

1 Q. In reference to page 24 in the report of Grant Thornton, LLP on
2 Newfoundland & Labrador Hydro's 2001 General Rate Hearing, there is an
3 expected reduction of 31 positions in TRO and 5 positions in production in
4 2001 that was expected to result in savings of approximately \$1,300,000.
5 Why is this reduction not evident in Exhibit 3 of the report that shows TRO
6 salaries increasing by \$2.2 million from 2000 to 2002?

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8 A. The reduction is not evident in Exhibit 3 of the report that shows TRO
9 salaries increasing because all of the corporate savings anticipated from
10 complement reductions are forecast in the Finance Division. Also, savings in
11 salaries as a result of normal variances are included in the Finance Division
12 for 2001 and 2002 but actual savings which occurred in 2000 are reflected in
13 each of the divisions.