

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:

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

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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.

Table 1

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

Number of positions

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

Vacancies

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

1 ***Long term leaves***

2 Employees on long term leave¹ 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.

¹ 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.