

1 **Q. Reference: “2022/2023 General Rate Application,” Newfoundland Power, May 27,**  
2 **2021, Volume 1, Exhibit 2.**

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4 **Please restate Exhibit 2 adjusting 2020 and 2021 costs by item to remove the estimated**  
5 **impacts of the COVID-19 pandemic.**

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7 A. Newfoundland Power is not able to restate Exhibit 2 as requested, as it is unable to quantify  
8 all operating cost impacts related to the COVID-19 pandemic.<sup>1</sup>

9  
10 While the pandemic impacted a number of specific operating costs, it did not have a material  
11 impact on the Company’s *overall* operating costs in 2020 or 2021 forecast.

12  
13 In 2020, the pandemic resulted in higher costs in several areas including: (i) an increase in  
14 uncollectible bills as a result of suspending collection activities and offering more flexible  
15 payment arrangements for customers; (ii) additional cleaning and personal protective  
16 equipment for employees; and (iii) additional technology costs to ensure that employees  
17 could work remotely.

18  
19 In 2020, the pandemic also resulted in lower costs in areas such as: (i) a decrease in travel  
20 due to public health restrictions; and (ii) a decrease in labour costs due to a delay in  
21 replacement hires and reduced hires for temporary employees.

22  
23 While public health measures related to the pandemic have continued into 2021, they are  
24 expected to ease throughout the year as the Provincial Government implements its  
25 vaccination plans.

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<sup>1</sup> Following the declaration of a global pandemic by the World Health Organization in March 2020, preventative measures implemented by health authorities have caused disruption to the global economy, including the economy of Newfoundland and Labrador.