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2 **Volume 1, Section 2 – Customer Operations**
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4 **Q. (page 18, lines 13-15) “Overtime costs are lower primarily because better system**
5 **reliability has resulted in fewer power outages that must be responded to after**
6 **regular working hours”. Has NP established a correlation between the cost of**
7 **increasing reliability versus the resulting benefits such as reduced labour costs?**
8

9 A. Newfoundland Power has not established a statistical correlation between the cost of
10 increasing reliability and the resulting benefits such as reduced costs.
11

12 Newfoundland Power’s operating experience is that the better system reliability
13 experienced in recent years has tended to result in a lesser degree of electrical system
14 trouble response after regular working hours. This, in turn, reduces overtime costs from
15 what they otherwise would be.
16

17 Newfoundland Power observes that not all of its overtime costs are the result of electrical
18 system trouble response after regular working hours.