

1 **Volume 1, Section 2 – Customer Operations**
2

3 **Q.** (page 12, lines 5 to 7) “From 2002 through 2008, inflation, as measured by the
4 **Consumer Price Index, is expected to be over 13 percent. In the same period, the**
5 **number of customers serviced by Newfoundland Power is expected to increase by**
6 **over 6 percent.” In tabular format, please provide data from 2002 through 2008**
7 **showing the percentage change in operating costs in actual and constant dollars, the**
8 **rate of inflation and the number of customers served by NP.**

9
10 **A.** Table 1 below provides data from 2002 through 2008 showing the percentage change in
11 Operating Costs¹ in actual and constant 2002 dollars, the rate of inflation and the number
12 of customers served by Newfoundland Power.
13

Table 1
Operating Costs & Inflation
2002 - 2008

| Year | Operating Costs (\$000s) | | Consumer Price Index (2002=100) | Number of Customers |
|-------------------|-----------------------------|----------|---------------------------------------|---------------------------|
| | Actual | Constant | | |
| 2002 | 48,804 | 48,804 | 100.0 | 219,072 |
| 2003 | 49,853 | 48,449 | 102.9 | 221,653 |
| 2004 | 49,449 | 47,196 | 104.8 | 224,464 |
| 2005 | 49,458 | 46,007 | 107.5 | 227,301 |
| 2006 | 48,691 | 44,309 | 109.9 | 229,500 |
| 2007F | 49,099 | 43,998 | 111.6 | 231,715 |
| 2008P | 49,990 | 43,990 | 113.6 | 233,714 |
| Change (%) | | | | |
| 2002 – 2008 | 2.4 | (9.9) | 13.6 | 6.7 |

¹ Exhibit 2 line 32 Total Gross Operating Expenses, less pension (line 30) and early retirement program costs (line 31).