Q. **Reference: Volume I, Section 2.2.4 and Volume 2, Exhibit 6, Issue Topic: Operating Efficiencies**

Please provide how the salary component only compares between Hydro’s non-union, non-executive workforce and the comparator group(s) used in the compensation review.

A. As outlined in Southlea Group LP's (“Southlea”) independent assessment of Newfoundland and Labrador Hydro's (“Hydro”) compensation program, Hydro competes for talent on a total compensation basis (not only base salaries). Benchmarked against the utility comparator group and adjusted for the Atlantic Canadian market, Southlea indicated, based on 2023 market data, that Hydro's non-union, non-executive job rates (base salaries) were positioned, on average, 1% below the market 50th percentile (market median). Since 2023, general salary market movement reflects a cumulative increase of approximately 10%, with the utility sector, on average, trending higher.