

1 Q. Further to response to Request for Information NP-NLH-012:

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3 Labour-related costs for Information & Operations Technology are forecast to
4 increase from \$1,281,000 in 2016 to \$2,570,000 in 2019T. Please provide full
5 details of this \$1,289,000 increase, together with a full business justification for the
6 requirement for the increase.

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9 A. The increase in labour cost for Information & Operations Technology (IT/OT) was
10 primarily due to an increase in FTEs. The business justification for these changes is
11 driven by the need for corporate reorganization to ensure organizational
12 independence for Hydro, while enhancing organizational effectiveness and
13 minimizing intercompany transactions for Engineering Services. Previously, these
14 FTEs resided in Nalcor and provided services to Hydro.

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16 Details are provided in Table 1.

Table 1 Cost Drivers of IT/OT Labour Related Costs 2016 Actual – 2019TY

	\$(Millions)
Salary increases	0.1
FTE changes ¹	1.0
Fringe	0.2
Total	1.3

¹ FTE change of 11: including 3 transfers from Transmission Rural Operations, and 8 new positions per Hydro's response to PUB-NLH-033.