

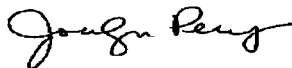
As a retiree with the Company, you continue to have a very important role to play in helping to minimize the cost of these benefits. You can help by:

- Maintaining a healthy lifestyle;
- Asking your doctor for the generic brand of any drug prescribed;
- Asking your doctor for less expensive brands of prescribed medication where generic drugs are not available; and,
- Filling smaller prescriptions when initially trying new drugs or filling larger prescriptions for extended use of a proven drug to reduce dispensing fees.

Should you have any questions or require additional information, feel free to contact Sharon Moore, Human Resources Co-ordinator by e-mail or by calling 737-2843.

For more information on our health and wellness programs, feel free to contact Noel Flynn, our Health and EAP Coordinator by e-mail or by calling 737-5640 or Cathy Dormody, Occupational Health and Safety Nurse by e-mail or by calling 737-5238.

Sincerely,



Jocelyn Perry  
VP Finance & CFO

<b>Health Care</b>		
Single	\$70.20	\$78.58
Family	\$236.39	\$264.64
<b>Travel (No change)</b>		
Single	\$3.23	\$3.23
Family	\$6.46	\$6.46
<b>Dental</b>		
Single	\$31.54	\$29.17
Family	\$73.84	\$68.30
<b>Life</b>	\$0.253 per \$100	\$0.314 per \$100
<b>AD&amp;D (No change)</b>	\$0.0168 per \$1000	\$0.0168 per \$1000

**Note:** These premiums reflect total monthly premiums paid by employee and employer. Health Care, Travel, Life and AD&D are cost shared 50/50 with the Company.



55 Kenmount Road  
PO Box 8910  
St. John's, NL  
A1B 3P6  
Business: (709) 737-5776  
Facsimile: (709) 737-2967  
newfoundlandpower.com

December 17, 2008

Dear Retiree:

It is renewal time for Newfoundland Power's group insurance plan. Based on our claims experience over the past year, Medavie Blue Cross (MBC) has advised that effective January 1, 2009, we will experience an increase to our health and life insurance premiums.

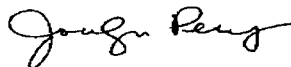
As a retiree over the age of 65, the Company waives the insurance premiums for your coverage under our group insurance plan. However, you continue to have a very important role to play in helping to minimize the cost of these benefits. You can help by:

- Maintaining a healthy lifestyle;
- Asking your doctor for the generic brand of any drug prescribed;
- Asking your doctor for less expensive brands of prescribed medications where generic drugs are not available; and
- Filling smaller prescriptions when initially trying new drugs or filling larger prescriptions for extended use of a proven drug to reduce dispensing fees.

Should you have any questions or require additional information, feel free to contact Sharon Moore, Human Resources Co-ordinator by e-mail or by calling 737-2843.

For more information on our health and wellness programs, feel free to contact Noel Flynn, our Health and EAP Coordinator by e-mail or by calling 737-5640 or Cathy Dormody, Occupational Health and Safety Nurse by e-mail or by calling 737-5238.

Sincerely,



Jocelyn Perry  
VP Finance & CFO



Support cancer care . . . right here!

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Dear Retiree:

As you approach your 65<sup>th</sup> birthday, we would like to take this opportunity to remind you of changes that will occur to your pension income and health benefit coverage. On retirement, you chose to increase your monthly pension by choosing an option provided by the Company called level income. This option allows the opportunity for retirees to be paid a higher amount of monthly income prior to age 65 and a lower amount after age 65 when other government pensions usually commence. As a result you will see the following change in your pension income:

- **Pension Income** – Your pension will be reduced from \$\$\$\$ per month to \$\$\$\$ per month effective (DATE)

Please note you need to apply to receive benefits from Canada's Income Security Programs, including Canada Pension Plan (CPP) and Old Age Security (OAS). If you qualify, you may receive OAS at age 65. It is recommended that you apply for Old Age Security at least six months in advance of your 65th birthday, if not before.

As was explained in your early retirement planning session, benefit coverage for retirees under age 65 is similar to that offered to regular working employees including basic life, health, accidental death and dismemberment and optional insurances. Once you turn 65 you no longer pay health and life insurance premiums (\$118 per month for family coverage and \$35 per month for single coverage). As a result, your benefits coverage will be affected in the following areas:

- **Life Insurance** – Your Life Insurance Coverage will be converted to a \$10,000 Death Benefit payable to your designated Beneficiary. Please note that the \$SSSS balance of your Life Insurance Coverage or any optional Life Insurance you currently have with the company may be converted to a separate Life Insurance policy without a medical exam. For further explanation, please refer to the enclosed Life Insurance Information Sheet.
- **Health Insurance** – Health coverage for retirees over 65 is as outlined in the enclosed Retiree Health Benefits Booklet. Also, enclosed is the Retiree Health Coverage form for you to complete and return to our office at your earliest convenience.
  - Health Care services & supplies are covered to a maximum of \$5,000/yr
  - Eyewear frames and lenses are covered up to a maximum of \$150 per every 3 years
- **Accidental Death & Dismemberment and all Optional Insurances** – These insurances cease once you reach age 65 (e.g. Dental, Optional Life and Voluntary Accidental Death & Dismemberment).

Should you have any questions or concerns, please do not hesitate to contact the undersigned at (709) 737-5243.

Sincerely,

Sharon Quinton  
Human Resources Coordinator  
Enclosures



Support cancer care . . . right here!