

1 **In reference to Schedule “B”, page 65 of 82, Conservation and Environment (sic), project**
2 **cost \$755,000:**

3
4 **Q. If the customer impact is to achieve operating efficiencies, please advise as to how**
5 **many less jobs will be required after the installation of these programs.**

6
7 A. It is not generally possible to draw a direct link between particular capital investments
8 and a specific reduction in the Company’s workforce. Newfoundland Power’s workforce
9 levels are managed on a corporate basis. Appropriate adjustments are made as service
10 requirements evolve and as productivity improvements permit.

11
12 Improvements in productivity result from organizational restructuring, business process
13 improvements and the introduction of technology that allow for the more productive
14 allocation and utilization of Company resources. Productivity improvements enabled by
15 these measures can result in the same number of employees being able to accomplish
16 more, or in fewer employees being required to complete specific tasks. Where fewer
17 employees are required to complete a specific task, an employee or employees may be
18 reassigned to other duties.

19
20 The quantification of achievable workforce reductions most often follows the
21 implementation of productivity measures. Actual reductions are assessed on a corporate
22 basis, as opposed to a project basis, in light of their possible impact on service levels.
23 Since 1992 the Company’s workforce has decreased by approximately 33 per cent. The
24 Company’s investment in information technology has contributed to this workforce
25 reduction.