

1 **Reference: Schedule B General**

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3 **Q. For several programs the budget is calculated based on historical annual**
4 **expenditures for the most recent five-year period and expressed in current-**
5 **year dollars as adjusted costs. The average of these costs is then inflated by**
6 **the GDP Deflator for Canada for non-labour costs and Newfoundland Power's**
7 **internal labour inflation rate for labour costs.**

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9 **Please provide the GDP Deflator for Canada for non-labour costs and the**
10 **internal labour inflation rate for labour costs used by Newfoundland Power**
11 **for the current budget requests and for the last five years.**

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13 **A.** Table 1 provides the labour and non-labour inflation rates used by Newfoundland Power
14 for 2018 to 2023 forecast.

Table 1 Inflation Rates 2018 to 2023 Forecast (%)		
Year	GDP Deflator ¹	Labour Inflation Rate ²
2018	1.62	1.75
2019	1.47	2.40
2020	0.72	2.92
2021	7.57	2.75
2022	1.92	3.00
2023	0.67	2.85

¹ Based on Conference Board of Canada's Provincial Outlook Economic Forecast Winter 2022.

² Newfoundland Power's labour inflation rate reflects a combination of collectively bargained base wage increases and forecast progression increases in employees' wages as a result of experience. For example, apprentice powerline technicians' wages increase by a combination of the base wage increase and progression through the apprenticeship program. The 3.00% forecast increase in 2022 includes a negotiated base wage increase of 2.25% and a 0.75% forecast progression. The 2.85% forecast increase in 2023 includes a 2.10% estimated base wage increase and a 0.75% forecast progression.