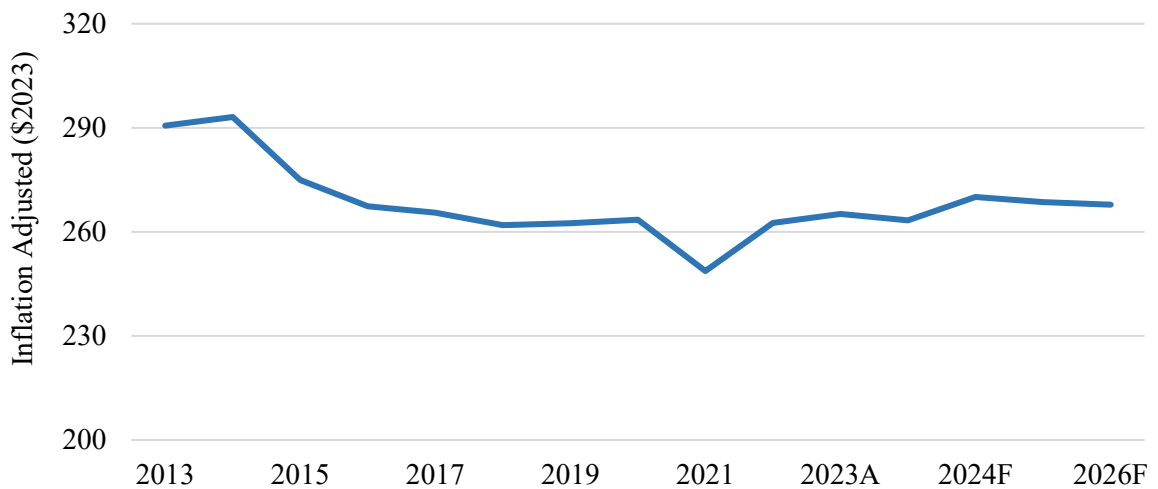


Section 2: Customer Operations/Operating Costs

Q. Reference: “2025/2026 General Rate Application,” Newfoundland Power Inc., December 12, 2023, vol. 1, Evidence, sec. 2.3.4, p. 2-27, fig. 2-11. Please provide an updated Figure 2-11 from 2013 to 2026 Forecast, including 2023 Actuals. Please provide the nominal and real dollars for each year and the number of customers.

A. Figure 1 shows Newfoundland Power’s operating cost per customer from 2013 to 2026 forecast on an inflation-adjusted basis, including 2023 actual.¹

**Figure 1:
Operating Cost per Customer
2013 to 2026 Forecast**



Newfoundland Power’s operating costs per customer from 2013 to 2026 are forecast to reduce by 7.9% on an inflation-adjusted basis.²

¹ Non-labour costs are inflation-adjusted using the GDP Deflator for Canada. Labour costs are inflation-adjusted using Newfoundland Power’s labour inflation rates.

² $(\$268 - \$291) / \$291 = 7.9\%$ reduction in operating costs.

1 Table 1 provides the annual operating costs in nominal and real dollars as well as the total
2 number of customers for each year.

**Table 1:
Operating Costs and Number of Customers
2013 to 2026 Forecast**

Year	Operating Costs (\$millions)		Total Customers
	Nominal	Real	(000s)
2013	56.5	74.3	255.6
2014	59.6	75.9	258.9
2015	57.6	72.0	261.8
2016	57.9	70.7	264.4
2017	59.7	70.8	266.5
2018	60.2	70.2	268.0
2019	61.7	70.6	269.0
2020	63.4	71.2	270.3
2021	63.3	67.7	272.1
2022	70.5	71.9	273.8
2023	73.0	73.0	275.5
2023F	72.5	72.5	275.3
2024F	76.8	74.7	276.4
2025F	79.1	74.5	277.5
2026F	81.6	74.6	278.4