

1 Q. Please provide the budgets by major cost category for Corporate Services for 2019
2 to 2023 for Nalcor and Newfoundland Hydro.

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5 A. The 2019 budgets for Corporate Services¹ are included with the Finance and
6 Corporate Services and Regulatory Affairs divisions for Hydro. Please refer to PUB-
7 Nalcor-190, Attachment 1 for the budgets by major cost category.

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9 Hydro's 2020-2023 forecasts were developed on a total Regulated Hydro basis
10 rather than by division and department. These forecasts were updated for inflation
11 and forecast adjustments. Please refer to PUB-Nalcor-130, Attachment 1 for the
12 supporting schedule.

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14 Please refer to PUB-Nalcor-190, Attachment 2 for Nalcor Corporate Services 2019
15 Budgets by major cost category. Nalcor's 2020-2023 forecasts were developed on a
16 line of business basis rather than by department.

¹ Corporate Service Departments as defined by the PUB as they relate to this Information Request include HR, Environment, Safety, Audit and Corporate Communications and excludes indirect costs such as finance and engineering costs.

PUB-Nalcor-190 <i>(thousands of Canadian dollars)</i>	Corporate Services & Regulatory Affairs ¹				Finance ¹
	Communications	Human Resources	Enivronmental	Safety & Health	Internal Audit
Salaries	319	3,341 ³	662	355	258
Labour Recharge	-	(777)	(397)	(57)	-
Other Salary Costs	116	953	191	101	89
Overtime	-	10	(0)	2	-
Salary and Benefits Total	435	3,526	456	400	347
SEM	36	11	4	3	0
Office Supplies & Expenses	342 ²	21	5	4	3
Professional Services	48	63	799 ⁶	10	-
Insurance	-	-	-	-	-
Equipment Rentals	-	-	-	1	-
Travel	4	71	28	28	6
Miscellaneous Expenses	1	2,728 ⁴	1	3	0
Building Rental and Maintenance	-	13	4	2	0
Transportation	-	-	-	-	-
Customer Costs	-	-	-	-	-
	866	6,434	1,297	451	357
Cost Allocations (Recoveries)	(7)	575 ⁵	41 ⁵	387 ⁵	(3)
Total O&M - Budget 2019	859	7,009	1,339	838	355

¹ Per Liberty's definition of corporate services for the purposes of PUB-Nalcor-190, the following departments have been excluded from Hydro's total Corporate Services & Regulatory Affairs and Finance budgets: Customer Service, Energy Efficiency, Regulatory Affairs, Finance NL Hydro, Supply Chain, and Treasury. Please refer to PUB-Nalcor-187 for additional details on the Energy Efficiency and Customer Service budgets.

² Office Supplies & Expenses consists primarily of expense relating to public safety communications and customer education content development.

³ The Human Resources salaries budget also includes the salary costs for Graduate Engineers, apprentices, technologist, and student placement for operations. The budgets for these positions are with HR and are centrally managed, although the FTEs are embedded in operations. For additional detail on the FTEs included in the total Human Resources salary budget, please refer to PUB-Nalcor-192.

⁴ Miscellaneous Expenses primarily consists of HAPSET (payroll tax) \$2.0M and training expense \$0.7M.

⁵ Hydro's Cost Allocations (Recoveries) budget includes Admin fee charges from Nalcor for shared services relating to Human Resources, Safety and Environment.

⁶ Professional Services expense consists primarily of consulting fees related to EMS Audits, Environmental Monitoring of TL267, and the Environmental Site Assessment Program.

PUB-Nalcor-190, Attachment 2
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PUB - Nalcor - 190 <i>(thousands of Canadian dollars)</i>	Corporate Communications	Internal Audit	Human Resources	Safety & Health	Environment	Total Budget 2019
Operating Costs						
Salaries and benefits expense	977	872	2,896	776	777	6,298
Memberships, subscriptions and dues	1	8	6	7	1	23
System Equipment Maintenance	31	1	20	18	4	74
Office Supplies, Memberships and Miscellaneous	-	-	117	-	6	123
Professional Services	120	-	225	386	17	748
Insurance	-	-	-	-	-	-
Equipment Rentals	-	-	-	-	-	-
Utilities	6	1	5	4	2	18
Travel	-	2	4	7	3	16
Training	2	2	5	7	2	18
Advertising, Donations & Community Involvement	83	-	5	2	-	90
Building Rental & Maintenance	-	-	-	102	1	103
Gross Operating Costs	1,220	886	3,283	1,309	813	7,511
Labour Recharge	(87)	(84)	(259)	(87)	(482)	(999)
Cost Recoveries	-	-	(1,234)	(684)	(90)	(2,008)
Net Operating Costs	1,133	802	1,790	538	241	4,504

The functional departments above are shared service departments that provide services to the other Nalcor subsidiaries or departments in order to create efficiencies across the group of companies. Providing these shared services, in most cases, prevents Nalcor subsidiaries and other departments from having to hire similar professionals or incur additional costs with respect to these functions. Gross expenses are incurred by these departments and are then recovered through labour recharge or cost recoveries (admin fees) as services are provided.

Some of the departments hold operating expenditures which are applicable to the business as a whole. These expenses are included above in various cost categories. For example, Corporate Communications holds the charitable donations budget for Nalcor which amounts to \$48K (included in the Advertising, Donations & Community Involvement line above) and Human Resources holds the payroll tax expense for Nalcor which amounts to \$881K (included in the Salaries and benefits expense line above).

The above table excludes HR, Safety & Health, Environment and Communications employees for Churchill Falls and Power Supply who are embedded into operations and not part of Nalcor Corporate Shared Services.