

1 **Q. Why does Newfoundland Power not provide a detailed 2014 Internal Labour**
2 **Forecast? Please provide one in the form provided for 2012 and 2013.**

3
4 A. Attachment A provides the Company's 2014 internal labour forecast in the format
5 applied in *Volume 2, Exhibits and Supporting Materials, Tab 2, Labour Forecast 2012 –*
6 *2014.*

2014 Internal Labour Forecast

2014 Internal Labour Forecast

	Labour Expense (\$000s)	FTEs	Notes
2013 Forecast Workforce			
Operating	32,156		1
Capital	22,724		
Rechargeable & Recoverable	<u>3,884</u>		
Total	58,764	653.8	2
2014 Salary Increase	2,385		3
Adjustments for 2014			
2014 Retirements			
Employee Retirement ¹	(1,245)	(12.2)	4
Retirement Replacement	1,057	12.4	5
2014 Leaves of Absence			
Employees Taking Leaves	(325)	(3.4)	6
Employees Returning from Leaves	190	1.9	7
Terminations ²	(213)	(2.0)	8
New Hires	126	1.5	9
Partial Year Adjustments ³	390	4.8	10
2014 Adjusted Workforce	61,129	656.8	11
2014 Forecast Workforce			
Operating	33,456		12
Capital	23,708		
Rechargeable & Recoverable	<u>3,965</u>		
Total	61,129		13

¹ Retirement estimates are based upon employees reaching age 65, or have reached age 60 with the combination of 95 years of age plus service.

² Terminations include both voluntary and non-voluntary termination of employment with the Company.

³ Partial year adjustments include FTE and labour adjustments necessary to account for employees who started or resumed their employment in 2013. These employees would not have accounted for full annual salaries in the 2013 labour expense, nor would they have accounted for full FTEs in 2013. These adjustments also include employees expected to leave the company in 2013. These employees do not account for full annual salaries in the 2014 labour expense, nor would they account for full FTEs in 2014.

Notes to 2014 Internal Labour Forecast

No.	Description
1	The forecast operating labour cost for 2013.
2	The 2013 forecast FTEs.
3	The 2014 salary increase is based upon a weighted average salary increase of 4.06%.
4	In 2014, there are 25 employees expected to retire. The 2014 labour reduction for retirement is \$1,245,000. The 2014 reduction in FTEs of 12.2 reflects the timing of the forecast retirements.
5	20 of the retiring employees will be replaced in 2014. A combination of lower salary and the timing of replacement hires, results in \$1,057,000 labour cost and a 12.4 FTE increase for 2014.
6	In 2014, the Company forecasts 5 employees taking leaves of absence based upon recent experience. The 2014 labour reduction for leaves is \$325,000 with a corresponding FTE reduction of 3.4.
7	In 2014, the Company forecasts 5 employees returning from various forms of leave based upon recent experience. The 2014 labour increase for leaves is 190,000, with a corresponding FTE increase of 1.9.
8	In 2014, the Company forecasts 4 employees terminating their employment based upon recent experience. The 2014 labour reduction for terminations is \$213,000, and a corresponding FTE reduction of 2.0.
9	In 2014, the Company forecasts 3 new hires. The 2014 labour increase for new hires is \$126,000, with a corresponding FTE increase of 1.5.
10	The 2014 labour increase for partial year adjustments is an increase of \$390,000, with a corresponding FTE increase of 4.8.
11	The 2014 forecast FTE count.
12	The 2014 forecast operating labour cost.
13	Total labour expense includes overhead loading for vehicle expenses.