

- 1 **Q. In its *Labour Forecast 2018-2020* Newfoundland Power provides information on**  
 2 **weighted average wage increases as follows: 1.75% in 2018; 1.75% in 2019; and**  
 3 **2.00% in 2020.**  
 4  
 5 **a) For the years 2015-2020, please provide a table, similar to the format below,**  
 6 **showing the weighted average wage increases broken down into real wage**  
 7 **increases (base wage increases agreed to in collective bargaining or otherwise**  
 8 **provided to non-union and executive employees) and real or forecast progression**  
 9 **increases. Please provide the information for union, non-union and executive**  
 10 **employee classifications. Average wage increases are requested in recognition of**  
 11 **the potentially sensitive nature of this information.**  
 12

<b>Union employees</b>	2015	2016	2017	2018F	2019F	2020F
Weighted average wage increase						
Average real wage increase						
Average progression wage increase						
<b>Non-union employees</b>						
Weighted average wage increase						
Average real wage increase						
Average progression wage increase						
<b>Executive employees</b>						
Weighted average wage increase						
Average real wage increase						
Average progression wage increase						

- 13  
 14 **b) For non-union and executive employees, what is the process by which wage**  
 15 **increases are determined?**  
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 17 **c) Please provide the Consumer Price Index (CPI) figures for 2015-2020 and**  
 18 **discuss the real wage increases compared to inflation. If the CPI is not used for**  
 19 **real wage increases to inflation comparisons, please provide use the appropriate**  
 20 **metric for discussion.**  
 21  
 22 **d) Has Newfoundland Power benchmarked its Gross Hourly Package against those**  
 23 **of other Canadian utilities? If so, please provide the data. If not, why not?**  
 24  
 25 **e) Has Newfoundland Power benchmarked its wages against any wage data from**  
 26 **other Canadian utilities? Examples of wage data are information gathered**  
 27 **through the Canadian Electricity Association, third party labour market or**  
 28 **labour force studies, or provincial wage and salary data such as that from**  
 29 **Alberta shown below. If so, please provide the data. If not, why not?**  
 30

2017 Alberta Wage and Salary Survey  
Average wages by industry and economic region

Industry	Abbotsford- Grande Prairie	Edmonton- Fort McMurray Red Deer	Calgary	Calgary- Okotoks	Edmonton	Lethbridge- Medicine Hat	Red Deer	Wood Buffalo-Crow Feather	All Regions
1 Agriculture	\$24.62	NA	\$22.55	\$20.85	\$20.88	\$22.70	\$20.58	NA	\$22.26
2 Forestry, Logging, Fishing and Hunting	\$30.30	NA	NA	NA	NA	NA	NA	\$30.23	\$30.12
3 Oil & Gas Extraction	\$36.85	\$31.68	\$53.73	\$35.07	\$37.91	\$26.42	\$36.87	\$34.16	\$43.81
4 Utilities	\$40.55	NA	\$48.31	\$40.00	NA	\$38.46	\$39.87	NA	\$44.87
5 Construction	\$32.97	\$30.30	\$32.17	\$33.06	\$34.50	\$29.45	\$31.90	\$34.16	\$32.88
6 Manufacturing	\$38.24	\$31.15	\$27.49	\$26.26	\$29.87	\$22.82	\$30.05	\$30.18	\$28.77
7 Wholesale Trade	\$29.31	\$22.70	\$26.72	\$27.28	\$28.65	\$24.04	\$22.12	\$26.90	\$27.30
8 Retail Trade	\$20.51	\$17.89	\$18.62	\$19.38	\$20.39	\$18.93	\$19.65	\$23.43	\$19.63
9 Transportation and Warehousing	\$31.83	\$28.64	\$26.57	\$28.16	\$28.52	\$28.60	\$29.45	\$32.11	\$28.30
10 Information, Culture, Recreation	\$18.78	\$17.80	\$22.34	\$19.33	\$21.67	\$16.81	\$17.65	\$21.98	\$20.87
11 Finance, Insurance, Real Estate, Leasing	\$31.47	\$30.71	\$33.24	\$26.61	\$33.55	\$25.52	\$27.52	\$33.20	\$32.58
12 Professional, Scientific & Technical Services	\$32.35	\$35.82	\$42.17	\$36.24	\$36.80	\$29.63	\$19.00	\$36.02	\$36.10
13 Business, Building and Other Support Services	\$26.73	\$22.38	\$23.08	\$23.45	\$24.48	\$22.88	\$25.20	\$25.47	\$23.85
14 Educational Services	\$36.57	\$32.65	\$35.57	\$32.94	\$35.57	\$33.02	\$29.53	\$34.25	\$34.77
15 Health Care & Social Assistance	\$28.56	\$27.14	\$30.90	\$26.04	\$30.09	\$25.11	\$28.94	\$32.32	\$29.95
16 Accommodation & Food Services	\$15.16	\$16.04	\$14.85	\$13.93	\$14.94	\$13.71	\$14.08	\$16.44	\$14.84
17 Other Services (Repair, Personal Services and Laundry)	\$25.97	\$24.03	\$25.25	\$25.45	\$26.29	\$24.44	\$24.67	\$27.03	\$25.71
18 Public Administration	\$34.84	\$34.38	\$44.87	\$32.58	\$40.20	\$34.75	\$36.44	\$46.40	\$40.54
19 Mining and quarrying	NA	38.51	NA	NA	NA	NA	NA	NA	\$42.74
20 ALL INDUSTRIES	\$28.79	\$22.33	\$30.13	\$25.36	\$28.75	\$24.15	\$25.27	\$30	\$28.39

NA: Not available  
Source: 2017 Alberta Wage and Salary Survey  
Survey results can be found at [www.afls.alberta.ca/getdata](http://www.afls.alberta.ca/getdata)

[/work.alberta.ca/documents/average-overall-wages-by-industry.pdf](http://work.alberta.ca/documents/average-overall-wages-by-industry.pdf).

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2  
3 A. a) Please see response to Request for Information PUB-NP-006 for a breakdown of  
4 weighted average wage increases and progression increases provided to union,  
5 non-union and executive employees.  
6  
7 b) Annual non-union and executive compensation is determined with reference to  
8 external market comparisons and individual performance considerations.  
9

10 **A. Executive**

11 To establish annual executive base salaries, the Company uses the broad  
12 Canadian Commercial Industrial executive market as the relevant comparator  
13 group. The Company's policy is to establish salaries by reference to the median  
14 of this market.<sup>1</sup> Actual salaries are set according to the incumbent's experience  
15 or progression and performance.  
16

17 Each year the Korn Ferry Hay Group (the "Hay Group") provides the Company  
18 with an estimate of executive salary policy medians for the ensuing year.  
19 Annual increases to executive compensation are then set by Newfoundland  
20 Power's Board of Directors on the basis of the information provided by the Hay  
21 Group and individual performance considerations.  
22

23 **B. Directors**

24 To establish annual Director base salaries, the Company uses the broad  
25 Canadian Commercial Industrial non-executive market as the relevant  
26 comparator group. The Company's policy is to establish salaries by reference to  
27 the median of this market.<sup>1</sup> Actual salaries are set according to the incumbent's  
28 experience or progression and performance.

<sup>1</sup> The median of the market is that point at which 50% of salary observations are higher and 50% of salary observations are lower. It is also commonly referred to as the 50<sup>th</sup> percentile.

1  
2 Each year the Hay Group provides the Company with its estimate of Director  
3 salary policy medians for the ensuing year. Annual increases to Director  
4 compensation are then set by Newfoundland Power's Executive on the basis of  
5 the information provided by the Hay Group and individual performance  
6 considerations.

7  
8 **C. Non-Union Employees**

9 To establish non-union base salaries, the Company uses the Canadian General  
10 Industry market and the Canadian Energy Services market as the relevant  
11 market groups. The market group data is combined and then geo-adjusted for  
12 Newfoundland based on the Economic Research Institute data for the province.  
13 The Company's policy is to establish salaries by reference to the median of this  
14 market.<sup>2</sup> Actual salaries are set within this range according to the incumbent's  
15 experience or progression and performance.

16  
17 Each year, Newfoundland Power utilizes surveys and reports from various  
18 sources to determine the market movement of its non-unionized salaries. On a  
19 periodic basis, Newfoundland Power uses the services of Willis Towers Watson  
20 to review its salary levels and total cash compensation for non-union  
21 employees.

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23 Annual increases to non-union employee compensation are set by  
24 Newfoundland Power's Executive on the basis of market information and  
25 individual performance considerations.

- 26  
27 c) Please see the response to Request for Information PUB-NP-007 for information  
28 regarding the metrics used by the Company for calculation of inflationary  
29 increases as well as its comparison to labour increases for 2015-2020.  
30  
31 d) For its unionized employees, Newfoundland Power benchmarks its wages to those  
32 of the other Atlantic Canadian electric utilities. These include Newfoundland and  
33 Labrador Hydro, Maritime Electric, Nova Scotia Power and NB Power.  
34 Attachment A to this response is an Atlantic Canada Wage Comparison.  
35  
36 e) Please see response to Request for Information IBEW-NP-005(d).

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<sup>2</sup> The median of the market is that point at which 50% of salary observations are higher and 50% of salary observations are lower. It is also commonly referred to as the 50th percentile.

**Atlantic Canada Wage Comparison**

**Atlantic Canada Wage Comparison**

	<b>Newfoundland Power 2017<sup>1</sup></b>	<b>NL Hydro 2017<sup>2</sup></b>	<b>NS Power 2018<sup>3</sup></b>	<b>NB Power 2018<sup>4</sup></b>	<b>Maritime Electric 2018<sup>5</sup></b>	<b>Atlantic Canadian Market Average</b>	<b>Newfoundland Power Compared to Atlantic Canadian Market Average</b>
Powerline Technician	41.08	39.71	39.86	40.57	39.80	39.99	103%
Powerline Technician Lead Hand	44.37	42.89	41.86	43.82	42.87	42.86	104%
Electrical Maintenanceperson	41.08	39.71	39.15	38.82	38.59	39.07	105%
Materials Handler	31.17	30.11	30.84	27.08	29.35	29.35	106%
Power System Operator	44.52	43.63	47.90	49.04	45.10	46.42	96%
Customer Service Representative	33.74	34.80	-	31.02	29.15	31.66	107%
Field Services Representative	33.74	29.22	30.42	31.02	-	30.22	112%

<sup>1</sup> Newfoundland Power Collective Agreement: October 1, 2014 to September 30, 2017. Effective date of last wage increase is January 1, 2017.

<sup>2</sup> Newfoundland and Labrador Hydro Collective Agreement: April 1, 2014 to March 31, 2018. Effective date of last wage increase is April 1, 2017.

<sup>3</sup> Nova Scotia Power Collective Agreement: April 1, 2015 to March 31, 2019. Effective date of last wage increase is March 23, 2018.

<sup>4</sup> New Brunswick Power Distribution & Customer Service Collective Agreement: January 1, 2013 to December 31, 2018. Effective date of last wage increase is January 1, 2018. New Brunswick Power Transmission Collective Agreement: January 1, 2013 to December 31, 2018. Effective date of last wage increase is January 1, 2018. New Brunswick Power Generation Collective Agreement: January 1, 2015 to December 31, 2019. Effective date of last wage increase is January 1, 2018.

<sup>5</sup> Maritime Electric Collective Agreement: January 1, 2014 to December 31, 2018. Effective date of last wage increase is January 1, 2018.