

1 Q. Reference: Regulated Activities: Evidence, p. 2 (lines 10-12). Please provide
2 details as to the 2003, 2004, 2005 and 2006 operating cost reductions
3 resulting from the workforce reductions that accrued from 2003 to present.
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5

6 A. Please refer to CA 127 NLH for a listing of positions added and deleted from
7 2003 through 2005. The net reduction in base salaries attributable to these
8 changes is as follows:
9

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|---------------|-------------|-------------|-------------|-------------|
| 10 Annual | \$319,092 | \$720,696 | \$972,883 | \$0 |
| 11 Cumulative | \$319,092 | \$1,039,788 | \$2,012,671 | \$2,012,671 |

12
13

14 Corporate fringe benefit expense would also decline by approximately 14%
15 of salary reduction.
16

17 In addition, Hydro reduced its utilization of temporary employees, which
18 would not be reflected in the above numbers.