



GRC BU Full-Time Equivalent (FTE) Employee Translation Methodology

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Purpose & Issues

- The purpose of this presentation is to explain the proposed new process for calculating the FTE translation
- This is just an FTE translation and is not meant to reflect either specific employees or how the individual departments run their businesses. Employees work on a variety of Major Work Categories (MWCs)
- FTE presented will be for GRC Business Units including Gas & Electric Distribution, Energy Supply, Customer Care, IT, and Shared Services. A&G departments presents their headcount report separately
- Contractor hours are currently not available in most contractor categories

- **FTE determined by using labor hours report**
- **Process:**
 - Department report of labor dollars and labor hours is pulled
 - MWC report of labor dollars by department is pulled
 - Based on the two reports labor hours by MWC is calculated. This number is divided by 2080 hours (40 hours per week for 52 weeks) to arrive at FTE by MWC
- **Notes:**
 - This calculates FTE based on hours worked
 - This calculation includes management (salaried employees) as well as over-time. (Straight-time (ST) represents a normal 40 hour work-week while overtime (OT) represent any time over the 40 hours spent by any employee per week.)

Forecast calculation method for expense and capital expenditure MWCs

1. Pull base year labor expense, FTE, and labor expense per FTE (may include salaried EEs)
2. Escalate base year labor expense to the test year (by escalation factor)
3. Calculate difference between escalated labor and the forecasted labor in the test year request (forecasted expense labor dollars are specifically planned by the program managers whereas the capital forecasted labor dollars are derived based on historical average spend)
4. Divide labor expense difference (#3) by base year labor expense per FTE (#1) to determine incremental change in FTEs