

- 1 **Q. Further to the responses to PUB-NP-013 and NLH-NP-047:**  
2 **a) Please confirm that the FTE levels in 2022 and 2023 were impacted by the**  
3 **Customer Service System project.**  
4 **b) Explain why the forecast 2025 and 2026 test year FTEs are higher than the levels**  
5 **over the period 2017 to 2021.**

6  
7 A. a) It is confirmed. The *Customer Service System Replacement* project was approved by  
8 the Board as a three-year project in Order No. P.U. 12 (2021). The capital project  
9 commenced in 2021 and required incremental new internal positions to deliver the  
10 project successfully. The new Customer Information System (“CIS”) was  
11 implemented in August 2023 and the Company has reduced its 2024 full-time  
12 equivalents (“FTEs”) forecast by 22.7 FTEs as those incremental new internal  
13 positions are no longer required.<sup>1</sup>

- 14  
15 b) Over the period 2017 to 2021, the Company’s annual FTEs were at the lowest levels  
16 in the Company’s history. The decrease in FTEs through 2018 reflected labour  
17 efficiencies associated with the implementation of Automated Meter Reading  
18 (“AMR”) technology.<sup>2</sup> In 2020 and 2021, the Company’s annual FTEs were  
19 artificially low due to delayed hires and temporary changes in work requirements as a  
20 result of COVID-19.<sup>3</sup> Further to part a) to this response, FTEs in 2022 and 2023 were  
21 temporarily impacted by the CIS project.

22  
23 Overall, Newfoundland Power manages its workforce to match resources with  
24 anticipated work requirements. Over the past five years, certain work requirements have  
25 increased. These include areas such as cybersecurity, asset management, customer  
26 energy solutions initiatives and environmental matters, which are anticipated to  
27 continue. Further, the Company’s workforce demographics have also changed. For  
28 example, at the end of 2023, 31% of permanent employees had less than five years of  
29 experience at the Company, compared to 9% at the end of 2020.<sup>4</sup> Combined, these  
30 factors can result in required changes to FTEs over time.

31  
32 Following the completion of the CIS project, Newfoundland Power is forecasting a  
33 consistent level of between 632 and 633 FTEs for 2024 through 2026. This is higher  
34 than the 2023 test year but consistent with 2023 actual FTEs, both excluding the impact  
35 of the CIS project.

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<sup>1</sup> Total FTEs related to the CIS project were approximately 12.4 and 22.7 in 2022 and 2023, respectively.

<sup>2</sup> The Company began implementing AMR technology in 2013. AMR technology resulted in reduced FTEs related to meter readers by approximately 10 FTEs in each of 2017 and 2018. Since 2013, it has resulted in reduced FTEs related to meter readers by approximately 26 FTEs.

<sup>3</sup> For example, in the Company’s *2022/2023 General Rate Application*, the Company forecasted a total of 624 FTEs in 2021. This reflected the expectation of a return to normal operations following COVID-19 and additional FTEs required for new work requirements including: (i) customer energy solutions; (ii) the start of the CIS project; and (iii) changing requirements related to cybersecurity. However, actual FTEs in 2021 were 607.5, primarily as a result of COVID-19 related restrictions resulting in temporary delays in replacing positions and temporary reductions in work requirements.

<sup>4</sup> See the response to Request for Information PUB-NP-017, pages 3 and 4.

1 Table 1 provides a breakdown of the change in FTEs from the 2023 test year and  
2 2023 actuals to the 2026 test year forecast.

**Table 1:  
FTEs  
2023 to 2026 Test Year**

	2023TY	2023A
<b>FTEs</b>	<b>625.0</b>	<b>657.4</b>
CIS Project	(2.0)	(22.7)
<b>FTEs, Excluding CIS Project</b>	<b>623.0</b>	<b>634.7</b>
 <b>Other Changes in FTEs:</b>		
Asset Management	2.0	-
Regional Managers	2.0	-
Environmental Analyst	1.0	-
Rates and Cost Specialist <sup>5</sup>	-	(1.0)
Other	<u>4.0</u>	<u>(1.7)</u>
<b>2026 Test Year</b>	<b><u>632.0</u></b>	<b><u>632.0</u></b>

3 The increase of 9.0 FTEs in the 2026 test year compared to the 2023 test year forecast  
4 includes:

- 5
- 6 (i) Approximately 2.0 FTEs associated with additional work related to asset  
7 management requirements for capital planning.
- 8
- 9 (ii) Approximately 2.0 FTEs related to the division of two former Manager  
10 Operations and Engineering positions into the positions of Manager Operations  
11 and Manager Engineering.
- 12
- 13 (iii) Approximately 1.0 FTE associated with increased work requirements related to  
14 environmental matters.
- 15

16 Other changes in FTEs largely reflect changes in the Company's workforce that are  
17 not associated with new positions. This includes timing of retirements, leaves and  
18 replacements that can vary from year to year.

19

20 Overall, Newfoundland Power is forecasting to maintain its workforce at a stable  
21 level of FTEs over the 2024 to 2026 forecast period.

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<sup>5</sup> In 2026, the Company forecasts a decrease of 1 FTE as a result of the conclusion of the Load Research and Rate Design Review.