

1 Q. Further to the response to Request for Information PUB-NLH-409:  
2 The chart on page 1 shows an increase in Engineering and Operations net FTEs of  
3 67, from 2013 to 2015 Test Year.  
4 On page 1, Hydro explains this increase, in part, due to:  
5 *“As per Chart 3.7, Engineering and Operations is forecast to increase by 45 and 67*  
6 *respectively during the 2014 and 2015 Test Years. The changes are predominantly*  
7 *due to hiring more internal resources for maintenance and capital work programs*  
8 *resulting in less contract work.”*  
9 Please provide a full explanation of the costs to regulated Hydro and the benefits to  
10 Hydro’s customers, which are expected due to this decision to increase hiring of  
11 internal resources.

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14 A. Hydro's customers will benefit through reduced labour costs for internal staff, in  
15 comparison with external contract labour. Please see the table below for a  
16 comparison of external engineering costs vs. internal costs.

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Type	External Rates / Hour	Internal Rates / Hour
Engineer Level 1	\$96	\$82
Engineer Level 2	\$120	\$91
Engineer Level 3	\$140	\$100
Engineer Level 4	\$160	\$110

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19 Please also refer to Hydro's response to NP-NLH-394.