

1 **Q. In reference to Schedule 6(c) of the Financial Consultant's 2003 Report, please provide**
2 **particulars of the staff charges to Belize Electricity in the amount of \$308,163 (2000)**
3 **and \$141,758 (2001) and \$131,637 (September 2002), detailing the names of the**
4 **employees involved, the periods of time and please provide time sheets in reference to**
5 **these transactions.**

7 A. Please refer to CA-618 for a description of our approach to reviewing intercompany charges.

9 Based on information obtained from the Company during our review process, the staff
10 charges to Belize Electricity Limited ("BEL") include labour and travel charges.

12 The charges were significantly higher in 2000 because there were several Newfoundland
13 Power employees who took part in a relief effort to help restore electricity after the impact of
14 Hurricane Keith.

16 The charges as of September 30, 2002 consist of the following:

18	Labour expenses	\$ 39,616
19	Travel expenses	59,621
20	Pension contributions	<u>32,760</u>
21		<u>\$131,637</u>

23 During 2002, Newfoundland Power's Manager of Internal Audit assisted BEL with their
24 internal audit function. The labour costs and travel expenses relating to this manager was
25 \$18,209 and \$32,354 respectively as of September 30, 2002. The labour costs consist of the
26 total hours charged by the manager at his hourly rate plus a loading factor for vacation and
27 employee benefits. The travel costs relate to four trips including the airfare, accommodations,
28 meals, etc.

30 The pension contributions are for two employees. Both of these employees have transferred
31 to BEL and are no longer on Newfoundland Power's payroll. However, in order to preserve
32 their pension benefits, Newfoundland Power bills BEL for the full cost of the pension
33 contributions attributed to them, including their contribution and the Company's.