

1 Q. Further to response to Request for Information NP-NLH-028:

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3 Under the Nalcor Administration Fee for the Information Systems Common Service  
4 Business Unit, Salaries & Fringe Benefits are forecast to increase from \$3,645,100 in  
5 2017F to \$5,117,300 in 2019T. Please provide full details of this \$1,472,200  
6 increase, together with a full business justification for the requirement for the  
7 increase.

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10 A. The increase in Salary and Fringe Benefits costs for Information Systems Common  
11 Service is primarily due to the transfer of the Business Solutions and Information  
12 Management business unit from the Business Systems Fee to the Information  
13 Systems Common Services Fee in 2019 (including seven FTEs). The FTEs in this  
14 department will transition back to Nalcor Information Systems Common Service  
15 Business Unit operations in 2019 and will be primarily responsible for managing the  
16 new systems. Consistent with the common services approach, Business Solutions  
17 and Information Management provide corporate level programs and services across  
18 all Nalcor lines of business. These services are judged to be more effective and  
19 efficient from a common service model due to the cost Hydro would incur to  
20 duplicate its own, separate Information Management department and programs.

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22 The seven FTEs include:

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- 24 • the Manager, Corporate Business Systems and Information Management  
25 who has oversight for all areas of the program, as well as Information  
26 Management (IM) and will continue to manage support and enhancements  
when the systems are operationalize;

- 1           • the Team Lead, Strategy & Continuous Improvement, who is responsible for
- 2           leading and prioritizing enhancements, managing projects, upgrades, and
- 3           future planning;
- 4           • three IM positions who are currently part of the program to establish an IM
- 5           framework and will transition to operations to carry out and lead on-going
- 6           and future IM activities; and
- 7           • two Business Analyst positions that will gather business requirements,
- 8           assess requests for new enhancements, perform reporting on data integrity,
- 9           and provide training and first tier support.

**Table 1 Changes in Salary and Fringe Benefits Costs 2017 Forecast – 2019TY (\$ Millions)**

	Nalcor Allocated Cost		Impact to Hydro	
Salary <sup>1</sup>	\$	1.1	\$	0.8
Fringe	\$	0.2	\$	0.1
Employee Future Benefits	\$	0.1	\$	-
Other	\$	0.1	\$	0.1
<b>Total</b>	<b>\$</b>	<b>1.5</b>	<b>\$</b>	<b>1.0</b>

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<sup>1</sup> Change in salary includes FTE changes and salary increases consistent with the assumptions in Hydro's response to PUB-058.