

1 **Q. Reference: CA-NP-39 and CA-NP-42: please explain why in light of 14 likely**
2 **retirements in 2008, NP is forecasting that its unionized workforce will be constant**
3 **over 2007 and 2008 and its Management complement will decrease by 2 FTEs only**
4 **from 2007 to 2008.**

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6 A. The decrease in Management is explained in the response to CA-NP-332. The staffing
7 levels by managerial and union categories reflected in Table 1 of CA-NP-39 are based on
8 regular employees active on payroll at a specific point in time and not FTEs.¹
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10 While 14 employees are forecast to retire between now and the end of 2008, the hiring
11 forecast for the remainder of 2007 and for 2008 is eight regular employees (six less than
12 the forecast retirements). The hiring of 6 apprentices in 2008 is expected to offset the
13 reduction in line staff.
14

15 The Company does not include temporary workers in its regular employee numbers as
16 they tend to fluctuate throughout the year based on the Company's business
17 requirements. Temporary workers are reflected in the FTE levels which are expected to
18 decrease by two in 2008 as the result of prudent management of resources and overall
19 productivity gains.

¹ An FTE is a mathematical representation of the Company's workforce. The FTE calculation involves the summation of all actual paid work including all forms of paid leave by Company employees over a period of time, divided by the number of regular hours routinely worked by a single employee over that same period of time. Changes in FTEs are mathematically related to the number of hours worked by all employees on capital and operating projects and are not necessarily proportional to, or representative of, the actual number of employee positions.