

1 **Q. Reference: CA-NP-60: in this response, NP admits that it has not generated formal**
2 **reports internally and has not commissioned external reports with a specific focus**
3 **on identifying cost cutting opportunities but NP states that it "assesses opportunities**
4 **for cost cutting opportunities as the opportunities are identified and that this**
5 **"process has not involved any formal studies or reports." Is there any structure**
6 **around the identification of cost cutting opportunities or is it ad hoc in nature? If it**
7 **is structured, explain it fully. If it is not structured, why not?**

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9 A. Newfoundland Power's approach to cost management is described in the response to
10 CA-NP-324.

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12 Cost control at Newfoundland Power is structured. In each year, a budget is created for
13 the ensuing year. Each quarter, the Company's executives and managers meet to assess
14 progress against the budget.¹ The assessment of cost management opportunities is part of
15 the routine of both budget planning and quarterly assessment of progress against the
16 budget.

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18 Please refer to the response to CA-NP-355 regarding formal studies and reports.

¹ Quarterly progress against the annual budget (or "plan") is reported to the Board in the Company's Quarterly Regulatory Reports (see Attachments to the response to CA-NP-08).