

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

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3 **Q. Volume 1, Section 2, page 2-27 and Section 3, pages 3-34 and 3-35. Please provide**
4 **inflation adjusted operating costs per customer and operating costs per kWh for**
5 **2003 to 2023 inclusive, in tabular and graphical format, using the GDP deflator for**
6 **materials and supplies and CPI for labour costs.**

7
8 **A.** Table 1 provides the inflation-adjusted operating cost per customer and operating cost per
9 kWh for 2003 actual through 2023 forecast, as requested.

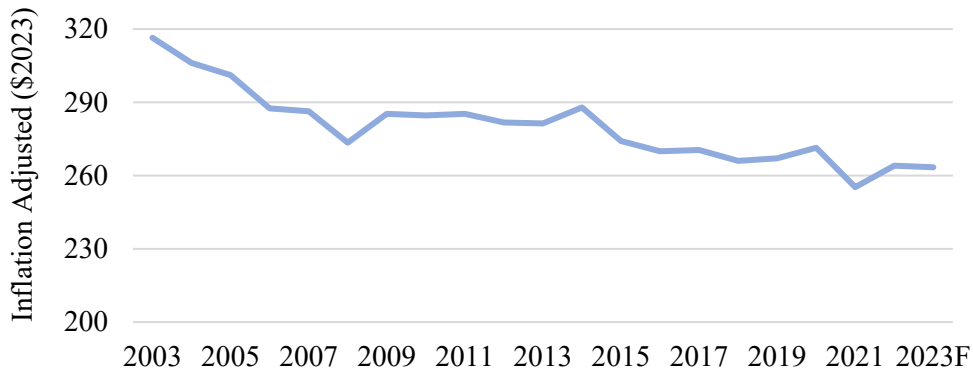
Table 1:
Operating Cost per Customer and kWh
2003 Actual to 2023 Forecast
Inflation-Adjusted¹

Year	Operating Cost Per Customer (\$)	Operating Cost Per kWh (¢/kWh)
2003	316	1.53
2004	306	1.45
2005	301	1.42
2006	288	1.36
2007	286	1.33
2008	274	1.24
2009	285	1.29
2010	285	1.28
2011	285	1.27
2012	282	1.25
2013	281	1.25
2014	288	1.26
2015	274	1.20
2016	270	1.20
2017	271	1.22
2018	266	1.21
2019	267	1.23
2020	271	1.28
2021	255	1.22
2022	264	1.25
2023	263	1.22

¹ Labour is inflation-adjusted using CPI deflators provided in the Conference Board of Canada's data release on August 2, 2023. Non-labour is inflation-adjusted using the GDP deflators provided in the same series.

1 Figure 1 provides the requested inflation-adjusted operating cost per customer for 2003
 2 actual to 2023 forecast.

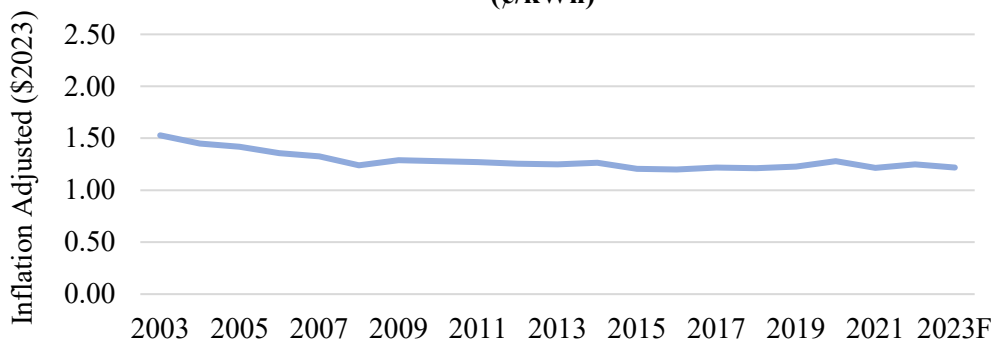
**Figure 1:
 Operating Cost per Customer
 2003 Actual to 2023 Forecast
 (\$)**



3 On the inflation-adjusted basis as requested, Newfoundland Power’s operating cost per
 4 customer has decreased by approximately 17% from 2003 actual to 2023 forecast.²

5
 6 Figure 2 provides the requested inflation-adjusted operating cost per kWh for 2003 actual
 7 to 2023 forecast.

**Figure 2:
 Operating Cost per Normalized Energy Sales
 2003 Actual to 2023 Forecast
 (¢/kWh)**



8 On the inflation-adjusted basis as requested, Newfoundland Power’s operating cost per
 9 normalized energy sales in kWh has decreased by approximately 20% from 2003 actual
 10 to 2023 forecast.³

² $(\$263 - \$316) / \$316 = 17\%$ reduction.

³ $(1.22¢ - 1.53¢) / 1.53¢ = 20\%$ reduction.