

1 **Section 3: Finance/Fair Return**
2

3 **Q. Reference: “2025/2026 General Rate Application,” Newfoundland Power Inc.,**
4 **December 12, 2023, vol. 1, Evidence, sec. 3.2.4, p. 3-7, Table 3-5.**
5 **What specific costs are included in Pension and OPEB (Other Post-Employment**
6 **Benefits) Expenses?**
7

8 A. Newfoundland Power maintains defined contribution and defined benefit pension plans
9 for its employees and also provides an OPEB plan.

10
11 Pension expense consists of costs related to the Company’s defined contribution and
12 defined benefit pension plans. The Company’s defined contribution plans are its
13 individual and group registered retirement savings plans. The Company’s defined benefit
14 plans are its funded defined benefit pension plan, an unfunded pension uniformity plan
15 (“PUP”),¹ and an unfunded supplementary employee retirement plan (“SERP”).² The
16 SERP provides supplemental pension benefits to plan members that would otherwise be
17 limited by the maximum level of contributions permitted by income tax legislation. The
18 funded defined benefit pension plan and the PUP are closed to new entrants.
19

20 The OPEB plan is composed of retirement allowances for retiring employees as well as
21 health, medical and life insurance for retirees and their dependents.

¹ See Order No. P.U. 7 (1996-97), pages 53 to 54, for the Board’s determination that the cost of the PUP is reasonable for inclusion in the Company’s revenue requirement.

² The SERP replaced the Company’s former PUP, effective January 1, 1999.