

- 1 **Q. Page 2-35, lines 5-6: How are overtime costs factored into the forecast for future**
2 **base labour costs?**
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4 A. Overtime costs are primarily incurred in response to trouble calls from customers.
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6 Forecast overtime labour costs for 2018, 2019 and 2020 are based on a 3 year average of
7 overtime costs incurred from 2015 to 2017 and are adjusted to include forecast labour
8 inflation.¹
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10 See *Volume 1, Company Evidence, Section 2: Customer Operations*, page 2-40, lines 5,
11 *et. seq.* for further information on the Company's overtime costs.

¹ Newfoundland Power's 2018 forecast overtime costs are an average of actual overtime costs for the 3 year period 2015 to 2017. Overtime costs forecast for 2019 and 2020 are increased by annual labour inflation of 1.75% and 2.00%, respectively.