Q. **Reference: Volume 2 (Exhibit 6), pages 256-258; Volume 1, page 117 (footnote 19); Order No. P.U. 3(2025), page 26**

a) Provide the full list of utilities in Southlea's recommended comparator group, identifying which are government-owned and which are investor-owned, and the specific quantitative adjustment applied for the *"Atlantic compensation market differential."*

b) Provide Hydro's current total compensation positioning (percentile) relative to the comparator group, by employee category (union, management, executive), both before and after the salary adjustments proposed in this GRA.

c) Confirm whether short-term or long-term incentive pay for any employee category is included in the 2027 Test Year revenue requirement, and if so, provide the methodology and dollar amount, having regard to the Board's treatment of short-term incentive pay in Order No. P.U. 3(2025). Provide supporting workpapers for each of (a) through (c).

A. **a)** Southlea Group LP ("Southlea") concluded that Newfoundland and Labrador Hydro's ("Hydro") primary comparator group should be comprised of Canadian utility companies, including both government-owned and investor-owned organizations. The complete list of utilities included in Southlea's recommended comparator group is provided within Exhibit 6 of Hydro's 2026 General Rate Application.[1] Southlea also identified a five percent quantitative adjustment to reflect the Atlantic Canadian compensation market differential.

b) Please refer to Hydro's response to PUB-NLH-018 of this proceeding.

c) In May 2021, the Government of Newfoundland and Labrador issued Order in Council OC2021-128, directing Hydro to eliminate all performance-based pay policies and incentive programs. In compliance with this directive, which remains in effect, Hydro does not provide short-term or long-term incentive compensation to any employee group. Accordingly, no

[1] Please refer to "2026 General Rate Application," Newfoundland and Labrador Hydro, May 27, 2026, vol. II, exh. 6, app. I., p. 14, under the heading Peer Group.

costs related to performance-based incentive compensation have been included in the 2027 Test Year revenue requirement.