

CCC INTERROGATORY #3

INTERROGATORY

Reference: Ex. B/T2/S4/p. 4

The evidence states that EGD's productivity effort with respect to Departmental Labour costs was \$8.9 million. Please provide a detailed calculation setting out how the \$8.9 million was derived. Is this net of severance costs?

RESPONSE

Departmental Labour costs ("DLC") are the capitalized portion of salaries and wages relating to back-office type functions within the Operations and Engineering departments. The \$8.9 million reduction in DLC was calculated by subtracting the actuals of \$66.7 million from the approved budget of \$75.6 million. The savings were driven by an overall reduction in FTEs within the Operations and Engineering departments.

Severance costs are not included in the DLC calculation.

Witness: M. Yan