

- 1 **Q. (Reference PUB-NP-010) Please revise Table 1 by using the GDP deflator alone to**
 2 **express cost in inflation-adjusted terms, and extend the table to include 2024F to**
 3 **2026F.**
 4
 5 A. Table 1 provides the inflation-adjusted operating cost per customer and operating cost
 6 per kWh for 2003 actual through 2026 forecast, as requested.

**Table 1:
 Operating Cost per Customer and kWh
 2003 Actual to 2026 Forecast
 Inflation-Adjusted¹**

Year	Operating Cost Per Customer (\$)	Operating Cost Per kWh (¢/kWh)
2003	323	1.56
2004	311	1.47
2005	304	1.43
2006	290	1.37
2007	286	1.33
2008	271	1.23
2009	287	1.30
2010	285	1.28
2011	285	1.27
2012	282	1.25
2013	280	1.24
2014	287	1.26
2015	276	1.21
2016	273	1.21
2017	272	1.22
2018	269	1.22
2019	270	1.24
2020	275	1.30
2021	252	1.20
2022	260	1.23
2023F	263	1.22
2024F	273	1.26
2025F	275	1.27
2026F	278	1.30

¹ Inflation-adjusted using the GDP deflators provided in the Conference Board of Canada's data release on August 2, 2023.

1 On the inflation-adjusted basis as requested, Newfoundland Power’s operating cost per
2 customer is forecast to decrease by approximately 14% from 2003 actual to 2026
3 forecast.²

4
5 On the inflation-adjusted basis as requested, the Company’s operating cost per
6 normalized energy sales in kWh is forecast to decrease by approximately 17% from 2003
7 actual to 2026 forecast.³

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9 In Newfoundland Power’s view, the GDP deflator is not an appropriate measure to either
10 forecast labour costs or inflation adjust the Company’s historical labour costs. See the
11 response to Request for Information PUB-NP-137.

² $(\$278 - \$323) / \$323 = 14\%$ reduction.

³ $(1.30¢ - 1.56¢) / 1.56¢ = 17\%$ reduction.