

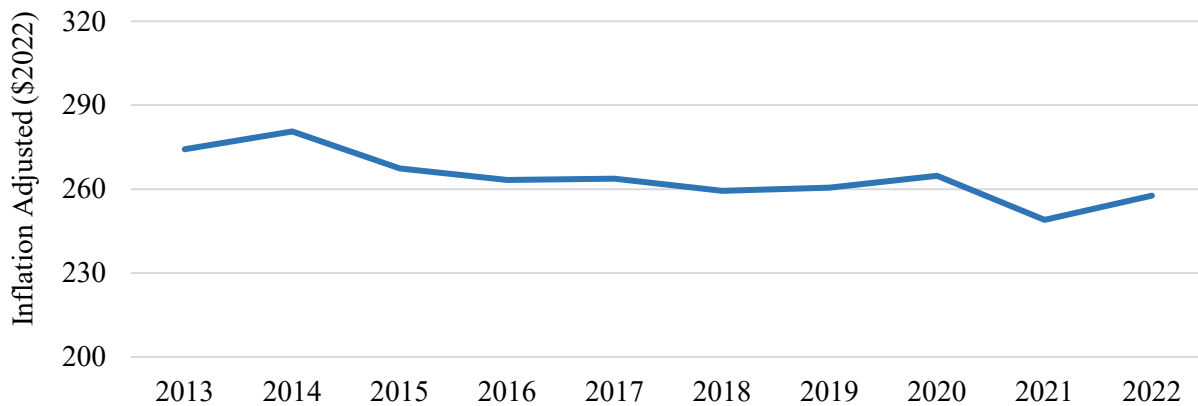
1 **Section 2: Customer Operation/Operating Costs**

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 3 **Q. (Section 2, Figure 2-11) Please reproduce Figure 2-11 using a relevant inflation rate**  
 4 **for Canadian labour rather than Newfoundland Power’s labour inflation rate.**

5  
 6 A. It is the Company’s position that its internal weighted-labour inflation rate for labour is  
 7 the most relevant inflation rate by which to compare its actual performance over time.

8  
 9 Figure 1 provides the Company’s operating cost per customer from 2013 to 2022 using  
 10 the Consumer Price Index (“CPI”) to inflation-adjust its internal labour cost as  
 11 requested.<sup>1</sup>

**Figure 1:  
 Operating Cost per Customer (\$) 2013 to 2022**



12 Newfoundland Power’s operating costs per customer from 2013 to 2022 have reduced by  
 13 5.8% on an inflation-adjusted basis.<sup>2</sup>

<sup>1</sup> The CPI index was provided in the Conference Board of Canada’s data release on August 2, 2023.

<sup>2</sup>  $(\$258 - \$274) / \$274 = -5.8\%$  reduction in operating costs.