Q. **Reference: Volume I, page 3.5, Labour Costs - Table 3-2**

According to Table 3-2, Salary costs have increased by $14.2 million when comparing 2024 to the 2027 Test Year (before GEC). Provide a reconciliation of this increase including, but not limited to, salary adjustments, additional FTEs, any vacancy allowance, etc.

A. The breakdown of $14.2 million in salaries is provided in Table 1.

Table 1: Breakdown of Salary Costs ($ Millions)

Driver	**Salary Costs**
FTE changes	6.1
Economic Increases	6.5
Other Adjustments	1.6
Total	**14.2**

As Newfoundland and Labrador Hydro ("Hydro") is currently negotiating with its union, releasing any assumptions with regard to wage adjustments proposed in the 2026 General Rate Application could compromise this process. Therefore, Hydro is unable to provide a year-over-year breakdown of these components or indicate the salary assumptions within its 2026 Forecast or 2027 Test Year.