

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

3
4 **Q. Please advise as to what “improvements to the accounts receivable collection**
5 **process” entails and how these improvements are to be effected. How many fewer**
6 **employees will be required due to these improvements?**

7
8 A. The process of reviewing the Company’s electronic records of outstanding receivables
9 for project-related billings to identify specific receivables due from large customers such
10 as the City of St. John’s and the provincial government is inefficient and time-
11 consuming.

12
13 The proposed enhancements will improve project billing processes so that outstanding
14 receivables are more easily matched to specific customer accounts for customers who
15 have multiple accounts. These enhancements will improve the collection process.

16
17 It is not generally possible to draw a direct link between particular capital investments
18 and a specific reduction in the Company’s workforce. Newfoundland Power’s workforce
19 levels are managed on a corporate basis. Appropriate adjustments are made as service
20 requirements evolve and as productivity improvements permit.

21
22 Improvements in productivity result from organizational restructuring, business process
23 improvements and the introduction of technology that allow for the more productive
24 allocation and utilization of Company resources. Productivity improvements enabled by
25 these measures can result in the same number of employees being able to accomplish
26 more, or in fewer employees being required to complete specific tasks. Where fewer
27 employees are required to complete a specific task, an employee or employees may be
28 reassigned to other duties.

29
30 Since 1992, the Company’s workforce has decreased by approximately 33 per cent. The
31 Company’s investment in information technology has contributed to this workforce
32 reduction.

33
34 The quantification of achievable workforce reductions most often follows the
35 implementation of productivity measures. Actual reductions are assessed on a corporate
36 basis, as opposed to a project basis, in light of their possible impact on service levels.