

UNDERTAKING J9.2

Undertaking

To provide explanation for increase in regulated hydro labour costs, as shown in Ex. L-01-074.

Response

There are two main drivers for the year-over-year changes in the regulated hydroelectric total labour costs presented in the response to Interrogatory L-01-074: escalation and total number of staff.

The year-over-year changes in compensation rates (i.e., wages and benefits) are similar across nuclear, regulated hydroelectric, and allocated corporate support. Compensation rates are described in Ex. F4-T3-S1, with further detail provided in Interrogatories L-01-075 and L-14-021.

Regulated hydroelectric staffing levels are expected to increase over the period of 2007 - 2012 mainly in the Niagara Plant Group and in the allocated Hydroelectric central support groups (whereas other groups, such as Nuclear, are declining (see Ex. F2-T2-S1, Table 13). As described in the response to Interrogatory L-01-041 and shown in Ex. F1-T2-S1, Table 3, the Niagara Plant Group is planning to hire additional apprentices and engineering trainees in advance of expected retirements in order to allow time for training and knowledge transfer. Staffing variances in the Hydroelectric central support groups are described in Ex. F1-T2-S2. In particular, in 2007, the central groups were staffed below plan due to staff departures and slower hiring (Ex. F1-T2-S2, page 6, line 30). Further, staff increases in the Hydroelectric central support groups are planned to address demographic issues and additional work programs (Ex. F1-T2-S2, page 2, line 25).

Further detail on regulated hydroelectric staffing and labour costs is available in Ex. F1-T2-S1 and Ex. F1-T2-S2, and in Interrogatories: L-01-041, L-06-004, L-11-011 and L-12-048 parts f) and g).