

**Q. [page 2-9, footnote 14] How do NP's composite labour rate increases compare to labour rate increases elsewhere in Canada, and more specifically, at Canadian electric utilities? Please reproduce Table 2-5 using these indices as being representative of inflation.**

**A.** Please refer to response to Request for Information PUB-NP-006 for information regarding comparative labour rate increases.

Labour inflation in Newfoundland and Labrador was approximately twice the Canadian average for the 5 years ending 2012. Use of Canadian average data assumes that the Newfoundland and Labrador labour market has not experienced the inflation that it, in fact, has. Reproduction of Table 2-5 using Canadian labour data cannot, therefore, contribute to a meaningful understanding of the matters in this Application.

Table 1 provides the reproduction requested.

**Table 1**  
**Gross Operating Cost per Customer**  
**2010 to 2014F**  
**(\$)**

	<b>2010</b>	<b>2011</b>	<b>2012F</b>	<b>2013F</b>	<b>2014F</b>
Costs per Customer	220	231	228	233	241
Cost per Customer (excluding Conservation)	208	216	216	217	220
Inflation Adjusted (excluding Conservation) (\$2010) <sup>1</sup>	208	210	206	201	199

<sup>1</sup> Labour costs are adjusted for inflation using the Conference Board of Canada's average weekly wages (Industrial Composite) for Canada of 2.4% in 2011; 2.5% in 2012; 2.9% in 2013; and 2.9% in 2014. Other or non-labour costs are adjusted for inflation using the GDP deflator for Canada, a measure recognized by the Board as reasonable in Order No. P.U. 36 (1998-1999), per Table 2-5.