

- 1 Q. **Volume 1 (1st Revision), Chapter 3: Operations**
2 Please provide a breakdown, by operating cost type, of the Information and
3 Operations Technology costs for the approved 2015 test year, 2015 and 2016
4 actuals, 2017 forecast, and 2018 and 2019 test years. (Volume I
5 (1st Revision), Chapter 3: Operations, Page 3.39, Table 3-22)
6
7
8 A. Please refer to NP-NLH-032, Attachment 1.

Information & Operations Technology Operating Expenses by Cost category
\$000s

	2015 TY ¹	2015 GRA Order ⁴	2015 Approved TY ¹	2015 Actual ¹	2016 Actual	2017 Forecast	2018 Test Year	2019 Test Year
Labour								
Labour related costs	5,035	-	5,035	5,111	1,281	2,096	2,535	2,570
Employee future benefits	532	-	532	741	171	201	231	237
Overtime	221	-	221	265	42	149	91	91
Total Labour	5,788	-	5,788	6,118	1,494	2,445	2,857	2,898
System Equipment and Maintenance	1,117	-	1,117	864	427	799	799	799
Other								
Office supplies and expenses	360	-	360	439	213	244	244	244
Professional services ²	1,560	-	1,560	1,689	19	893	1,142	1,163
Equipment rentals	1,743	-	1,743	1,775	1,654	1,580	1,580	1,580
Travel	212	-	212	193	65	106	106	106
Miscellaneous expenses	16	-	16	17	3	18	7	7
Building rental and maintenance	25	-	25	16	11	25	25	25
Total Other	3,917	-	3,917	4,128	1,965	2,865	3,103	3,124
Cost Allocations^{2,3}	(3,509)	-	(3,509)	(3,948)	2,513	2,033	2,874	4,419
Total operating costs	7,312	-	7,312	7,163	6,399	8,142	9,633	11,240

¹ In the 2015 Test Year and 2015 Actual, the Information Systems (IS) department was based in Hydro and recovered costs from Nalcor's other lines of business through the Admin fee. The net cost impact to Hydro is \$3.2 million in both years. The IS department transferred to Nalcor in 2016 and Nalcor charges an Admin fee to Hydro and Nalcor's other lines of business.

² In 2016, software costs of \$601K were recorded as part of the Nalcor Admin fee in Cost Allocations.

³ Includes depreciation charges that would not have been recorded in Operating costs in prior period. Please see Hydro's response to NP-NLH-130 and NP-NLH-28.

⁴ Please note that information for the 2015 approved Test Year by functional department is not available as outlined in footnote 83, page 3.39 of the evidence.