Q. **Reference: Volume 1, page 3.4**

Hydro states (lines 11 to 12) *"Labour costs in the 2027 Test Year of $96.4 million are approximately 9% lower than the 2019 Test Year in real dollars."*

a) Provide the index and data that Hydro is relying on by year to assert that labour costs over the 2019 to 2027 period are 9% lower than the 2019 Test Year in real dollars.

b) Provide a calculation of the cumulative nominal increase in labour costs over the period from the 2019 Test Year to the 2027 Test Year.

c) Provide a calculation of the cumulative nominal increase in labour costs over the period from the 2019 Test Year to the 2027 Test Year, adding back salaries deferred into the General Expenses Capitalized Deferral Account.

A. **a)** Please refer to Newfoundland and Labrador Hydro's ("Hydro") response to NP-NLH-035 of this proceeding.

b) Table 1 shows Hydro's gross labour cost trend from 2019 Test Year through 2027 Test Year, including deferred costs as approved in Board of Commissioners of Public Utilities Order No. P.U. 32(2025).

Table 1: Actual/Forecast Labour Costs Including GEC[1] 2019 to 2027TY ($ Millions)

	2019TY	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027TY**	**Difference 2027TY vs 2019TY**
Gross Labour Costs	85.5	84.4	79.0	82.4	83.2	88.5	95.4	99.8	103.0	17.5
Salaries Deferred to GEC	-	-	-	-	-	-	(6.3)	(6.4)	(6.6)	(6.6)
Total Labour Costs	**85.5**	**84.4**	**79.0**	**82.4**	**83.2**	**88.5**	**89.1**	**93.4**	**96.4**	**10.9**

c) Please refer to Hydro's response to part b).

[1] General Expenses Capitalized ("GEC").