

1 **Section 2: Customer Operations/Operating Costs**

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3 **Q. Reference: “2025/2026 General Rate Application,” Newfoundland Power Inc.,**  
4 **December 12, 2023, vol. 1, Evidence, sec. 2.4.1, p. 2-29/4–5.**  
5 **Page 2-29, lines 4–5 state:**

6 **Gross operating costs represent approximately 10% of Newfoundland**  
7 **Power’s proposed 2026 revenue requirement from customer rates.**  
8 **Please provide Newfoundland Power’s gross operating costs as a percentage of**  
9 **revenue requirement from customer rates for 2022 to 2026 Forecast including 2023**  
10 **Actuals and 2022 and 2023 Test Years.**

11  
12 A. Newfoundland Power’s current revenue requirement from customer rates for 2022, 2023  
13 and, in effect, 2024 forecast, is based on the 2023 revenue requirement approved in Order  
14 No. P.U. 3 (2022).<sup>1</sup> The Company’s 2026 proposed revenue requirement from customer  
15 rates is applicable to the 2025 and 2026 forecast.<sup>2</sup>

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17 See Attachment A for the calculations of the gross operating costs as a percentage of the  
18 revenue requirement from customer rates.

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<sup>1</sup> See Newfoundland Power’s 2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Exhibit 7 (1<sup>st</sup> Revision), 2022 and 2023 Revenue Requirements, page 2 of 2.

<sup>2</sup> See Newfoundland Power’s 2025/2026 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Exhibit 7, 2025 and 2026 Revenue Requirements, page 2 of 2.

**Gross Operating Costs  
as a Percentage of Revenue Requirement from Customer Rates**

Newfoundland Power Inc.

Gross Operating Costs  
 As a Percentage of Revenue Requirement from Customer Rates  
 2022 to 2026  
 (\$000s)

	2022 Test Year	2023 Test Year	2022A	2023A	2023F	2024F	2025F	2026F
Revenue Requirement from Customer Rates	699,245	699,245	699,245	699,245	699,245	699,245	789,602	789,602
Gross Operating Costs	66,482	68,956	70,530	73,037	72,492	76,838	79,083	81,603
Percentage of Revenue Requirement from Customer Rates	10%	10%	10%	10%	10%	11%	10%	10%