

1 Q. **Reference: Response to CA-NLH-071**

2 Further to the response to CA-NLH-071 (Attachment 1), please provide detailed variance
3 explanations with respect to the salary increases between the 2019 Test Year and 2027 Test
4 Year for the following business units (i) Transmission & Distribution (ii) Production (iii)
5 Engineering Services (iv) Major Projects and (v) People, Culture & Corporate Affairs.

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8 A. Increases within salary costs for Transmission & Distribution and Production functions are
9 primarily driven by salary adjustments for non-union and union personnel as discussed in
10 Newfoundland and Labrador Hydro's ("Hydro") response to CA-NLH-071 of this proceeding.

11 For Engineering Services, increases in salary costs were primarily driven by salary adjustments
12 for non-union personnel beginning in 2024.¹ Increases in People, Culture and Corporate Affairs
13 are driven by salary adjustments for non-union and union personnel as discussed in Hydro's
14 response to CA-NLH-071 of this proceeding, as well as an increase in Full-Time Equivalents
15 ("FTE") to support major capital investments for departments within this functional area such as
16 Human Resources and Safety and Health.

17 The Major Projects department was created in late 2023 and has staffed up to a forecast of
18 approximately 31 FTEs through to the 2027 Test Year. Salary costs are related to the hiring of
19 additional FTEs each year, as outlined in Hydro's response to CA-NLH-074 of this proceeding.

¹ Internal movement of a long-term planning group also resulted in the transfer of four FTEs from operations to engineering.