

1 **Section 1: Introduction**

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3 **Q. Reference: “2025/2026 General Rate Application,” Newfoundland Power Inc.,**  
4 **December 12, 2023, vol. 1, Evidence, sec. 1.1.2, p. 1-3/11–12.**  
5 **Page 1-3, lines 11–12 state:**

6 **The Company reduced its gross operating cost per customer by**  
7 **approximately 9.5% on an inflation adjusted basis over the last decade.**

- 8 **a) Please provide the supporting information related to gross operating cost per**  
9 **customer on an inflation-adjusted basis for each year of the decade referenced;**  
10 **include the data used to calculate the 9.5% reduction.**  
11 **b) Please provide this same statistic for 2016 to 2026 Forecast.**

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13 **A. a) Table 1 provides the supporting information related to the gross operating cost per**  
14 **customer on an inflation-adjusted basis for 2013 to 2022.<sup>1</sup>**

**Table 1:**  
**Gross Operating Cost per Customer**  
**Inflation-Adjusted**  
**2013 to 2022**

<b>Year</b>	<b>Nominal Operating Costs (\$millions)</b>	<b>Real Operating Costs (\$millions)</b>	<b>Number of Customers (000s)</b>	<b>Real Operating Cost Per Customer (\$)</b>
2013	56.5	72.8	255.6	285
2014	59.6	74.4	258.9	287
2015	57.6	70.6	261.8	270
2016	57.9	69.3	264.4	262
2017	59.7	69.4	266.5	260
2018	60.2	68.8	268.0	257
2019	61.7	69.3	269.0	258
2020	63.4	69.9	270.3	259
2021	63.3	66.4	272.1	244
2022	70.5	70.5	273.7	258

15 For 2022, the operating cost per customer on an inflation-adjusted basis is \$258  
16 compared to \$285 in 2013. This represents a 9.5% reduction in the gross operating  
17 cost per customer in real terms.<sup>2</sup>

- 18  
19 **b) On an inflation-adjusted basis, the operating cost per customer for 2026 forecast is**  
20 **approximately 0.4% higher than 2016.**

<sup>1</sup> Non-labour costs are inflation-adjusted using the GDP deflator for Canada. Labour costs are inflation-adjusted using Newfoundland Power’s internal weighted-labour inflation rate. For a summary of the GDP and labour deflators by year, see the response to Request for Information CA-NP-041, Attachment A.

<sup>2</sup>  $\$258 - \$285 / \$285 = 9.5\%$  reduction in the gross operating cost per customer.