

- 1 **Q. Reference: CA-NP-87: please provide a copy of the insurance quote provided for the**
2 **first six months of 2007 referenced to at line 39.**
3
- 4 A. The Insurances forecast is based on the *actual* quoted cost for the first six months of
5 2007 and *estimated* costs for the remainder of 2007 and for 2008.
6
- 7 Attachment A is a summary of the *actual* insurance premiums and insurance broker
8 service fee charged to Newfoundland Power for the period July 1, 2006 to July 1, 2007.
9 One-half of the total amount of \$1,706,382, or \$853,191, representing insurance costs for
10 the period January 1, 2007 to July 1, 2007, is included in the total estimated costs for
11 Insurances of \$1,728,000 for 2007 as shown in Exhibit 2 of the Application.
12
- 13 The remaining \$874,809 represents an *estimate* of Insurance costs for the period
14 July 1, 2007 to December 31, 2007. This estimate was based on consultation with the
15 Company's insurance broker and a review of recent costs and trends.

Insurance Premiums

**Newfoundland Power Inc.
2006 - 2007 Premium Allocations**

INSURANCE TYPE	July 1, 2006 - July 1, 2007 Allocation				
	NET PREMIUM ALLOCATION	PREMIUM TAX ¹	SERVICE FEE ALLOCATION	PLACEMENT TAX ¹	TOTAL
PROPERTY - UTILITY	\$ 530,996.00	\$ 79,649.40	\$ 22,044.14	\$ 1,322.64	\$ 634,012.18
BOILER & MACHINERY	197,140.00	29,571.00	8,184.21	491.05	235,386.26
COMMERCIAL GENERAL LIABILITY	257,509.00	38,626.35	10,690.41	641.42	307,467.18
AUTOMOBILE	185,792.00	27,868.80	7,713.10	462.78	221,836.68
NON-OWNED AIRCRAFT	9,450.00	1,417.50	392.31	23.54	11,283.35
UMBRELLA LIABILITY (Primary and Excess)	197,471.00	29,620.65	8,197.95	491.87	235,781.47
TRAVEL ACCIDENT	1,600.00	-	66.42	3.99	1,670.41
COMPRENSIVER CRIME BOND	3,547.00	532.05	147.25	8.84	4,235.14
DIRECTORS & OFFICERS	45,820.00	6,873.00	1,902.20	114.13	54,709.33
TOTAL ALLOCATED	\$ 1,429,325.00	\$ 214,158.75	\$ 59,337.99	\$ 3,560.26	\$ 1,706,382.00

¹ Represents non-refundable provincial insurance sales tax of 15%. The placement tax applies to the portion (40%) of the service fee allocation.