

1     Q.     Further to the response to PUB-NLH-228 (Revision 1, Nov 7-13), provide a detailed  
2           explanation for the reduction in hours for the Nalcor Leadership Team for 2011 and  
3           2012 from 2010 and the reduction forecast from 2013 to 2014.

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6     A.     The aggregate reductions in hours charged to Hydro indicated for 2011 and 2012 in  
7           comparison to 2010 are essentially related to the lower hours charged in those  
8           years by the Vice-President of Project Execution and Technical Services and the  
9           Vice-President of Human Resources and Organizational Effectiveness. There will  
10          always be variances from year to year in the actual hours charged outside of Nalcor  
11          Energy by Nalcor executives given the changing demands of Nalcor's various  
12          business units.

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14          In the latter part of 2010, what was then Hydro's Engineering Services Division  
15          underwent a significant reorganization and was renamed to Project Execution and  
16          Technical Services (PETS). In the last quarter of 2010, a new Vice-President was  
17          hired to lead this division. Many changes to project planning and execution  
18          processes were implemented throughout 2011, and these changes have continued  
19          to produce improvements in project execution delivery and productivity. Several  
20          organizational changes were also made, and one of these was the creation of a new  
21          senior level project management position within PETS in support of regulated  
22          operations. These process and organizational changes have reduced the amount of  
23          time that the Vice-President has had to be directly involved in working for Hydro.

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25          In both 2009 and 2010, the Vice-President of Human Resources and Organizational  
26          Effectiveness was extensively involved in ongoing organizational work related to the  
27          development of new asset management framework, as well as the review of the

1        engineering and project execution structure and processes. This largely explains  
2        the amount of time charged to Hydro in those years, and the beginning of a  
3        downward trend in 2011 as the various changes in these areas were implemented.  
4        In addition, organizational changes in the Human Resources and Safety and Health  
5        Departments were also a factor in reducing the Vice-President's day-to-day  
6        involvement in Hydro's issues in these areas, but at the same time maintaining the  
7        level of support provided to Hydro in these areas. These changes included the  
8        creation of HR/LR and Safety Lead positions to support Hydro on a dedicated, single  
9        point of contact basis.