

1 Q. At page 12 of the Regulated Activities: Evidence, it states that *“Over the past*
2 *three years, there has been a reduction of 53 positions in the full time*
3 *complement of Hydro’s regulated activities, reaching a baseline, without*
4 *compromising safety or reliability.”*
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6 a. Please explain how Hydro makes the determination that the reduction
7 of these 53 positions has not compromised safety or reliability.

8 b. What evidence exists that further reductions in the full time
9 complement of Hydro’s regulated activities would compromise safety
10 or reliability?

11 c. Has Hydro undertaken a review directed at determining which
12 positions could be eliminated without compromising safety or
13 reliability?
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16 A. a. At Hydro, safety is a primary consideration in all its day-to-day
17 activities. Hydro evaluates FTE eliminations in light of changes to
18 work methods, technology, and system requirements. Hydro has not
19 compromised safety for the purposes of FTE reductions. While CEA
20 has not yet approved release of its composite industry safety
21 statistics, Hydro compares favourably to CEA industry performance.
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23 Hydro’s performance to the end of the third quarter in 2006 compares
24 very favourably for the same period in 2005 as indicated in the
25 following table:
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Hydro's Q3 YTD 2006/2005 Performance			
	2005	2006	% Improvement
All Injury Frequency	2.33	2.10	9.9%
Disabling Frequency	1.61	1.05	34.8%
Severity Rate	21.48	2.80	87.0%

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In terms of reliability, the KPIs are reviewed in Exhibit JRH-1 of Regulated Operations Activities pre-filed evidence, specifically at page 23 and while the indicators vary, they generally show improving trends.

- b. Hydro evaluates opportunities for complement reduction as they arise. Workforce attrition, for example, provides opportunity to re-evaluate the work being performed, and the optimal manner in performing that work. Such opportunities may be addressed through a variety of means, including contracting out, redeployment of existing work forces, or realignment of work responsibilities. As noted above however, all such changes are evaluated within the context of maintaining a safe and healthy workplace and continued reliability improvement.
- c. Hydro continuously evaluates opportunities to provide customers with reliable power at least cost, and as such continuously evaluates its match of workforce complement and safety requirements.