

1 Q. Further to the response to PUB-NLH-054, page 3, lines 20-25, explain in detail what
2 actions Hydro management is currently taking and plans to take in 2018 and 2019 in
3 its “aggressive approach” to cost management and control.

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6 A. In 2017, Hydro began a process to review a number of areas for potential saving
7 opportunities. To date, some efficiencies have been identified and started;
8 however, in order to achieve sustainable, structural gains, it was determined that a
9 focused effort by a core dedicated group is required. This team is currently being
10 formed and will begin a formalized review in early 2018 and will prioritize specific
11 areas and have a specific target for savings. The areas that have been identified for
12 priority focus include operational efficiencies and optimization of human resources.

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14 Specific human resource related initiatives that have been either started or
15 identified for further investigation and quantification in 2018 include:

- 16 • a continuing organizational review targeting efficiency opportunities;
- 17 • a review of Hydro’s approach to the management of vacancies, retirements, and
18 departures to minimize overall staffing requirements;
- 19 • the development and implementation of an attendance support program to
20 reduce sick leave and associated costs, such as overtime;
- 21 • a review of overtime and identification of actions to reduce overtime costs
22 while ensuring reliability; and
- 23 • the implementation a new process for identifying and approving training.

24 Specific operational efficiencies that have been either started or identified for
25 further investigation and quantification in 2018 include:

- 1 • an assessment of the effectiveness of current planning and work execution
- 2 methods against industry standards and best practices;
- 3 • a review of the size and composition of the vehicle fleet in an effort to
- 4 potentially reduce the overall size, and improve the efficiency of, fleet assets;
- 5 • a review of travel guidelines and mandatory use of cost effective preferred
- 6 hotels;
- 7 • a review of communication infrastructure costs;
- 8 • a reduction in janitorial and building security coverage;
- 9 • an adoption of technology to convert paper based mail outs to email where
- 10 possible; and
- 11 • a review of the deployment of cell phones in an effort to reduce the overall
- 12 number required.