

1 **Reference: Section 3: Finance**

2

3 **Q. Volume 1, page 2-38. Provide the overall average salary for employees for 2019 and**
4 **2020 and forecast for each year 2021-2023, including any bonus or short-term**
5 **incentive payments.**

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7 **A.** Table 1 provides the estimated average salary for 2019 and 2020, and the estimated
8 average salary forecast for 2021 to 2023.

Table 1:
Estimated Average Salary
2019 to 2023 Forecast¹

| 2019A | 2020A | 2021F | 2022F | 2023F |
|--------------|--------------|--------------|--------------|--------------|
| \$86,241 | \$89,971 | \$92,016 | \$94,441 | \$97,181 |

¹ Forecast for 2021 to 2023 is based on the Company's labour forecast report. See the *2022/2023 General Rate Application, Volume 2, Supporting Materials, Tab 1, Labour Forecast: 2021 to 2023*, Schedules A, B and C. See Attachment A for supporting calculations.

Estimated Average Salary Calculations
2019 to 2023 Forecast

**Calculation of Estimated Average Annual Salary
2019 to 2023 Forecast¹
(\$000s unless otherwise noted)**

| | | 2019A | 2020A | 2021F | 2022F | 2023F |
|---|------------------|---------------|---------------|---------------|---------------|---------------|
| Total Workforce Labour | A | 62,708 | 64,920 | 67,753 | 71,544 | 71,671 |
| Less: Fringe Costs (18%) ² | B | 9,566 | 9,903 | 10,335 | 10,913 | 10,933 |
| Total Workforce Labour Less Fringe Costs | C = A - B | 53,142 | 55,017 | 57,418 | 60,631 | 60,738 |
| Adjusted Workforce (FTEs) | D | 616.2 | 611.5 | 624.0 | 642.0 | 625.0 |
| Estimated average salary/wage (\$) | E = C / D | 86,241 | 89,971 | 92,016 | 94,441 | 97,181 |

¹ Forecast for 2021 to 2023 is based on the Company's 2021-2023 Labour Forecast report. See the *2022/2023 General Rate Application, Volume 2, Supporting Materials, Tab 1, Labour Forecast: 2021 to 2023*, Schedules A, B and C.

² Fringe costs are general payroll overhead costs that include the Company's estimated costs related to the employer's portion of CPP and EI, payroll tax, and benefits including worker's compensation and health benefit premiums. These are not part of an employee's annual salary, but are part of the Company's total labour cost. Excluding fringe costs from the average salary calculation is consistent with the methodology used to calculate the average salary per FTE for Grant Thornton's Annual Financial Review of Newfoundland Power.