

- 1   **Q.   Reference: CA-NP-55: on what basis does NP assert that its forecast of costs is**  
2   **reflective of efficient management and the least cost delivery of reliable service to its**  
3   **customers when as NP admits at p. 1 of 1, lines 22-23, it does not typically assess**  
4   **labour or employee requirements upon the basis of its ability to adequately function**  
5   **in a Test Year?**  
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- 7   A.   CA-NP-55 refers to Newfoundland Power’s ability to *adequately function* as opposed to  
8   Newfoundland Power’s ability to efficiently manage the least cost delivery of reliable  
9   service to its customers.  
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- 11       The standard of Newfoundland Power’s ability to adequately function referred to in  
12       CA-NP-55 makes no reference to the *service* which would result from *adequate* function.  
13       Put another way, Newfoundland Power *itself* may be able to adequately function with  
14       fewer employees but still not meet the standard of least cost reliable service delivery to  
15       its *customers* which is required by regulatory legislation.  
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- 17       Please refer to the responses to CA-NP-47 and CA-NP-56.