	_	
1	Q.	Reference: CA-NP-9: Fortis Inc. Annual Report 2006, at p. 19 states in respect of
2		NP: "A Benefits Strategy was implemented to ensure the continuation of a
3		competitive benefits program at a reasonable cost and to engage employees and
4		retirees in managing the future cost of benefits." Please provide an explanation of
5		these initiatives and provide copies of documentation relating to the same.
6		
7	A.	The objective of the Benefits Strategy is to ensure the benefits and wellness initiatives
8		offered by the Company provide appropriate coverage to employees at competitive prices
9		and are sustainable over the long-term.
10		
11		The Benefits Strategy includes:
12		
13 14		 Holding information sessions for employees and retirees focused on benefits, cost containment and wellness.
15		• Implementing wellness initiatives through the Company's <i>Good for You</i> program
16		such as stress management, nutrition information, health screening and disease
17		awareness. Improving the overall health and well-being of employees and
18		retirees can positively impact future health insurance premiums.
19		• Engaging Aon Consulting in 2006 to conduct a review of the group insurance
20		plan.
21		 Completing a market review of benefit carriers that resulted in a change in
22		service provider effective October 1, 2006.
23		 Hiring an Occupational Health Nurse in 2007 to administer the early and safe
23 24		return to work program and the disability management and wellness initiatives.
2 4 25		return to work program and the disability management and weitness initiatives.

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Attachment B is a benefits presentation presented to employees in 2006.

Attachment A is the wellness initiatives included in the Company's Benefits Strategy.

Wellness Initiatives

Wellness Intitiatives

- EAP- Internal program available to all employees and their spouses and children.
- Flu Vaccinations since 1998. In 2006 over 145 employees/retirees and 73 family members vaccinated.
- Blood pressure monitors (at least 20) available for employee use in all our major buildings across the island.
- Supper and learn classes at Dominion for employees and retirees and their spouses with various topics that were nutrition related.
- 6-8 week parenting courses offered in the evenings for parents of teenagers and younger children.
- Smoking cessation subsidy for employees and family members up to \$200 maximum. Since January 2007 five employees and five spouses have quit smoking through this program.

"Good for You!" since September 2006:

Sept – Dec theme – Nutrition

- Nutrition presentations by registered dieticians at Departmental health & safety meetings
- Supper & learns for employees/retirees and spouses at Dominion Stores including a one hour presentation on specific aspects of nutrition
- Nutrition presentations by registered dieticians at retirees' luncheons at eight different communities across the island for retirees and spouses. Also included flu vaccination, glucose and blood pressure screening by a registered nurse.

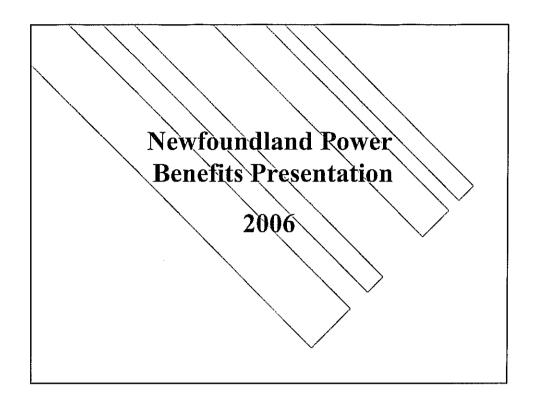
Jan – April theme – Diabetes

 Presentation on diabetes recognition and prevention at Departmental health & safety meetings by representatives of the Canadian Diabetes Association

May – August theme – Physical Activity

Newfoundland Power Benefits Presentation

2006



■ Why Change?

■ Wellness

Agenda ■ Benefits Coverage ■ Cost Containment ■ New process with Blue Cross

Why Did We Change?

- Increasing costs
 - Demographics (aging population)
 - Cost shifting (from gov't to employers)
 - New products (biologics)
- Level of service
- Ensure competitive with market
- Claims audit was an issue
- Opportunities for enhancements

Benefits Coverage

- Life Insurance
- Accidental Death and Dismemberment (AD&D)
- Long Term Disability
- Health Care
- Optional Insurances

Life Înșurance

- Standard 3 times basic salary
- Payable upon death (any reason)
- Payable to beneficiary
- Lump sum payment
- Non taxable
- Dependent life insurance

Accidental Death & Dismemberment (AD&D)

- Standard 3 times basic salary
- Total principal payable upon death (accidental only)
- Payable to beneficiary
- Lump sum payment
- Non taxable

Long Term Disability (LTD)

- Standard policy
- Two-year own occupation
- Disabled from 60% of your duties
- 60% of pre-disability income, non taxable
- Apply for CPP Benefits

Health Care

- Hospital expenses
- Medical expenses
- Transportation services
- Drugs
- Paramedical
- Vision care
- Travel insurance (out of province/country)

Optional Insurances

- Dențal
- Optional Life
- Voluntary AD&D
- Critical Illness Insurance

Dental

- Basic plan
- No orthodontics
- 100% reimbursement except for endodontic and periodontal which are covered at 80%
- \$750 per calendar year maximum (per person for family plan)

Optional Life Insurance

- Available from \$10,000 to \$300,000
- Employee or spousal plan available
- Rates depend on age and smoking status
- Medical questionnaire iş required
- Payable to beneficiary upon death (any reason)
- Terminates at age 65

Optional Accidental Death & Dismemberment (AD&D)

- Available from \$10,000 to \$300,000
- Employee or family plan available
- Death benefit payable for <u>accidental reasons</u> only
- Provides coverage based on schedule of losses
- Terminates at age 65

Critical Illness

- Rays a living benefit upon diagnosis of a specified illness
- Coverage from \$10,000 up to \$150,000 (\$100,000)
- Employee and spousal plans available
- Rates depend on;
 - > Smoking status
 - ≻ Age
 - > Gender
- Eligibility under age 60 (renewals up to age 65)

Critical Illness (Continued)

- What's covered:
 - Heart Attack
 - >Multiple Sclerosis
 - ≻Parkinson's Disease
 - ≻Life Threatening Cancer
 - >Coronary Artery Bypass Surgery
 - >Stroke or CVA
 - >Kidney Failure
 - >Alzheimer's Disease

Critical Illness (Continued)

Additions:

- Benign Brain Tumour
- Coma
- Major burns
- Major organ transplants
- Major organ failure requiring transplants
- Motor neuron diseases (ie. ALS)

Cost Sharing

- Employees/Early retirees (under age 65) are cost shared 50/50 with company (except optional insurances)
- We allocate your 50% in the most tax effective way
- Optional insurances are 100% employee paid

New Process

- Reimbursement
 - » Direct Pay set up with most service providers
 - » Quick Pay
 - w Mail to HR/Blue Cross
- Claims to GWL 90 days after Oct. 1, 2006
- Website www.medavie.bluecross.ca
 - » View eligible drugs on line
 - » View/make changes to personal information
 - » View claims history
 - » Print claim forms
 - » Request replacement cards
 - » Details of plan

How does our plan measure up?

- Dife Insurance
- Short Term Disability (sick leave)
 - Fully funded by Company
 - Normal Market
- Health Coverage normal for market

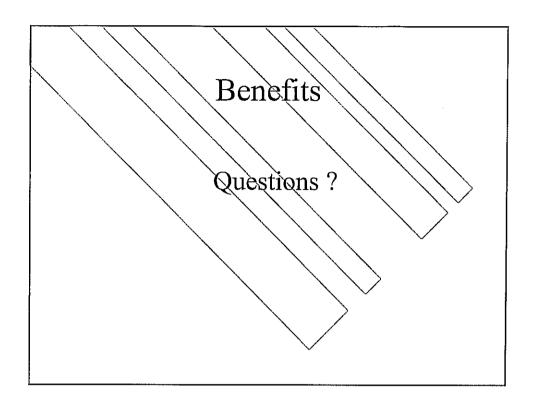
Cost Containment Strategy

- New Insurance Carrier Medavie Blue Cross
- Plan Design some enhancements
 - No increase to premiums
 - · Vision Care/Chiropractic
 - Drug formulary provincial alignment
 - Medical Advisory Panel New products are reviewed before they are added to our plan... third party review of new products
 - Special Authorizations expiry dates
 - Improved audit of claims government funding
- Health & Wellness Programs

What Can You Do to Help?

As a plan participant, you can help by

- Maintain a healthy lifestyle
 - Early detection (heart/diabetes)
 - Follow doctor's advice
 - Participate in exercise program
- Participating in wellness initiatives like "Good for You"
- Dispensing fees shop around for a better rate



Wellness Initiatives: "Good for You!" – revised 2006 program Major heart issues past two years Four-month themes – nutrition first one "Wellness clinics Flu Vaccinations Cholesterol/Glucose/BP screening "Wellness information Body Bulletin Newsletter "Good for You!" Booklets

