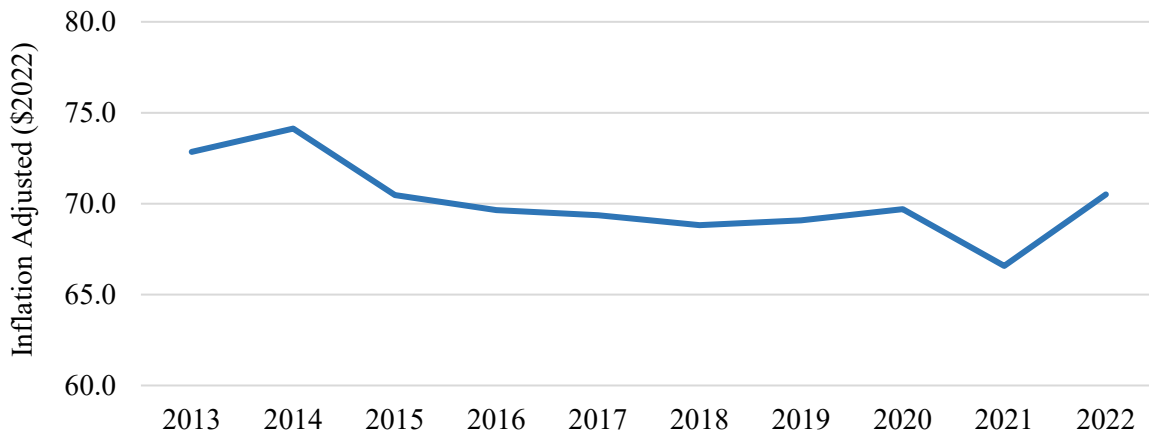


1 **Q. Section 2: Customer Operation/Operating Costs**

2
3 **(Section 2, page 2-27) Please present a figure similar to Figure 2-11 but for total**
4 **annual operating cost rather than the per customer operating cost and, in a**
5 **spreadsheet, provide the data and underlying calculations.**
6

7 A. Figure 1 shows Newfoundland Power’s operating costs from 2013 to 2022 on an
8 inflation-adjusted basis.¹

**Figure 1:
Operating Costs
2013 to 2022
(\$millions)**



9 Newfoundland Power’s operating costs from 2013 to 2022 have been reduced by 3.3% on
10 an inflation-adjusted basis.²
11
12 Attachment A provides the requested data.

¹ Non-labour costs are inflation-adjusted using the GDP Deflator for Canada. Labour costs are inflation-adjusted using Newfoundland Power’s labour inflation rate.
² $(\$70.5 - \$72.9) / \$72.9 = -3.3\%$ reduction in operating costs.

**Operating Costs
Inflation-Adjusted
2013 to 2022**

Newfoundland Power Inc.

Operating Costs
2013 to 2022
(\$000s)

	Year	Labour	Non-Labour	Nominal	GDP Deflator	Labour Inflation	Real
1							
2	2013	33.9	22.6	56.5	0.80	0.76	72.9
3	2014	35.5	24.1	59.6	0.81	0.80	74.1
4	2015	33.9	23.7	57.6	0.80	0.83	70.5
5	2016	33.8	24.2	58.0	0.81	0.85	69.6
6	2017	35.7	23.9	59.6	0.83	0.88	69.4
7	2018	35.8	24.4	60.2	0.84	0.90	68.8
8	2019	35.2	26.5	61.7	0.86	0.92	69.1
9	2020	36.5	26.9	63.4	0.86	0.95	69.7
10	2021	36.0	27.4	63.4	0.93	0.97	66.6
11	2022	39.0	31.5	70.5	1.00	1.00	70.5