

1 **Q. 2013-2014 General Rate Application, Company Evidence**

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3 **Pgs. 3-27 to 3-28 - Please provide backup for the comment that recovery accounts**  
4 **for employee future benefits have become more common, including information on**  
5 **which other Canadian jurisdictions, other than Alberta and British Columbia which**  
6 **have been noted in the application, provide for this recovery.**

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8 A. The following is a list of BC and Alberta utilities that have approved recovery  
9 mechanisms for employee future benefit costs:

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  - 12 • FortisAlberta,
  - 13 • ATCO Electric,
  - 14 • ATCO Gas,
  - 15 • ATCO Pipelines,
  - 16 • FortisBC Electric, and
  - 17 • FortisBC Gas.

18 The recovery mechanisms for employee future benefit costs are not identical across  
19 different Canadian utilities. Hydro Quebec and Hydro One also have approved recovery  
20 mechanisms for employee future benefit costs.

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22 In the expert evidence of Ms. McShane, Appendix B, page B-1, a sample of 13 U.S.  
23 utilities is presented. Earlier this year, in Newfoundland Power's *2012 Cost of Capital*  
24 *Application*, Ms. McShane confirmed that *all 13* utilities in this sample have mechanisms  
25 for or regulatory assurance of cost recovery of pension and OPEB expenses.<sup>1</sup>

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27 Recovery mechanisms for employee future benefit costs are common in current public  
28 utility practice to address increased variability and unpredictability of employee future  
29 benefit costs such as pension expense.

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<sup>1</sup> See Attachment A of response to Request for Information CA NP 259 in Newfoundland Power's *2012 Cost of Capital Application*.