

1 **Q. Further to the response to PUB-NP-024, provide the amount of overtime each year**
2 **2015-2017 and explain the reasons for the increase each year over the preceding**
3 **year.**

4
5 A. Table 1 provides the annual operating overtime costs for 2015 to 2017.¹

Table 1
Operating Overtime
2015 to 2017
(\$000s)

| 2015 | 2016 | 2017 |
|-------------|-------------|-------------|
| 2,409 | 2,606 | 3,364 |

6 The increase of \$197,000 in 2016 reflects normal labour inflation and higher labour costs
7 required to complete system maintenance including routine response to trouble calls from
8 customers.

9
10 The increase of \$758,000 in 2017 reflects normal labour inflation and higher labour costs
11 to respond to significant events such as a severe wind storm in March.²

12
13 Overtime costs are primarily incurred in response to trouble calls from customers that
14 vary from year to year. As a result, the Company has forecast overtime labour costs for
15 2018 using a three-year average of actual overtime incurred from 2015 to 2017. Forecast
16 labour overtime costs for 2019 and 2020 reflect labour inflation.³

¹ See Volume 1, Application, Company Evidence and Exhibits, Exhibit 2, Operating Costs by Breakdown: 2015 to 2020F, line 3.

² Approximately \$794,000 in overtime labour was incurred in 2017 to respond to storm-related outages. Of this amount, \$641,000 related to the distribution function with the remainder primarily related to the customer service function.

³ Labour inflation for 2019 and 2020 is forecast at 1.75% and 2.00%, respectively.