

1 **In reference to Schedule “B”, page 66 of 82 – Application Enhancements, project cost**
2 **\$766,000:**

3
4 **Q. In reference to the Customer Systems Project, please advise how many less**
5 **employees will be required by the Company as a result of the efficiency and**
6 **streamlining process referenced. Please provide the labour and costs and the**
7 **tendering procedure in reference to this expenditure.**

8
9 A. It is not generally possible to draw a direct link between particular capital investments
10 and a specific reduction in the Company’s workforce. Newfoundland Power’s workforce
11 levels are managed on a corporate basis. Appropriate adjustments are made as service
12 requirements evolve and as productivity improvements permit.

13
14 Improvements in productivity result from organizational restructuring, business process
15 improvements and the introduction of technology that allow for the more productive
16 allocation and utilization of Company resources. Productivity improvements enabled by
17 these measures can result in the same number of employees being able to accomplish
18 more, or in fewer employees being required to complete specific tasks. Where fewer
19 employees are required to complete a specific task, an employee or employees may be
20 reassigned to other duties.

21
22 The quantification of achievable workforce reductions most often follows the
23 implementation of productivity measures. Actual reductions are assessed on a corporate
24 basis, as opposed to a project basis, in light of their possible impact on service levels.

25
26 Since 1992, the Company’s workforce has decreased by approximately 33 per cent. The
27 Company’s investment in information technology has contributed to this workforce
28 reduction.

29
30 The estimated cost of labour associated with this project is \$126,000. Non-labour costs
31 are estimated at \$125,000.

32
33 The project requirements will be communicated to suppliers who are identified as having
34 the capability to supply those requirements, with a view to obtaining bids pursuant to a
35 formal tender call or proposals pursuant to a request for proposals process. If competing
36 suppliers cannot be identified, materials and services will be negotiated with sole source
37 suppliers to ensure they are obtained at the lowest available price.