

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, Professional Services are forecast to increase from \$1,573,500 in
5 2017F to \$2,998,600 in 2019T. Please provide full details of this \$1,425,100
6 increase, together with a full business justification for the requirement for the
7 increase.

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10 A. The Nalcor Administration Fee for Information Systems Common Business Unit's
11 Professional Services¹ increased by \$1,425,100 from the 2017 Forecast to the 2019
12 Test Year primarily due to additional software maintenance costs associated with
13 the operational status of the Business Transformation Program systems, Cyber
14 defence systems, and IT Disaster Recovery Site.

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16 Please refer Table 1 for details.

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¹ Professional Services includes software maintenance and consultants costs.

Table 1 Information Systems Common Service Business Unit Variance Explanation (\$000s)

Professional Services		Business Justification
Business Transformation Program		Refer to Hydro's response to NP-NLH-185.
Enterprise Resource Planning Software Maintenance and Support	478	
Budget and Forecasting Software Maintenance and Support	206	
Information Management Software Maintenance and Support	247	
Risk Management Software Maintenance and Support	145	
Consulting Services	100	IT Strategic Plan, post go live support for the newly implemented ERP systems.
Cyber Security Tools	98	Increase Cyber defence systems and tools to reduce corporate cyber risk.
Disaster Recovery Site	22	Support and maintenance required for software to support a hot standby Disaster Recovery site.
Software Maintenance Contingency	30	Software contingency for unforeseen costs associated with unbudgeted software needs.
Annual Software Maintenance Escalation	99	Annual cost increases due to escalation on existing software maintenance.
Total Increase	1,425	
Hydro's Share of Costs	755	