

1 Q. (Reference 2017 GRA Volume I) Why is the overtime expense such a large
2 percentage of labour related cost from 2015 to 2019?

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5 A. Hydro is focused on providing least cost, reliable service to its customers through
6 appropriate asset management practices. Hydro's asset base is aging and requires
7 significant investment and maintenance. This investment includes a necessary
8 overtime cost component to complete the work required to ensure long-term
9 reliable electricity to customers.

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11 Overtime costs are driven by factors including, but not limited to: (i) an increase in
12 the hours of regular preventative maintenance and unplanned corrective
13 maintenance that is required due to aging assets; (ii) Company demographics which
14 require the onboarding of new inexperienced employees to replace Hydro's aging
15 workforce as they retire; and (iii) minimum staff complements for assets such as
16 Holyrood. Overtime, complemented by experienced temporary personnel, is
17 frequently the least cost alternative during peaks in workload activities.

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19 Overtime operating expense in the 2019 Test Year is comparable with the 2015 Test
20 year as submitted, representing approximately 5.6% of labour-related costs. The
21 number of overtime hours from the 2015 Test Year compared to the 2019 Test Year
22 decreased, and Hydro continues to strive towards its goal of reducing the overtime
23 hours worked by personnel year-over-year. There is a focused, proactive effort by
24 Hydro Executive and Senior Leadership to manage the amount of overtime.