

**Q. Reference: Transcript January 15, 2013**  
**Page 131, Line 21 to Page 132, Line 6**

**Please provide an update on what the increase in OPEBs cost will be for 2013.**

**A.** Table 1 provides the increase in OPEBs expense for 2013 from that forecast in Newfoundland Power proposed 2013 test year.

**Table 1**  
**Newfoundland Power**  
**Forecast change in OPEBs Cost from Proposed Test Year**  
**(\$000)**

|  |               |
|--|---------------|
| 2013 OPEBs expense updated January 2013 <sup>1</sup> | 10,914        |
| 2013 Test Year OPEBs cost Forecast <sup>2</sup>      | <u>10,461</u> |
| Increase from Test Year                              | 453           |

Table 1 shows that the updated OPEBs expense is \$453,000 more than that included in Newfoundland Power's proposed test year. This reflects a change in discount rate from 4.9% to 4.3%.<sup>3</sup>

<sup>1</sup> Based on actuarial analysis provided by Mercer dated January 16, 2013

<sup>2</sup> See *Volume 1, Application and Company Evidence, Section 3.2.3 Employee Future Benefits*, page 3-9, Table 3-6.

<sup>3</sup> This change is slightly greater than the estimate provided by Ms. Perry who indicated that the discount rate is expected to be reduced to close to 4.5% with an estimated increase in OPEBs expense of \$400,000. See transcript for January 15, 2013, page 127 lines 3 to 7, and page 130, lines 4 to 10.