

1 Q. **Reference: Response to CA-NLH-067, part b**

2 Further to CA-NLH-067(b), Table 1, please confirm that gross labour costs, before deducting
3 amounts deferred to the General Expenses Capitalized Deferral Account, increase from \$85.5
4 million in the 2019 Test Year to \$103.0 million in the 2027 Test Year: an increase of \$17.5
5 million, or approximately 20.5%, equivalent to a compound annual growth rate of approximately
6 2.4% over eight years.

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9 A. As shown in Table 1 of Newfoundland and Labrador Hydro's ("Hydro") response to CA-NLH-067
10 of this proceeding, labour costs increased by approximately \$10.9 million from 2019 Test Year to
11 2027 Test Year on a nominal basis. When including the \$6.6 million of labour costs deferred to
12 the Generalized Expenses Capitalized Deferral Account as approved in Board of Commissioners
13 of Public Utilities Order No. P.U. 32(2025), gross labour costs increased by approximately
14 \$17.5 million from 2019 Test Year to 2027 Test Year.

15 As discussed in Hydro's evidence, primary drivers of labour cost increases between test years
16 relate to an increase in staffing levels to be ready to prudently plan for and execute new system
17 additions, and salary and benefits adjustments aligned with market indicators. As shown in
18 Chapter 2, Chart 2-13 of Hydro's 2026 General Rate Application, on a nominal basis, Hydro's
19 labour cost increase from the 2019 Test Year to the 2027 Test Year is lower than utility industry
20 increases during that same time period.