

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

3 Page 7, lines 10-13 - Provide details of the Bill Rates used for financial planning  
4 services each year for 2007 to 2012. Show the amounts used to determine the  
5 Salary Cost components (i.e. salaries, temporary salaries, other salary costs -  
6 retroactive pay) and the mark-up components (i.e. fringe benefit costs, insurances,  
7 company costs and leave) of the Bill Rates outlined in Appendix A.  
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10 A. The Bill Rate used by the Nalcor Group of Companies is based on the principle of  
11 cost recovery as outlined in Exhibit 8. In 2007, the fully loaded cost was set at 42%.  
12 This was increased in 2009 to 57% to be more reflective of actual fully loaded cost.  
13 Since 2010<sup>1</sup>, the salary component of the Bill Rate is calculated based on the job  
14 rate (i.e., 100% of the salary scale) for the position being billed. The components  
15 that make up the fully loaded cost are described in PUB-NLH-222.

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<sup>1</sup> 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 financial planning services for those charging into Hydro regulated operations from 2007 to 2012.

**Table 1**

Position	%	Effective Date	HAY Grade Hourly	Bill Rate \$
Business Model Coordinator	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
Manager, Economic Analysis	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
Manager, Investment Analysis & Financial Planning	42%	4/1/2007	60.66	86.00
	57%	10/1/2009	63.70	100.00
	57%	1/1/2010	63.08	99.03
	57%	4/1/2010	64.97	102.01
	57%	11/1/2010	67.18	105.47
	57%	4/1/2011	69.87	109.70
	57%	4/1/2012	77.97	122.42
Team Lead Financial Planning	57%	8/22/2011	52.67	82.69
	57%	4/1/2012	58.28	91.50
Rates & Financial Planning Analyst	42%	4/1/2007	35.45	50.50
	42%	10/1/2009	36.80	58.00
	57%	1/1/2010	37.33	58.61
	57%	4/1/2010	38.46	60.38
	57%	11/1/2010	42.90	67.35
	57%	4/1/2011	44.62	70.05
	57%	4/1/2012	48.00	75.36