

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

3 **Q. References: “2025/2026 General Rate Application – Additional Information,”**
 4 **Newfoundland Power Inc., December 13, 2023, sch. B, att. 4, exh. 1 and att. 5, exh. 2.**
 5 **Please update Exhibits 1 and 2 to include 2023 Actuals and append columns that**
 6 **provide the year-over-year variances for both dollars and percentages, as shown in**
 7 **the tables provided.**

Exhibit 1: Operating Costs by Function

Function	2023 Actual vs		2024 Forecast vs		2025 Forecast vs		2026 Forecast vs	
	2022 Actual	2023 Actual	2023 Actual	2024 Forecast	2024 Forecast	2025 Forecast	2025 Forecast	2025 Forecast
	(\$000)	%	(\$000)	%	(\$000)	%	(\$000)	%
1 Distribution								
2 Transmission								
3 Substations								
4 Power Produced								
5 Administrative and Engineering Support								
6 Telecommunications								
7 Environment								
8 Fleet Operations and Maintenance								
9								
10 Electricity Supply								
11								
12 Customer Service								
13 Energy Solutions								
14 Uncollectible Bills								
15								
16 Customer Service								
17								
18 Information Systems								
19 Financial Services								
20 Corporate Employee Services								
21 Insurances								
22								
23 General								
24								
25 Gross Operating Cost								

Exhibit 2: Operating Costs by Breakdown

	2023 Actual vs		2024 Forecast vs		2025 Forecast vs		2026 Forecast vs	
	2022 Actual	(%)	2023 Actual	(%)	2024 Forecast	(%)	2025 Forecast	(%)
	(\$000)		(\$000)		(\$000)		(\$000)	
Breakdown								
1 Regular and Standby								
2 Temporary								
3 Overtime								
4 Total Labour								
5								
6 Vehicle Expenses								
7 Operating Materials								
8 Inter-Company Charges								
9 Plants, Substations, System Operations and Buildings								
10 Travel								
11 Tools and Clothing Allowance								
12 Miscellaneous								
13 Taxes and Assessments								
14 Uncollectible Bills								
15 Insurance								
16 Severance and Other Employee Costs								
17 Education, Training and Employee Fees								
18 Trustee and Directors' Fees								
19 Other Company Fees								
20 Stationary and Copying								
21 Equipment Rental and Maintenance								
22 Telecommunications								
23 Postage								
24 Advertising								
25 Vegetation Management								
26 Computing Equipment and Software								
27 Total Other								
28								
29 Gross Operating Cost								

1 A. See Attachment A for the requested information.

Operating Costs by Function and Breakdown
2022 to 2026 Forecast, Including 2023 Actuals and Variances

Newfoundland Power Inc.
Exhibit 1: Operating Costs by Function
2022 to 2026F Including 2022 and 2023 Test Years
(\$000s)

Function	2022TY	2023TY	2022A	2023A	2023F	2024F	2025F	2026F	2023A vs 2022A		2024F vs 2023A		2025F vs 2024F		2026F vs 2025F	
									(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Distribution	9,487	9,741	11,295	10,812	10,755	11,102	11,500	11,919	(483)	-4%	290	3%	398	4%	418	4%
Transmission	978	999	1,143	1,426	1,142	1,171	1,200	1,231	283	25%	(255)	-18%	29	3%	30	3%
Substations	2,422	2,487	2,317	2,460	2,344	2,421	2,511	2,604	143	6%	(39)	-2%	89	4%	94	4%
Power Produced	4,027	4,122	4,009	3,871	4,093	4,210	4,337	4,470	(138)	-3%	339	9%	127	3%	133	3%
Administrative and Engineering Support	8,433	9,341	8,929	9,705	9,429	9,700	10,054	10,425	776	9%	(5)	0%	353	4%	371	4%
Telecommunications	1,374	1,397	1,491	1,655	1,565	1,633	1,662	1,679	164	11%	(22)	-1%	29	2%	17	1%
Environment	289	296	203	367	294	304	346	328	164	81%	(63)	-17%	42	14%	(18)	-5%
Fleet Operations and Maintenance	1,695	1,723	2,191	1,944	2,108	2,149	2,184	2,220	(247)	-11%	205	11%	35	2%	36	2%
Electricity Supply	28,705	30,106	31,578	32,240	31,730	32,690	33,794	34,876	662	2%	450	1%	1,104	3%	1,082	3%
Customer Service	8,038	8,103	8,069	8,156	8,259	8,305	8,605	8,919	87	1%	149	2%	300	4%	314	4%
Energy Solutions	886	946	585	733	873	828	873	897	148	25%	95	13%	46	6%	24	3%
Uncollectible Bills	2,172	2,208	2,027	1,971	2,045	2,186	2,222	2,258	(56)	-3%	215	11%	36	2%	36	2%
Customer Services	11,096	11,257	10,681	10,860	11,177	11,319	11,700	12,074	179	2%	459	4%	382	3%	373	3%
Information Systems	6,407	7,311	6,430	7,610	7,264	8,172	8,724	9,150	1,180	18%	562	7%	552	7%	426	5%
Financial Services	1,942	1,997	1,777	2,207	2,128	3,180	3,082	2,668	430	24%	973	44%	(98)	-3%	(413)	-13%
Corporate and Employee Services	16,026	15,940	17,850	17,695	17,765	18,856	19,010	19,903	(155)	-1%	1,161	7%	155	1%	893	5%
Insurances	2,306	2,345	2,214	2,425	2,428	2,621	2,773	2,932	211	10%	196	8%	152	6%	159	6%
General	26,681	27,593	28,271	29,937	29,585	32,829	33,589	34,653	1,666	6%	2,892	10%	760	2%	1,063	3%
Gross Operating Cost	66,482	68,956	70,530	73,037	72,492	76,838	79,083	81,603	2,507	4%	3,801	5%	2,245	3%	2,520	3%

Newfoundland Power Inc.
 Exhibit 2: Operating Costs by Breakdown
 2022 to 2026F Including 2022 and 2023 Test Years
 (\$000s)

Breakdown	2022TY	2023TY	2022A	2023A	2023F	2024F	2025F	2026F	2023A vs 2022A		2024F vs 2023A		2025F vs 2024F		2026F vs 2025F	
									(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Regular and Standby	31,651	33,148	34,794	34,952	34,820	36,099	37,557	39,156	158	0%	1,147	3%	1,458	4%	1,599	4%
Temporary	2,050	2,108	541	697	665	691	721	754	156	29%	-6	-1%	30	4%	33	5%
Overtime	3,300	3,537	3,702	3,583	3,507	3,639	3,801	3,972	-119	-3%	56	2%	162	4%	171	4%
Total Labour	37,001	38,793	39,037	39,232	38,992	40,429	42,079	43,882	195	0%	1,197	3%	1,650	4%	1,803	4%
Vehicle Expenses	1,702	1,730	2,184	1,940	2,101	2,142	2,177	2,212	(244)	-11%	202	10%	35	2%	35	2%
Operating Materials	1,266	1,287	1,254	1,336	1,265	1,290	1,311	1,332	82	7%	(46)	-3%	21	2%	21	2%
Inter-Company Charges	27	28	27	32	27	28	28	29	5	19%	(4)	-13%	-	0%	1	4%
Plants, Substations, System Operations and Buildings	3,434	3,492	3,716	3,672	3,750	3,823	3,885	3,948	(44)	-1%	151	4%	62	2%	63	2%
Travel	876	891	1,120	1,163	1,148	1,179	1,198	1,217	43	4%	16	1%	19	2%	19	2%
Tools and Clothing Allowance	1,244	1,265	1,372	1,738	1,384	1,411	1,434	1,458	366	27%	(327)	-19%	23	2%	24	2%
Miscellaneous	1,568	1,595	1,467	1,574	1,608	1,640	1,663	1,691	107	7%	66	4%	23	1%	28	2%
Taxes and Assessments	1,162	1,181	1,388	1,308	1,401	1,428	1,451	1,475	(80)	-6%	120	9%	23	2%	24	2%
Uncollectible Bills	2,172	2,208	2,027	1,971	2,045	2,186	2,222	2,258	(56)	-3%	215	11%	36	2%	36	2%
Insurance	2,306	2,345	2,214	2,425	2,428	2,621	2,773	2,932	211	10%	196	8%	152	6%	159	6%
Severance and Other Employee Costs	131	133	156	214	157	160	163	166	58	37%	(54)	-25%	3	2%	3	2%
Education, Training and Employee Fees	348	354	396	564	508	512	520	528	168	42%	(52)	-9%	8	2%	8	2%
Trustee and Directors' Fees	701	712	687	635	693	760	772	785	(52)	-8%	125	20%	12	2%	13	2%
Other Company Fees	2,868	2,574	2,945	3,544	3,572	5,131	4,771	4,672	599	20%	1,587	45%	(360)	-7%	(99)	-2%
Stationery and Copying	256	260	240	307	242	247	251	255	67	28%	(60)	-20%	4	2%	4	2%
Equipment Rental and Maintenance	832	897	671	774	677	690	702	713	103	15%	(84)	-11%	12	2%	11	2%
Telecommunications	1,562	1,588	1,655	1,757	1,680	1,748	1,775	1,791	102	6%	(9)	-1%	27	2%	16	1%
Postage	1,244	1,202	1,282	1,211	1,221	1,209	1,207	1,203	(71)	-6%	(2)	0%	(2)	0%	(4)	0%
Advertising	525	534	583	614	600	609	622	632	31	5%	(5)	-1%	13	2%	10	2%
Vegetation Management	2,401	2,441	3,230	3,328	3,259	3,323	3,377	3,432	98	3%	(5)	0%	54	2%	55	2%
Computing Equipment and Software	2,856	3,446	2,879	3,697	3,734	4,272	4,702	4,992	818	28%	575	16%	430	10%	290	6%
Total Other	29,481	30,163	31,493	33,804	33,500	36,409	37,004	37,721	2,311	7%	2,605	8%	595	2%	717	2%
Gross Operating Cost	66,482	68,956	70,530	73,036	72,492	76,838	79,083	81,603	2,506	4%	3,802	5%	2,245	3%	2,520	3%