

1 **Q. Reference: CA-NP-61: does NP mean to say that its management has neither**
2 **received nor requested any reports (formal or otherwise) pertaining to its staffing**
3 **levels and/or staff productivity from 2004 to the present time? If this is not what NP**
4 **intends to convey, please provide details/copies of such reviews and/or reports. If**
5 **this is what NP intends to convey by its response, please explain how in NP's**
6 **assessment such inaction would be consistent with providing its customers with**
7 **reliable service at the least possible cost as is their entitlement?**
8

9 A. Least cost delivery of reliable service to customers is not, in Newfoundland Power's
10 view, dependent upon the creation of formal reports or studies pertaining to staffing
11 levels and/or staff productivity.
12

13 Newfoundland Power has both reduced the size of its workforce and improved its overall
14 service level since 2004. The result is improved *overall corporate productivity*. This
15 result is outlined in the Company's evidence in support of its 2008 General Rate
16 Application.
17

18 One *action* which meaningfully contributed to improved corporate productivity was the
19 2005 early retirement program (the "2005 ERP"). The 2005 ERP was not the subject
20 matter of any formal *study* or *report* that specifically detailed how Newfoundland Power
21 was going to manage to materially reduce the size of its workforce without degrading the
22 level of service provided to its customers.¹ This does not alter the fact that the 2005 ERP
23 enabled Newfoundland Power to achieve this.
24

25 Newfoundland Power relies on both data and experience to inform its managerial
26 decision-making. In planning the 2005 ERP, Newfoundland Power's management
27 reviewed data and used its experience to assess the operating impacts across its service
28 territory of the proposed offering. The assessment and execution effort which was
29 extensive and took months was, in management's view, necessary.
30

31 A detailed report was not, in management's view, necessary to inform the necessary
32 *action* required to achieve the intended *result*. The 2005 ERP was planned and executed
33 in a purposeful and informed manner that enabled costs to be reduced without
34 compromising service to Newfoundland Power's customers. And the impact of this is
35 that 2008 test year costs are less than they otherwise would have been.
36

37 Newfoundland Power is expected to manage the business on an efficient basis which
38 results in least cost reliable service delivery to customers. To inform the management
39 decision making necessary to achieve this, Newfoundland Power routinely assesses the
40 appropriate data.

¹ See Attachment A to the response to CA-NP-323 which reports the forecast *results* of the 2005 ERP and Exhibit 3 which reports the actual *results* of the 2005 ERP.

1 That such assessments are not routinely formalized in *reports* and *studies* is a matter of
2 management style which should not, in Newfoundland Power's view, be confused with
3 either management's *actions* or the *results* of those actions.