

1 Q. The Production evidence, page 8 lines 13 to 17, refers to a number of  
2 ongoing initiatives within the Production Division. Please provide a list of  
3 these initiatives and quantify the associated benefits.  
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6 A. Several activities were undertaken as noted and examples include:  
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8 (1) The duties of the Hydro remote plant operators have changed to  
9 include maintenance activities as well as operating duties. This will  
10 decrease the number of times personnel from Bay d'Espoir will have  
11 to travel to attend some maintenance activities at the remote plants  
12 and this will also contribute to increased availability of the remote units  
13 over time.  
14

15 The savings are estimated to be approximately \$100,000 per year  
16 once fully implemented.  
17

18 (2) The remote plant operator at Paradise River has been relocated to  
19 Bay d'Espoir to allow better utilization of the operations staff.  
20

21 The savings are estimated to be approximately \$18,000.  
22

23 The activities in (1) and (2) aided in determining that Granite Canal  
24 can be integrated into operations without additional operating or  
25 maintenance staff.  
26

- 1           (3)   Temporary thermal plant operators are utilized to reduce overtime for  
2                   permanent operators as there is a minimum number of thermal plant  
3                   operators required at Holyrood when the plant is operating;

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5           The savings are estimated to be approximately \$60,000 per year.

- 6  
7           (4)   A fixed common vacation break during summer was initiated at  
8                   Holyrood during shutdown to reduce the number of temporary  
9                   employee hours needed.

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11          The savings are estimated to be approximately \$330,000 per year.

- 12  
13          (5)   The consolidation of the mechanical and utility shops at Holyrood,  
14                  along with training of thermal plant operators for new duties normally  
15                  requiring overtime by others, has resulted in savings.

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17          The savings are estimated to be approximately \$20,000 per year.

- 18  
19          (6)   Efforts of the Holyrood personnel to reduce auxiliary power and steam  
20                  use, has contributed to the proposed increase in the energy  
21                  conversion factor at Holyrood. The savings cannot be readily  
22                  identified due to the numerous contributing factors, including the  
23                  combined efforts with System Operations to increase unit loading.  
24                  Overall, this has resulted in increasing the efficiency factor from 615  
25                  kwh/bbl to 624 kwh/bbl, which reduces the expected 2004 No. 6 oil  
26                  cost by approximately \$1,200,000.

- 27  
28          (7)   During 2002, Hydro was successful in renegotiating the Holyrood plant  
29                  operating license with the Provincial Department of Labour, which

1                    allowed Hydro to reduce the regular operator shift complement by one  
2                    position or five FTEs.

3

4                    The savings are estimated to be approximately \$300,000 per year.