

1 **Reference: Volume 2, Labour Forecast 2021-2023**  
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3 **Q. Volume 2, Labour Forecast 2021-2023, page 4 states that the 2023 test year labour**  
4 **forecast reflects an overall decrease of 17 FTEs, primarily due to the conclusion of**  
5 **the CSS Replacement Project; however, Schedule C indicates a higher overall**  
6 **labour expense in 2023 than 2022. Explain how the reduction of the 17 FTEs during**  
7 **2023 impacts the 2023 and 2024 forecasts.**  
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9 A. Newfoundland Power's overall labour expense, including capital and operating labour, is  
10 forecast to increase by approximately \$127,000 in 2023 when compared to 2022.<sup>1</sup>  
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12 The increase in labour expense is primarily driven by the forecast 2023 salary increase  
13 based on a weighted labour rate of 2.85%.<sup>2</sup> This equates to an increase of approximately  
14 \$2,039,000 when compared to 2022.<sup>3</sup> This increase in labour expense is largely offset by  
15 a decrease of \$1,740,000 resulting from a reduction in FTEs at the conclusion of the CSS  
16 Replacement Project and the Instant Rebates Program. Other FTE changes outlined in  
17 Schedule C are forecast to have a net decrease in labour expense of approximately  
18 \$172,000.<sup>4</sup>  
19

20 While Newfoundland Power has not prepared a labour forecast for 2024, the reduction in  
21 FTEs as a result of the CSS Replacement Project and the Instant Rebates Program are  
22 sustaining as these positions will not be replaced. This reduction has resulted in a lower  
23 labour forecast for 2023 and into 2024. As the terminated positions are primarily  
24 resourcing requirements to address ongoing capital work, the impact to operating labour  
25 would be minimal in both 2023 and 2024.

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<sup>1</sup> See the 2022/2023 General Rate Application, Volume 2, Supporting Materials, Tab 1, Labour Forecast: 2021-2023, Schedule C, page 1. (\$71,671,000 - \$71,544,000 = \$127,000).

<sup>2</sup> The weighted labour rate in the 2023 forecast includes a 2.10% estimated base wage increase and a 0.75% forecast progression. See the 2022/2023 General Rate Application, Volume 2, Supporting Materials, Tab 1, Labour Forecast: 2021-2023, Schedule C, page 2, note 3.

<sup>3</sup> See the 2022/2023 General Rate Application, Volume 2, Supporting Materials, Tab 1, Labour Forecast: 2021-2023, Schedule C, page 1, line 3. (\$71,544,000 \* 0.0285 = \$2,039,004).

<sup>4</sup> \$477,000 + \$736,000 + \$190,000 + \$123,000 - \$839,000 - \$859,000 = (\$172,000).