

1 **Q. How has the increasing number of customers from 2010 to 2014 (f) (i.e. 243,426 to**
2 **257,267) impacted Newfoundland Power's Operating Labour Cost?**

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4 A. Over the period from 2010 to 2014, Newfoundland Power's operating labour cost is
5 forecast to increase by an average of 3.2% annually. This is approximately 1% lower
6 than the Company's average labour rate increase over this period.

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8 From 2010 to 2014, the number of customers served by the Company is forecast to
9 increase by approximately 14,000, or 1.4% annually. This is expected to require
10 construction of over 500 km of new distribution lines. As a result, the Company's
11 operational work requirements will increase to reflect the inspection and maintenance of
12 an additional 8,000 poles, 5,000 transformers and 2,000 street lights. The addition of
13 approximately 14,000 customers will also result in an increase in the number of meters to
14 be read, and the numbers of customer inquiries and trouble calls requiring response.

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16 Although growth in the number of customers from 2010 to 2014 will increase work
17 requirements, Newfoundland Power's labour cost increases are forecast to continue to be
18 lower than the Company's effective labour inflation rate, reflecting reasonable and
19 sustained levels of cost efficiency.