

1 **Q. At page 2-23, it states that “An increase in FTEs related to the management of**
2 **demographics is expected to be transitional in nature.” What specific increase in**
3 **FTEs is being referred to and when will the transitional period be complete? Once**
4 **the transitional period is complete, how many FTEs are forecast for the Company?**

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6 A. Table 2-12 shows how the number of FTEs in 2014F will increase by 16 for a total of 657
7 FTEs from 641 FTEs in 2010.

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9 The response to Request for Information CA-NP-490 shows Newfoundland Power’s
10 workforce by years of service for 2007, 2012 and 2017. By 2017, the overall level of
11 workforce experience will be lower as newer employees replace more experienced
12 retiring employees. On an overall corporate level, this reduction in experience is likely to
13 affect overall productivity and require a slightly larger workforce as newer employees
14 gain experience.

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16 Newfoundland Power cannot specify precisely how long this transitional period will be.
17 It will depend on a number of factors. These include the timing and level of retirements,
18 the Company’s ability to recruit qualified employees and its success in human resource
19 development. For these reasons, Newfoundland Power cannot reliably forecast its FTE
20 requirements beyond 2014.

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22 Newfoundland Power notes that increased workforce levels do not necessarily translate
23 directly into increased operating costs. By year end 2014, Newfoundland Power expects
24 to serve approximately 2.6% more customers than in 2012 with labour costs that are, in
25 real terms, 2% less than 2012.

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27 Please see response to Request for Information PUB-NP-028 for perspective on
28 Newfoundland Power’s long term record in effective workforce management. Please see
29 response to Request for Information PUB-NP-001 for details on labour cost productivity
30 for 2013 and 2014.