

- 1 **Q. Reference: “2022/2023 General Rate Application,” Newfoundland Power, May 27,**  
 2 **2021, Volume 1, Section 2, Page 2-30, Figure 2-12.**  
 3  
 4 **a) Provide Newfoundland Power’s labour inflation rate, the GDP Deflator for**  
 5 **Canada, and CPI for Newfoundland and Labrador for 2011 to 2020 used in the**  
 6 **computation of the inflation-adjusted Operating Cost per Customer.**  
 7  
 8 **b) Provide the operating costs by breakdown and number of customers used in the**  
 9 **calculation of Operating Cost per Customer.**  
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 11 **A. a) Table 1 provides Newfoundland Power’s labour inflation rate and the GDP Deflator**  
 12 **used to calculate gross operating cost per customer on an inflation-adjusted basis.<sup>1</sup>**

**Table 1:  
Operating Cost per Customer Inputs  
2011 to 2020**

<b>Year</b>	<b>Labour Inflation Rate (%)<sup>2</sup></b>	<b>GDP Deflator (index)<sup>3</sup></b>
2011	4.95	0.99
2012	3.71	1.00
2013	4.36	1.02
2014	4.25	1.04
2015	3.75	1.03
2016	3.54	1.04
2017	3.13	1.06
2018	1.75	1.08
2019	2.40	1.10
2020	2.92	1.11

- 13 **b) See response to Request for information NLH-NP-001.**

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<sup>1</sup> Newfoundland Power does not use the CPI index for inflation-adjusted calculations. In Order No. P. U. 36 (1998-99), the Board ordered the adoption of the GDP deflator for Canada as an appropriate inflation index to forecast non-labour operating expenses.

<sup>2</sup> Newfoundland Power’s labour inflation rate reflects a combination of collectively bargained base wage increases and forecast progression increases in employees’ wages as a result of experience. See the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2.4.1: Operating Costs*, page 2-38, footnote 83 for information regarding the Company’s weighted labour rate inflation.

<sup>3</sup> Based on Conference Board of Canada’s *Provincial Forecast: Medium-Term* (2012 = 1.00).