

1 **Q. Regarding the response to PUB-NP-006 please explain why Newfoundland Power**  
2 **refers to “the average progression/merit increase for managerial employees” as**  
3 **opposed to just a progression increase.**  
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5 A. Newfoundland Power’s compensation design, including progression, differs for  
6 unionized and non-unionized employees. Managerial employees can earn a progression  
7 increase and pay for performance (merit pay). Unionized employees under the Craft  
8 collective agreement can earn progression increases. However, most unionized  
9 employees are paid at the full rate of the job classification effective the date of hire.

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11 For unionized positions that do not start at the full rate, the Collective Agreements outline  
12 progression steps that are known, measurable and applied consistently to all employees  
13 within a specific position group as they gain relevant work experience. For example, a  
14 Powerline Technician Apprentice will start at 70% of the Tradesperson’s rate and, over a  
15 4-year period, increase to 95% of the Tradesperson’s rate. Once the apprenticeship is  
16 completed the employee will be paid 100% of the Tradesperson’s rate.

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18 For non-union employees, employees typically enter a position at 80% of full salary and  
19 progression to full salary is expected within 5 years.<sup>1</sup> However, the actual starting salary  
20 may be set within a range of 80% to 100% of the full salary of the position depending on  
21 the incumbent’s individual experience. An employee’s annual progression may also vary  
22 based on individual performance including technical competency, execution and self-  
23 development, as well as market movement.

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25 The overall average progression/merit increases experienced in each year 2016 to 2020  
26 forecast in the managerial employee group is provided in Table 2 in the response to  
27 Request for Information PUB-NP-006.

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<sup>1</sup> Non-union employees include the managerial, director and executive groups.