

1 Q. **Reference: Volume 1, table 3-2, page 3.5**

2 Hydro provides (table 3-2) total salaries for the 2019 Test Year and from 2024 actual to the 2027
3 Test Year. Provide a breakdown of the salaries by business unit and division by year for the 2019
4 Test Year to the 2027 Test Year and a variance analysis for material increases and decreases in
5 the salaries by business unit and division over that timeframe.

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8 A. Please refer to CA-NLH-071, Attachment 1.

9 As noted in Newfoundland and Labrador Hydro's ("Hydro") evidence, Hydro had not provided
10 economic increases to employees within the seven-year period from 2016-2022. Therefore,
11 prior to 2023, adjustments to employee salaries were limited to progression within scale, where
12 applicable, and union wage adjustments as negotiated within Hydro's collective agreements.

13 Salary costs from 2023 through 2027 Test Year are primarily driven by salary adjustments to
14 start to address the outcome of Southlea's review and begin to realign Hydro with its
15 comparator market. Hydro increased its non-union compensation levels beginning in 2023,
16 administering economic increases of 2% in 2023, 4% in 2024, and 4% in 2025; similar increases
17 were implemented during this time frame for its unionized employees. As Hydro is currently
18 negotiating with its union, releasing information with regard to future wage adjustments could
19 compromise this process.

20 For a breakdown of drivers of salary costs (including additional FTEs and compensation
21 adjustments) between 2023 and 2027 Test Year, please refer to Hydro's response to
22 PUB-NLH-023 of this proceeding.

Newfoundland and Labrador Hydro
Total Salaries by Functional Area¹
(\$000)

	2019 Test Year	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2027 Test Year
Operations										
Transmission and Distribution	24,731	23,358	21,568	21,600	22,404	22,242	23,900	25,193	25,631	26,431
Production	19,661	18,630	16,888	17,383	17,408	17,322	18,761	19,818	20,880	21,540
Engineering Services	11,098	11,164	11,823	12,188	11,746	12,537	13,030	14,494	13,862	14,928
System Planning	1,226	1,424	1,566	1,700	1,505	1,810	2,104	2,886	2,467	2,545
Newfoundland and Labrador System Operator	2,166	2,703	2,647	2,720	2,738	2,620	2,990	3,193	3,014	3,109
Asset Management	512	648	1,079	1,078	1,185	1,217	1,126	1,202	1,376	1,420
Major Projects	-	-	-	-	-	68	1,391	2,563	3,000	3,937
Operations Technology	2,851	2,776	2,783	2,732	2,765	3,040	3,349	3,593	3,796	3,908
Total Operations	62,245	60,703	58,354	59,401	59,751	60,856	66,652	72,942	74,027	77,818
General and Administration										
Executive	1,654	1,715	1,617	1,702	1,204	1,011	871	943	906	935
Financial Services and Other	6,147	5,461	5,719	5,340	5,476	5,479	5,618	6,270	6,192	6,385
People, Culture and Corporate Affairs	4,757	4,864	4,457	4,220	4,051	4,063	4,754	5,516	6,215	6,367
Regulatory, Customer Service & Energy Optimization	3,889	3,559	3,264	3,306	3,464	3,655	4,148	4,389	4,663	4,707
Total General & Administration	16,447	15,599	15,057	14,568	14,195	14,208	15,391	17,118	17,976	18,393
GRA Order Vacancy Allowance ²	(1,327)	-	-	-	-	-	-	-	-	-
Total Salaries	77,365	76,303	73,409	73,970	73,945	75,064	82,043	90,060	92,003	96,212
(\$ Millions)	77.4	76.3	73.4	74.0	73.9	75.1	82.0	90.1	92.0	96.2

¹ Numbers may not add due to rounding.

² The 2019 Test Year includes the settlement item related to the 2017 GRA of \$1.3 million, as well as the current departmental groupings that were changed after the 2017 GRA filing.