

- 1 **Q. Reference: “2022/2023 General Rate Application,” Newfoundland Power, May 27,**  
 2 **2021, Volume 1, Page 2-36, Footnote 81.**  
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 4 **Please provide the detail supporting the increase of \$1.3M for corporate and**  
 5 **employee services.**  
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 7 A. Table 1 provides the calculation of the inflationary increase for corporate and employee  
 8 services of approximately \$1.3 million over the 2019 to 2023 forecast period.

**Table 1:**  
**Corporate and Employee Services – Inflationary Increase**  
**2019 to 2023 Pro Forma**  
**(\$000s)**

	<b>2019</b>	<b>2023 Pro forma<sup>1</sup></b>	<b>Increase due to Inflation</b>
Labour	7,185	8,049 <sup>2</sup>	864
Other	7,048	7,502 <sup>3</sup>	454
<b>Total</b>	<b>14,233</b>	<b>15,551</b>	<b>1,318</b>

<sup>1</sup> 2023 *pro forma* figures are based on inflationary increases only over 2019 actual.

<sup>2</sup> Labour inflation is based on the Company’s weighted labour rate increases of 2.92% in 2020, 2.75% in 2021, 3.00% in 2022 and 2.85% in 2023 [ $\$7,185 * 1.0292 * 1.0275 * 1.0300 * 1.0285 = \$8,049$ ]. See the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2: Customer Operations*, page 2-38, footnote 83.

<sup>3</sup> The GDP deflator for Canada was recognized as a reasonable measure by the Board in Order No. P.U. 36 (1998-1999). The GDP rate increases are 0.56% in 2020, 2.32% in 2021, 1.75% in 2022, and 1.67% in 2023. [ $\$7,048 * 1.0056 * 1.0232 * 1.0175 * 1.0167 = \$7,502$ ].