

1 Q. **Reference: Finance Evidence**

2 Hydro states “Hydro has hired more of its own engineering staff where possible,  
3 rather than engaging external resources”. Please quantify the estimated net  
4 savings of this strategy from 2007 to 2015 inclusive. (Finance Evidence, page 3.15,  
5 lines 5 to 7)

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8 A. Hydro’s strategy is to utilize a combination of internal permanent resources,  
9 internal temporary resources as well as external resources to fulfill the mandate of  
10 Hydro’s technical support services team. A composition of the engineering team of  
11 60% permanent resources, 20% term engagements with external resources, and  
12 20% temporary engagements of less than 12 months is seen as optimal. This  
13 structure allows sufficient flexibility to address year-over-year changes in the capital  
14 program and enables Hydro to increase the pooled knowledge and technical  
15 capacities of its own core team.

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17 Quantifying the total net savings over the 2007 to 2015 period, in light of the  
18 significant changes structure of the company and the increasing capital program  
19 would not be possible. A sample of Hydro’s current labour market experience per  
20 unit costs of internal versus external labour is as follows:

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22 Billing rate:

23	Senior Engineer (Internal- fully loaded)	\$ 650 - \$790 / day
24	Engineer (Term – fully loaded)	\$ 380 - \$430 / day
25	Senior Engineer (External)	\$ 900 - \$1,275 / day