

**General**

**Q. Ref: PUB-50 NP. Confirm whether or not the “Historical actual cost per new customer averaged over the past 5 years” has been adjusted to remove the expenses associated with “Special Projects” that were incurred in each year. Show the calculation.**

A. Yes, the “Historical actual cost per new customer averaged over the past 5 years” for Street Lighting is adjusted to remove the expenses associated with “Special Projects”. The actual calculation for New Street Lights (Labour and Non-Labour) is as follows:

Labour

Average Labour Cost per New Customer = (Actual Labour Cost – Special Projects Labour) / Gross New Residential Customers

Non-Labour

Average Non-Labour Cost per New Customer = (Actual Non-Labour Cost – Special Projects Non-Labour) / Gross New Residential Customers

Cost Per New Customer

Average Cost per New Customer = Average Labour Cost per New Customer + Average Non-Labour Cost per New Customer.

The actual calculation for Replacement Street Lights (Labour and Non-Labour) is as follows:

Labour

Average Labour Cost per Fixture = (Actual Labour Cost – Special Projects Labour) / Total Fixtures

Non-Labour

Average Non-Labour Cost per Fixture = (Actual Non-Labour Cost – Special Projects Non-Labour) / Total Fixtures

Average Cost Per Fixture

Average Cost per Fixture = Average Labour Cost per Fixture + Average Non-Labour Cost per Fixture.

The Company adjusts historical labour costs to reflect current day labour rates and adjusts historical non-labour costs by a cumulative GDP Deflator factor to reflect current day costs.