

1 Q. **2017 General Rate Application - Operations**

2 Page 3.36, lines 11-12 – Provide the details to explain the structural salary increase
3 of \$3.8 million in labour cost from 2015-2019, including the economic adjustment
4 and any other adjustments used in the development of the 2018 TY and 2019 TY
5 labour costs.

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8 A. As Hydro is anticipated to begin bargaining in 2018, releasing any assumptions with
9 regards to economic adjustments could compromise this process.

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11 The merit¹ adjustment for non-union employees is subject to performance ratings
12 and the employee's percentage of job rate within the pay grade. In 2016, non-union
13 employees received a merit increase from 0-4% based on performance ratings, with
14 the employees who received and exceeds or exceptional performance rating
15 eligible for an additional merit adjustment. For 2018 and 2019 test years, the same
16 assumptions were made.

¹Merit is not applicable to unionized positions.