

1    Q.    In CA-118 it indicates that contracting out costs tripled between 1998 and  
2           2002. Please provide the reasons for this increase and what portion, if any,  
3           of this increase can be attributed to the reduction in workforce?  
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6    A.    The main reason for the increase in value of contracts with labour content  
7           between 1998 and 2002 is attributable to major capital projects. These  
8           include projects such as the Avalon Transmission Upgrade, Nain Diesel  
9           Plant, Digital Microwave Network and Construction of TL263 (230 kV line  
10          from Granite Canal to Upper Salmon).