

1 **Section 3: Finance/Fair Return**

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3 **Q. Reference: “2025/2026 General Rate Application,” Newfoundland Power Inc.,**
4 **December 12, 2023, vol. 1, Evidence, sec. 3.2.4, p. 3-9, f.n. 11.**

5 **a) Why are the pension employer-matching rates for the defined contribution**
6 **pension increasing from 6.5% to 7% over the next two years?**

7 **b) Does Newfoundland Power have an expert report supporting these changes? If**
8 **so, please provide a copy of this report for the record.**

9 **c) Is this increase in employer contributions in line with industry standards?**

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11 A. a) The increase in defined contribution pension rates forecast for 2024 and 2025 were
12 negotiated as part of the Company’s Clerical and Craft Collective Agreements.¹

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14 b) No, Newfoundland Power does not have an expert report supporting these changes.

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16 c) Newfoundland Power observes that among the Atlantic Canadian Utilities there are a
17 combination of both defined benefit pension plans and defined contribution pension
18 plans. For example, Newfoundland and Labrador Hydro and NB Power have defined
19 benefit pension plans, Maritime Electric has a defined contribution pension plan, and
20 Nova Scotia Power has both a closed defined benefit pension plan and a defined
21 contribution plan. Newfoundland Power can confirm that the increase in its defined
22 contribution pension rates is comparable with Maritime Electric.

¹ See the response to Request for Information PUB-NP-031 for further information.