

1 Q. **2013 General Rate Application, Intercompany Transaction Costing Guidelines –**  
2 **Exhibit 8**

3 Page 5, lines 20-23 - Describe the Bill Rate calculation procedure for 2007 to 2012,  
4 including how components such as fringe benefits, insurance, and other costs were  
5 identified for each employee or category and how those costs were included the Bill  
6 Rate calculation.

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9 A. The bill rate calculation is described in Exhibit 7, Appendix A, page 2. Total salary  
10 costs and benefits as outlined in Appendix A, Exhibit 8 are divided by total billable  
11 hours. Billable hours are available hours less annual leave, training, sick leave,  
12 statutory holidays or other time associated with paid leave. The ratio of the bill rate  
13 to the hourly rate is applied to the various pay grades to determine the charge out  
14 rates of employees. From 2007 to 2009 the rates were determined using total  
15 hours. Beginning in 2010 rates were determined using billable hours. In addition,  
16 starting in 2011, the rates were determined in aggregate for all Nalcor group of  
17 companies excluding CF(L)Co.