

1 **Q. Further to the response to PUB-NP-026, explain why benefits costs are excluded in**
 2 **the average salary calculation and state the average salary each year 2018-2020 with**
 3 **fringe benefit costs included.**
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5 A. Fringe costs are general payroll overhead costs that include the Company’s estimated
 6 costs related to the employer’s portion of CPP, EI, Payroll Tax, Workers’ Compensation
 7 Premiums and Health Benefit Premiums. These costs are not part of an employee’s
 8 annual salary, but are part of the Company’s total labour cost.¹
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10 Table 1 provides the average overall labour cost per full-time equivalent (“FTE”) for
 11 2018 to 2020 forecast, including fringe costs.
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Table 1
Estimated Average Labour Cost per FTE²
2018 to 2020 Forecast

2018F	2019F	2020F
\$101,206	\$102,957	\$105,046

¹ Excluding fringe costs from the average salary calculation is consistent with the methodology used to calculate the average salary per FTE for Grant Thornton’s Annual Review of Newfoundland Power. For example, see Grant Thornton’s *Newfoundland Power 2014 Annual Review*, page 28.

² Based on the Company’s 2018-2020 Labour Forecast report. See *Volume 2, Supporting Materials, Report 1: Labour Forecast 2018-2020*, Schedules A, B and C, respectively. Calculated as (in \$000s unless otherwise noted):

		2018F (Sch. A)	2019F (Sch. B)	2020F (Sch. C)
Total workforce labour	A	62,626	64,266	65,454
Adjusted workforce (FTEs)	B	618.8	624.2	623.1
Estimated average labour cost/FTE (\$)	C = A / B	101,206	102,957	105,046