

In reference to Schedule “B”, page 25 of 82 – Distribution System Feeder Remote Control, project cost \$1,200,000:

Q. If the new reclosers will reduce operating costs by eliminating field visits which are required to manually operate the re-closer as stated on page 26 of 82, please provide the number of jobs which will be eliminated as a result of these replacements.

A. Reducing field visits will lower the labour costs associated with the manual gathering of data from substation equipment and the manual operation of reclosers and relays, as well as associated expenses such as vehicle fuel costs.

It is not generally possible to draw a direct link between particular capital investments and a specific reduction in the Company’s workforce. Newfoundland Power’s workforce levels are managed on a corporate basis. Appropriate adjustments are made as service requirements evolve and as productivity improvements permit.

Improvements in productivity result from organizational restructuring, business process improvements and the introduction of technology that allow for the more productive allocation and utilization of Company resources. Productivity improvements enabled by these measures can result in the same number of employees being able to accomplish more, or fewer employees being required to complete specific tasks. Where fewer employees are required to complete a specific task, an employee or employees may be reassigned to other duties.

The quantification of achievable workforce reductions most often follows the implementation of productivity measures. Actual reductions are assessed on a corporate basis, as opposed to a project basis, in light of their possible impact on service levels. Since 1992 the Company’s workforce has decreased by approximately 33 per cent.