

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

3 **Q. References: “2025/2026 General Rate Application,” Newfoundland Power Inc.,**  
4 **December 12, 2023, vol. 1, Evidence, sec. 2.1, pp. 2-1–2-2 and sec. 2.4.1, p. 2-32,**  
5 **Table 2-6.**

6 **a) What is incorporated in the function "Energy Solutions"? What specific**  
7 **initiatives are driving the increased cost of Energy Solutions?**

8 **b) Please confirm customer service costs have increased by 9% over the 2023 Test**  
9 **Year. Given the technological efficiencies Newfoundland Power noted in**  
10 **Section 2 (pp. 2-1–2-2), please explain why Customer Service costs are**  
11 **increasing.**

12  
13 **A. a) See the response to Request for Information PUB-NP-025.**

14  
15 **b) Customer service costs for 2026 are forecast to increase by 7.3%, or an annual**  
16 **average of 2.4%, compared to the 2023 test year forecast.<sup>1</sup> Generally, this increase**  
17 **reflects forecast inflationary cost pressures over that time period.**

18  
19 For further information on customer service costs, see the responses to Requests for  
20 Information PUB-NP-024 and PUB-NP-027.

---

<sup>1</sup> Forecast total customer services costs for 2026 are \$12,074 compared to 2023 test year total customer services costs of \$11,257  $[(12,074-11,257) / 11,257 = 7.3\%]$ .