

1 Q. In reply to CA-NLH-214, Hydro stated that as of November 1, 2013, the vacancy rate
2 was 51.8 FTEs, whereas Hydro had forecasted 40 vacancies for 2013. What impact
3 will the increased vacancy rate have on Hydro's test year revenue requirement?

4
5
6 A. Hydro's revenue requirement includes a vacancy allowance of \$3,175,000 which
7 equates to 40 FTEs using an average salary of \$79,375. The vacancy of 51.8 FTEs as
8 of November 1, 2013¹ equates to an additional \$936,725 in the vacancy allowance
9 using this average, but this vacancy FTE increase would be offset by an increase in
10 other expenses such as overtime.

¹ The vacancy as of December 31, 2013 was 51.2 FTEs.