

Requests for Information

1 **Q. In reference to the evidence of Earl Ludlow, page 28, line 2, please provide**
2 **particulars as to the result of negotiated labour increases, showing a dollar figure,**
3 **and also actual dollar amounts of the “offset by the Impact of Productivity**
4 **initiatives”.**

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6 A. As shown in Table 18, at page 27 of the *Operations & Customer Service Evidence*,
7 Newfoundland Power’s operating labour costs are forecast to increase by approximately
8 \$0.6 million, or approximately 2.0 per cent, over the two-year period from 2002 to 2004.
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10 Under the terms of the collective agreements signed in April 1999, the wage increase for
11 unionized employees effective January 1, 2003 is 4.0 per cent. The Company’s forecast
12 of operating expenses also assumes an average increase in salaries for non-unionized
13 employees of 4.0 per cent. Consequently, the forecast overall increase in compensation
14 levels for 2003 approximately equals twice the total forecast increase in operating labour
15 over the two-year period from 2002 to 2004.

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17 The Company’s collective agreements with the Craft and Clerical bargaining units expire
18 during 2003. Negotiations with respect to wages for 2004 and beyond have not yet
19 commenced. < > Specific commentary on the Company’s expectations regarding wage
20 increases for unionized employees for 2004 and beyond would prejudice the collective
21 bargaining process.

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23 Newfoundland Power does not have a detailed forecast of the financial impact of
24 productivity initiatives. However, the Company’s forecast increase in operating labour
25 costs for the 2002 to 2004 period of 2.0 per cent is based on the assumption that the
26 success of the Company’s productivity initiatives will be sufficient to offset to a large
27 extent any increase in labour costs due to an increase in wages and salaries for 2003 and
28 2004.