

1 **Q. Further to the response to NLH-NP-002 Attachment A, please restate 2024PF before**  
2 **and after recovery of the proposed 1.5% rate increase under each of the following**  
3 **scenarios:**

- 4 **a) Sales forecast for 2024 is increased by 1% for all rate classes;**  
5 **b) Sales forecast for 2024 is decreased by 1% for all rate classes;**  
6 **c) Sales forecast for 2024 is increased by 2% for all rate classes;**  
7 **d) Sales forecast for 2024 is decreased by 2% for all rate classes;**  
8 **e) Operating expenses for 2024 are decreased by 5%; and**  
9 **f) Operating expenses for 2024 are decreased by 10%.**

10  
11 **A.** See Attachment A for the requested scenarios.

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13 As detailed in the response to Request for Information PUB-NP-014, the proposals  
14 contained in the Company's *2024 Rate of Return on Rate Base Application* reflect its  
15 2024 forecast average rate base and rate of return on rate base.<sup>1</sup> Newfoundland Power is  
16 not proposing to change its 2024 revenue requirement for other forecast changes,  
17 including sales or operating expenses.<sup>2</sup>

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19 For a discussion on the Company's 2023 and 2024 sales forecast, see the responses to  
20 Requests for Information PUB-NP-012 and PUB-NP-014.

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22 Newfoundland Power is forecasting an increase in gross operating costs of \$4.3 million in  
23 2024 as compared to the 2023 forecast.<sup>3</sup> The increase primarily reflects labour inflation  
24 and increases in non-labour costs, including higher other company fees,<sup>4</sup> computing  
25 equipment and software, and other non-labour inflationary increases.

26  
27 Parts e) and f) of this request for information request the scenarios of a decrease in  
28 operating expenses of 5% and 10%, or \$3.9 million and \$7.9 million, respectively. The  
29 Company submits that there is no reasonable basis on which Newfoundland Power could  
30 achieve these scenarios while delivering safe, reliable electricity to its customers.

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<sup>1</sup> See Appendix C to the *2024 Rate of Return on Rate Base* report which shows that the only proposed changes to the Company's 2023 test year revenue requirement relate to its increased 2024 return on debt and return on equity (and related income tax effects). For supporting calculations for the change in the return on equity of \$2.296 million outlined in Appendix C, see the responses to Requests for Information PUB-NP-009 and PUB-NP-010.

<sup>2</sup> See the responses to Requests for Information PUB-NP-014 and PUB-NP-016.

<sup>3</sup> See the response to Request for Information NLH-NP-011, Attachment B.

<sup>4</sup> Includes higher consulting fees related to: (i) upcoming changes in accounting standards; (ii) information technology, including cybersecurity; and (iii) regulatory proceedings anticipated in 2024, including the *2025/2026 General Rate Application*.