

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

Q. In reference to the Internet, please advise how consumers benefit because employees have better access to policies, procedures and data stored. Please advise what redundant processes will be eliminated and what employee jobs will be affected as a result of this proposed purchase.

A. Access by employees to Company policies, procedures and stored data are improved by enhancements to the Company’s internal “Intranet”. Employees can respond more quickly to customers’ inquiries and service needs if the necessary information is accessible from their desks by way of their personal computers. The time required to locate information is reduced if employees are not required to search through paper files, which may be stored in various locations and which may not contain all of the necessary information due to improper filing or the failure of others to replace filed material.

Providing the information on-line eliminates the need to manually update multiple copies of corporate procedures and policy manuals. Updating the information in a single electronic copy ensures that all employees are working with the same material, and that updates are as timely and accurate as possible.

Consumers benefit from information being readily accessible to employees on the Intranet because the information can be provided, or service requests can be responded to, in a more timely manner; the information relied upon is more likely to be accurate and up-to-date; policies and procedures are applied consistently throughout all Company offices; and the overall cost of providing electrical service is minimized as a result of the inherent efficiency of using electronic data management in place of paper.

Processes to be eliminated through this year’s project include the duplicate keying of information now required to maintain employee information in human resource records. This will be accomplished by integrating the recording of this information with the preparation and updating of internal telephone directories and organizational charts.

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 in 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.

1 The quantification of achievable workforce reductions most often follows the
2 implementation of productivity measures. Actual reductions are assessed on a corporate
3 basis, as opposed to a project basis, in light of their possible impact on service levels.
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5 Since 1992, the Company's workforce has decreased by approximately 33 per cent. The
6 Company's investment in information technology has contributed to this workforce
7 reduction.