

- 1 **Q. (Reference Application, Use of Historical Averages for Budget Estimation) In**  
2 **its 2025/2026 GRA, NP states (page 2-35) “Newfoundland Power is**  
3 **forecasting an annual increase in labour costs of approximately 3.1% from**  
4 **2022 to 2026. The Company’s weighted labour rate inflation is forecast to be**  
5 **approximately 4.1% per year over this period. This implies an operating**  
6 **efficiency of approximately 1.0% per year.” How does NP incorporate this**  
7 **1% productivity improvement into its budget estimation based on historical**  
8 **averages?**  
9
- 10 A. The analysis outlined in this Request for Information relates to a specific analysis related  
11 to the operating labour costs proposed in Newfoundland Power’s *2025/2026 General*  
12 *Rate Application*. As such, the analysis does not apply to the capital budget estimates  
13 included in the *2025 Capital Budget Application*.