

1 **Q. Further to the response to PUB-NP-023, please explain the reasons for the increase**
2 **in Corporate and Employee Services from 2023F of \$9,371 million (sic) to \$10,897**
3 **million (sic) forecast for 2026.**

4
5 A. Operating labour costs in Corporate and Employee Services are forecast to increase from
6 \$9.4 million to \$10.9 million, or \$1.5 million, from 2023 to 2026 forecast. This primarily
7 reflects annual labour inflation of \$1.3 million anticipated over the forecast period.¹ The
8 remaining \$0.2 million relates to an additional day of operating labour in 2026 when
9 compared to 2023.²

10
11 Excluding the impact of labour inflation, Corporate and Employee Services labour is
12 forecast to be stable from 2023 to 2026. Certain work requirements in this function,
13 however, have increased. For example, work associated with regulatory proceedings has
14 increased and this is expected to continue through 2026 as Hydro files its next general
15 rate application. In addition, recruitment activity and work associated with labour
16 relations has also increased. Newfoundland Power has not forecast additional labour costs
17 associated with these specific work requirements through 2026. Managing this with
18 existing employees demonstrates labour productivity within the Corporate and Employee
19 Services function.

¹ \$9.4 million * 1.0380 * 1.0445 * 1.0450 = \$10.7 million - \$9.4 million = \$1.3 million.

² There are 261 operating days in 2026 compared to 260 operating days in 2023. This represents approximately \$170,000 of additional operating labour required in 2026.