

1 **Q. What is the typical ratio of a new hire's salary versus retiring employee's salary**
2 **across positions of the Company.**

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4 A. There is no typical ratio between a new hire's salary versus a retiring employee's salary.
5 A retiring employee's salary is based on their level of competence in the position,
6 performance and experience. The starting salary for a new hire is similarly variable
7 depending on their education and work experience.
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9 Newfoundland Power manages its overall workforce capacity and capability to
10 effectively match work requirements. Evolving work requirements, customer
11 expectations, labour market conditions and other factors affect the Company's mix of
12 employees. The result is that the differential between the salaries of new hires and
13 retiring employees varies widely, and while a new hire's salary is often lower, it can be
14 the same or higher than that of a retiring employee. Further, the Company typically
15 examines work requirements and opportunities for organizational efficiency, such that a
16 retiring employee may not be directly replaced.
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18 For example, to date in 2012, five of the Company's Power Line Technicians ("PLTs")
19 have chosen to retire. The Company has hired a mix of experienced PLTs and
20 Apprentice PLTs to replace these retiring individuals. The effective annual salary
21 differential between these new hires and the retiring employees varied from \$0 to
22 \$22,000.