

1 Q. **2013 General Rate Application, Intercompany Transaction Costing Guidelines –**
2 **Exhibit 8**

3 Page 6, lines 17-21 and page 7, line 1 - Provide details of the Bill Rates used for
4 project engineering and technical services each year for 2007 to 2012. Show the
5 amounts used to determine the Salary Cost components (i.e. salaries, temporary
6 salaries, other salary costs - retroactive pay) and the mark-up components (i.e.
7 fringe benefit costs, insurances, company costs and leave) of the Bill Rates outlined
8 in Appendix A.

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11 A. The Bill Rate used by the Nalcor Group of Companies is based on the principle of
12 cost recovery as described in Exhibit 8. In 2007, the fully loaded cost was set at
13 42%. This was increased in 2009 to 57% to be more reflective of actual fully loaded
14 cost. Since 2010¹, the salary component of the Bill Rate is calculated based on the
15 job rate (i.e., 100% of the salary scale) for the position being billed. The
16 components that make up the fully loaded cost are described in PUB-NLH-222.

¹ Prior to 2010, the salary component for the Bill Rate was calculated using an average rate for a “cluster” of pay groups which are reflective of a position’s level in the organization. The change of methodology implemented in 2010 to use job rate (100% of the salary scale) for the position is more reflective of actual cost incurred.

Table 1 provides the Bill Rates used for Project Execution and Technical services for those charging into Hydro's regulated operations from 2007 to 2012.

Table 1**Bill Rate for PETS, 2007 to 2012**

Position	%	Effective Date	HAY Grade Hourly	Bill Rate \$
Manager, Civil Engineering	42%	4/1/2007	49.86	71.00
Manager, Electrical Engineering	57%	10/1/2009	53.42	84.00
Manager, Mechanical Engineering	57%	1/1/2010	57.10	89.65
Manager, Office of Asset Management	57%	4/1/2010	58.82	92.35
Manager, Project Execution	57%	11/1/2010	60.82	95.49
Manager, Protection & Control & Communications Engineering	57%	4/1/2011	63.26	99.31
Manager, Research & Development Engineering	57%	4/1/2012	70.77	111.11
Manager, Transmission & Distribution Engineering				
Drafting Services Supervisor	42%	4/1/2007	30.74	50.50
	57%	10/1/2009	36.17	58.00
	57%	1/1/2010	37.33	58.61
	57%	4/1/2010	38.46	60.38
	57%	11/1/2010	39.77	62.44
	57%	4/1/2011	41.36	64.93
	57%	4/1/2012	43.56	68.40
Project Planner / Scheduler	57%	8/22/2011	36.00	56.52
	57%	4/1/2012	40.11	62.96
Engineer Level I	42%	4/1/2007	35.45	50.50
	57%	10/1/2009	36.80	58.00
	57%	1/1/2010	40.28	63.24
	57%	4/1/2010	41.49	65.13
	57%	11/1/2010	42.90	67.35
	57%	4/1/2011	44.62	70.05
	57%	4/1/2012	48.00	75.36
Engineer Level II	42%	4/1/2007	41.62	59.00
	57%	10/1/2009	44.18	69.00
	57%	1/1/2010	43.64	68.52
	57%	4/1/2010	44.95	70.57
	57%	11/1/2010	46.49	72.98
	57%	4/1/2011	48.36	75.92
	57%	4/1/2012	52.90	83.05

Position Description	Mark Up %	Effective Date	HAY Grade Hourly	Bill Rate \$
Engineer Level III	42%	4/1/2007	41.62	59.00
	57%	10/1/2009	44.17	69.00
	57%	1/1/2010	47.54	74.64
	57%	4/1/2010	48.97	76.89
	57%	11/1/2010	50.64	79.51
	57%	4/1/2011	52.67	82.69
	57%	4/1/2012	58.28	91.50
Engineer Level IV	42%	4/1/2007	49.86	71.00
	57%	10/1/2009	53.42	84.00
	57%	1/1/2010	52.08	81.76
	57%	4/1/2010	53.64	84.22
	57%	11/1/2010	55.46	87.07
	57%	4/1/2011	57.69	90.58
	57%	4/1/2012	64.21	100.80