Q. (Application Volume 1, Figure 2-12, page 2-30) How do NP operating costs per customer compare to a peer group of similar distribution companies over the same time frame, for example, that used by Mr. Coyne? Please confirm that NP is proposing a 2% increase in rates owing to increasing costs in this GRA.

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A. See response to Request for Information CA-NP-047 for a comparison of Newfoundland Power's operating cost per customer to that of its U.S. Peer Group.

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No, Newfoundland Power does not confirm that it is proposing a 2% increase in rates owing to increasing costs. The customer rate increase proposed in this application is 0.8%. This rate increase is due to 3 changes in the Company's cost of service, as explained in *Section 1: Introduction*.¹

See the 2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 1.2.1: 2022 and 2023 Revenue Requirements.