

1 Q. **2013 General Rate Application, Intercompany Transaction Costing Guidelines –**
2 **Exhibit 8**
3 Page 6, lines 11-13 - Provide details of the Bill Rates used for Legal Services for 2007
4 to 2012. Show the amounts used to determine the Salary Cost components (i.e.
5 salaries, temporary salaries, other salary costs - retroactive pay) and the mark-up
6 components (i.e. fringe benefit costs, insurances, company costs and leave) of the
7 Bill Rates outlined in Appendix A.

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10 A. The Bill Rate used by the Nalcor Group of Companies is based on the principle of
11 cost recovery as outlined in Exhibit 8. In 2007, the administrative fully loaded cost
12 was set at 42%. This was increased in 2009 to 57% to be more reflective of fully
13 loaded cost. Since 2010¹, the salary component of the Bill Rate is calculated based
14 on the job rate (i.e., 100% of the salary scale) for the position being billed. The
15 components that make up the administrative fully loaded cost are described in
16 PUB-NLH-222.

¹ Prior to 2010, the salary component for the Bill Rate was calculated using an average rate for a “cluster” of pay groups which are reflective of a position’s level in the organization. The change of methodology implemented in 2010 to use job rate (100% of the salary scale) for the position is more reflective of actual cost incurred.

1 Table 1 provides the Bill Rates used for Legal Services for 2007 to 2012.

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Table 1

Bill Rate for Legal Services 2007 to 2012

Position	Mark Up %	Effective Date	Salary Component (Job Rate) \$	Bill Rate \$
General Counsel & Corporate Secretary	42%	4/1/2007	70.28	99.78
	57%	10/1/2009	83.27	131.00
	57%	1/1/2010	82.05	128.82
	57%	4/1/2010	84.51	132.69
	57%	11/1/2010	87.38	132.69
	57%	4/1/2011	90.88	142.69
	57%	4/1/2012	94.51	148.39
Assistant Corporate Secretary Senior Legal Counsel	42%	4/1/2007	49.86	71.00
	57%	10/1/2009	53.42	84.00
	57%	1/1/2010	57.10	89.65
	57%	4/1/2010	58.82	92.35
	57%	11/1/2010	60.82	95.49
	57%	4/1/2011	63.26	99.31
	57%	4/1/2012	70.77	111.11
Legal Counsel	42%	4/1/2007	49.86	71.00
	57%	10/1/2009	53.42	84.00
	57%	1/1/2010	52.08	81.76
	57%	4/1/2010	53.64	84.22
	57%	11/1/2010	55.46	87.07
	57%	4/1/2011	57.69	90.58
	57%	4/1/2012	64.21	100.80