

1 Q. Further to response to Request for Information NP-NLH-086 (Revision 1, Nov 7-13),
2 Attachment 1:
3 In response to Request for Information NP-NLH-086 (Revision 1, Nov 7-13),
4 Attachment 1, Hydro provided executive and administration net FTEs from 2007 to
5 2015 forecast. Please explain why net FTEs decrease by 10 from 2008 to 2012 then
6 increase by 8 FTEs in 2013F. The explanation should include how economies of
7 scale are achieved in the 2013 Test Year through sharing of executive and
8 administrative services with Nalcor.

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11 A. The net decrease in FTEs is explained in Hydro's response to PUB-NLH-152. The net
12 increase of eight FTEs from 2012 to 2013 (Test Year) is the difference in Hydro
13 based vacancies assumed to be filled in 2013 and an increase in the amount of
14 labour charged into Hydro from other lines of business.

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16 The vacancy experience in 2011 and 2012 was higher than anticipated (see Hydro's
17 response to IC-NLH-006). The forecast FTE vacancy allowance for 2013 is less than
18 the actual vacancy experience in 2012. In terms of an FTE impact, the 2013 vacancy
19 allowance forecasted is less than actual experience in 2012 by approximately four
20 FTEs within Executive and Administration. The remaining difference of four FTEs
21 primarily relates to an increase in forecast labour recharges over 2012 (see Hydro's
22 response to NP-NLH-222).

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24 Hydro believes economies of scale are achieved through sharing of resources
25 among various lines of business. This is discussed in Hydro's responses to NP-NLH-
26 058, PUB-NLH-141, and PUB-NLH-146.