

1 Q. **Reference: Charts 3.3 to 3.5.**

2 Please provide a definition of FTE as used and indicate how the values were  
3 calculated, particularly with respect to the number of positions, vacancies, long  
4 term leave, and unbudgeted positions filled during the fiscal year.

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7 A. One full time equivalent (FTE) equates to the hours worked relative to the annual  
8 standard hours of 1,950 (head office) or 2,080 (field operations). An FTE is a ratio of  
9 hours worked relative to standard hours available to work. Net FTEs include offsets  
10 for charges in and out that are not specifically associated with the group or line of  
11 business (LOB) being measured. The net FTE for regulated Hydro is therefore  
12 defined as follows:

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$$14 \quad \text{Net FTEs} = \frac{\text{Total hours worked by Hydro employee}}{\text{Standard hours}} + \frac{\text{Total hours charged into Hydro regulated operations from other LOBs}}{\text{Standard hours}} - \frac{\text{Total hours charged out of Hydro regulated operations to other LOBs}}{\text{Standard hours}}$$

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20 ***Charges in and out of regulated Hydro Operations***

21 The net FTE is a result of the actual number of hours worked from 2007 to 2012 and  
22 forecasted for 2013 plus the charges into regulated Hydro from other lines of  
23 business and less the charges out of regulated Hydro to other lines of business. A  
24 sample of the FTE calculation reflecting how charges in and out affect net FTEs is  
25 provided in Table 1.

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Table 1

Position Hours	Hours Worked	Hours Charged In	Hours Charged Out	Total Hours	FTE #
1,950	1,950			1,950	1.00
1,950	1,950		-225	1,725	0.88
1,950	975			975	0.50
1,950		300		300	0.15
2,080	2,080			2,080	1.00
2,080	2,080		-240	1,840	0.88
2,080	520			520	0.25
2,080		240		240	0.12
<b>16,120</b>	<b>9,555</b>	<b>540</b>	<b>-465</b>	<b>9,630</b>	<b>4.78</b>

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***Number of positions***

3 The number of positions within the company or a department does not necessarily  
4 match net FTEs as they are two different indicators. Approved positions are not  
5 indicative of employee hours dedicated to that position or actually worked. FTEs  
6 are a more comparable measure of the staffing requirement.

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***Vacancies***

9 The net FTE excludes the portion of time that positions remain vacant (i.e., no  
10 worked hours). As there are vacancies anticipated throughout the company each  
11 year, Hydro will project and apply an FTE vacancy rate to its forecasted labour. For  
12 example, in 2010 the company budgeted a total of 847 FTEs with a projected  
13 vacancy rate of 17 FTEs. As such, Hydro forecasted a net FTE of 830 (i.e., 847 FTEs -  
14 17 FTEs). The actual vacancy in 2010 was 16 FTEs. Therefore, the net FTE in 2010  
15 was 831 less any net transfers of hours charged in or out of regulated Hydro.  
16 Charges in and out resulted in an offset of 21.4 FTEs to regulated Hydro, which  
17 reduced the net FTEs for 2010 to 809 FTEs as stated in Chart 3.3.

1        ***Long term leaves***

2        Employees on long term leave<sup>1</sup> are not paid by the company and therefore are not  
3        considered as part of scheduled paid work. Such leave hours are excluded in the  
4        net FTE calculation.

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6        ***Unbudgeted positions***

7        All paid hours recorded as part of standard hours even if unbudgeted are included  
8        in the net FTEs. Hydro will review its staffing options when an unanticipated  
9        vacancy (short or longer term) occurs or where there are additional work  
10      requirements. Where it cannot be reasonably allocated or absorbed, a backfill  
11      position may be required that is unbudgeted. For example, Hydro may hire a  
12      temporary worker to backfill for an employee on leave. Depending on the type of  
13      leave (paid or unpaid by Hydro), such a backfill may result in an additional FTE  
14      requirement (if paid leave). In other circumstances (such as an unpaid leave) the  
15      FTE is absorbed within the budget.

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17      The methodology for labour forecasting is provided in CA-NLH-104 as it relates to  
18      labour and FTE forecast for 2013 and 2014.

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<sup>1</sup> Long term leave includes unpaid leave of absences such as long term disability, maternity or parental leave, or any leaves whereby employees are not paid by Hydro.