

1 **Q. Reference: 2011 Annual Report of Newfoundland Power, page 17.**

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3 **At paragraph 2 it states:**

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5 **“Early in 2011, the Company conducted an in-depth workforce assessment in**
6 **which we projected retirements for the next five years, reviewed workload**
7 **plans and identified human resource strategies to guide the Company in the**
8 **future.”**
9

10 **If any reports were produced from this assessment, please provide a copy. If not,**
11 **please provide copies of the results obtained from this assessment, including the**
12 **workforce areas assessed and particulars of the manner in which the assessment was**
13 **carried out.**
14

15 **A. A. Workforce Assessment Generally**

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17 Newfoundland Power conducts workforce assessments on a routine basis as part of
18 ongoing management of the business. Typically, these assessments (i) forecast
19 retirements over a near term time horizon, usually of 3 to 6 years; (ii) determine hiring
20 requirements over this time horizon; and (iii) provide an overall assessment of the
21 Company’s workforce requirements.
22

23 Workforce assessments are dependent upon forecasts. So, they are subject to forecast
24 error. For example, in 2008, Newfoundland Power forecast 51 retirements would occur
25 from 2008-2010; only 15 retirements actually occurred over this period.¹ Similarly,
26 workforce assessments will not necessarily accurately forecast all changes in work
27 requirements over a particular time horizon, including those changes which increase work
28 requirements.² In addition, implementation of certain opportunities to improve efficiency
29 which might exist within Newfoundland Power through automation or reorganization
30 may have significant collective bargaining considerations.³
31

32 As workforce assessment is ongoing in nature, the Company does not create formal
33 reports of workforce assessments for decision making purposes. Instead, such
34 assessments provide the necessary data analysis and inputs required by the Company for

¹ Employee retirement at Newfoundland Power is determined by the employee, not the Company. (See *Volume 1, Application and Company Evidence, Section 2.2.3 Workforce Management*, page 2-19, Footnote 36.)

² For example, the 2011 workforce assessment took place before the creation of the *Five-Year Energy Conservation Plan: 2012-2016*, which requires the addition of 4 employees to support the expansion of Newfoundland Power’s customer energy conservation programming. (See *Volume 1, Application and Company Evidence, Section 2.2.3 Workforce Management*, page 2-23, lines 3 to 4.)

³ For example, collective agreements between Newfoundland Power and its union employees provide, in effect, that regular full time employees will not lose their jobs due to technological change.

its workforce management efforts. These analyses and data are updated, on a continuing basis, to ensure continuing effective workforce management.⁴

B. The 2011 Workforce Assessment

In the first half of 2011, Newfoundland Power conducted a comprehensive assessment of its workforce requirements. The assessment included consideration of most workforce skillsets and geographic locations.

The 2011 workforce assessment (i) forecast 192 retirements from 2011-2016; (ii) hiring requirements of 173 new employees over this period, and (iii) an overall workforce requirement of 631 employees at the end of 2016, assuming all identified opportunities for work automation and reorganization were achieved.⁵

The 2011 workforce assessment is reflected in the Company's evidence filed in support of this Application.

C. 2013-2014 Test Period

A prominent opportunity for the Company to improve efficiency through work automation which was identified in the 2011 workforce assessment was the more widespread use of automated meter reading, or AMR, technology. Identification of this opportunity, in turn, led to the Company's conducting a comprehensive assessment of its use of AMR technology in 2012.

Newfoundland Power's *2013 Metering Strategy*, which was developed in 2012, was considered by the Board as part of the Company's 2013 Capital Budget Application.⁶ The forecast efficiencies associated with the adoption of the *2013 Metering Strategy* are included in the Company's 2013 and 2014 Internal Labour Forecasts filed with this Application.⁷

The 2013-2014 Test Period also includes impacts which were *not* identified in the 2011 workforce assessment. Perhaps the most prominent example of this is the proposed additional labour required to support the expansion of Newfoundland Power's customer

⁴ For example, on at least an annual basis, employees who are eligible to retire are approached to determine the likelihood of retirement and potential retirement schedule (See response to Request for Information CA-NP-436).

⁵ These 631 employees refer to full time positions and exclude short term temporary employment. Short term temporary employment totaled approximately 20 FTEs in each of 2011 and 2012. Short term employment requirements are included in the Company's 2013 and 2014 Internal Labour Forecasts filed with this Application.

⁶ Newfoundland Power's 2013 Capital Budget Application was approved by Order No. P.U. 31 (2012).

⁷ See: *Labour Forecast 2012-2014 (1st Revision)* and Attachment A to the response to Request for Information CA-NP-437 (1st Revision) where both FTEs and labour costs reflect the Company's implementation of the *2013 Metering Strategy*. By the end of 2017, implementation of the *2013 Metering Strategy* is forecast to result in a total reduction in meter reading staff of over 14 FTEs.

1 energy conservation programming.⁸ Another example is the additional labour associated
2 with increased regulatory activity.⁹

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4 ***D. Concluding***

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6 Workforce dynamics at Newfoundland Power include a higher level of turnover,
7 primarily due to retirements, the timing of which occur at the election of employees, not
8 the Company. Accordingly, effective workforce management at Newfoundland Power
9 requires continuing evaluation of workforce requirements.

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11 In 2011, Newfoundland Power conducted an in-depth workforce assessment as part of its
12 continuing workforce management efforts. Analysis and data yielded by this assessment,
13 together with the most current updates, are reflected in the Company's evidence filed in
14 support of this Application.

⁸ See Footnote 2.

⁹ This has resulted in an increase in the regular workforce of 1 FTE. (See *Volume 1, Application and Company Evidence, Section 2.3.1 Gross Operating Costs*, Page 2-28, lines 11 to 12 and the response to Request for Information CA-NP-487.)