

1 **Q. In reference to Schedule 6(c) of the Financial Consultant's 2003 Report, please**
2 **provide particulars of the staff charges in the amount of \$741,026 to Central**
3 **Newfoundland Energy Inc., detailing how many employees were involved, what**
4 **periods of time and please provide time sheets in reference to these transactions.**
5

6 A. Please refer to CA618 for a description of our approach to reviewing intercompany
7 charges.
8

9 The staff charges to Central Newfoundland Energy Inc. of \$741,026 for 2002 consist of
10 labour and travel charges.
11

12 The total staff charges include travel charges of \$79,942 for 27 employees. The
13 remaining \$661,084 consists of labour expenses for 53 employees including \$105,762
14 for Monty Hunter who was seconded to Central Newfoundland Energy in 2001. He
15 continues to be paid by Newfoundland Power but is reimbursed by Central
16 Newfoundland Energy for all salary and related costs. All of the labour charges are based
17 on the hours worked multiplied by the employee's hourly rate. In addition, a loading
18 factor is charged for vacation and employee benefits.