

1 Q. Please identify the incremental changes in permanent, temporary and embedded
2 contractor FTEs and the underlying assumptions/justification for those changes,
3 associated with combining the Churchill Falls and Muskrat Falls into a single Hydro
4 production organization using two categories (combined to produce a single value
5 for each of): (a) craft and supervision, and (b) levels from there up to but excluding
6 the director level.

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9 A. The current structure is in effect already a combination of the Muskrat Falls and
10 Churchill Falls Generation departments into one hydro production organization. The
11 Senior Manager, Muskrat Falls (MF) Production and the Director, Churchill Falls (CF)
12 Production both report to the VP Production, Power Supply.

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14 The Dam Safety staff (Water Resources Department, CF Production) located at
15 Churchill Falls that are responsible for Dyke and Dam Operation, Maintenance and
16 Surveillance will also be responsible for these components at Muskrat Falls. This has
17 allowed MF to leverage existing developed skills within the organization and avoid
18 extra FTE requirements.

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20 This same approach has been used for Fleet Planning and Procurement, and
21 Operations Engineering with support personnel existing in CF to assist MF needs.

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23 Functional separation between CF Production and MF Production is required to
24 satisfy the requirements of CF(L)Co to its shareholders and customers. This is
25 particularly relevant with respect to the Water Management Agreement between
26 Muskrat Falls Corporation and CF(L)Co.

1 CF(L)Co recognizes IBEW 2351 as the bargaining agent, while at MF the recognized
2 bargaining entity is IBEW 1615. Differences in craft jurisdictional issues as well as
3 bargaining unit recognition representation between both sites will impede effective
4 merger opportunities.

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6 Churchill Falls and Muskrat Falls are located approximately 300 km apart and
7 connected by remote road. When considering overall response time for production
8 issues at MF, having crews based at CF, will present additional challenges for
9 effective and timely arrival and present additional delays and reliability impacts
10 (response time).

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12 Planned maintenance outages at Churchill Falls must occur between April 1 and Oct
13 31 of each year. It is anticipated that this will overlap with the planned maintenance
14 outages at Muskrat Falls. To meet the needs for maintenance at both locations, the
15 required FTE total would not be reduced during this period of time. It would be
16 expected that to maintain a reasonable outage schedule and minimize FTEs beyond
17 the current number the end result would be increased overtime and future
18 employee retention issues.

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20 Additionally, the skillset of each tradesperson would have to be broadened to allow
21 for the differences in technology employed at each station. For example, CF P&C
22 control techs cover the plant and switchyard assets currently. Adding the duties of
23 the MF generating plant and its new technology would make it very difficult to
24 maintain worker competency across all the assets.

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26 To realize any possible synergies at the MF and CF sites, Nalcor has adopted an
27 approach whereby the tradespersons and supervisors located at MF and CF

1 respectively, are responsible to work on both the transmission and generation
2 assets. This optimizes resource needs at each site based on geography, response
3 times for trouble calls, individual competency requirements, and cost. To create a
4 combined production crew between CF and MF (at the frontline level) would not
5 adequately address the transmission nor plant needs at either site and will create
6 the need for additional resources as opposed to reducing the overall FTE count.