

Q. Reference: Table 2-11 Labour Cost by Breakdown 2007 to 2010 (f) (p. 2-20). Labour Costs for 2008 were \$28,454,000 and are forecast to be \$30,749,000 in 2010 (f), an increase of \$2,295,000. What portion of the difference is attributable to each of (showing breakdown and calculations):

- (a) Conservation related costs;**
- (b) Labour rate increases;**
- (c) Costs associated with management of workforce demographics.**

A. Table 1 shows the forecast increase in labour costs in 2009 and 2010 attributable to energy conservation, labour rate increases and costs associated with the Powerline Technician (“PLT”) Apprenticeship Program.

Table 1
Operating Labour Increases
2009 to 2010F
(\$000s)

	2009	2010F
(a) Energy Conservation ¹	243	162
(b) Labour Rate Increases ²	1,158	1,193
(c) PLT Apprenticeship Program ³	140	130

¹ An Energy Conservation Engineer, a Marketing Specialist, an Energy Efficiency Analyst and an Energy Efficiency Specialist have been or will be hired in 2009 to join our internal energy conservation team to support energy conservation initiatives.

² In 2009, the weighted average labour rate increase was 4.07%. In 2010, the weighted average labour rate increase is 4.03%.

³ Newfoundland Power has not quantified the total cost associated with the management of workforce demographics. An example of how Newfoundland Power manages workforce demographics is the employment of Apprentice Powerline Technicians. Between 2008 and 2010 the total number of Apprentice Powerline Technicians is forecast to increase from 19 to 26. Please refer to the response to Request for Information in CA-NP-111.