

- 1     Q.     Further to the response to Request for Information PUB-NLH-408:  
2           The chart on page 1 shows an increase in Finance/CFO Division net FTEs of 13 in  
3           2015 Test Year from 2013 actual.  
4           On page 2, Hydro explains this increase, in part, due to:  
5           *“A review of the Finance Division was conducted in 2014 resulting in the creation of*  
6           *a new department under a General Manager of Finance - Hydro. This reorganization*  
7           *resulted in the transfer of several positions from Nalcor Finance to Hydro Finance*  
8           *and the addition of several new positions. The net effect was a decrease in charges*  
9           *from Nalcor into Hydro.”*  
10          Please explain in detail all costs and forecast savings to regulated Hydro as a result  
11          of this reorganization.  
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14     A.     The Finance reorganization as described in Hydro's response to NP-NLH-393  
15           resulted in the transfer of positions from Nalcor to Hydro. Some of these positions  
16           while in Nalcor, charged costs to Hydro in accordance with the Intercompany  
17           Transaction Costing Guidelines.  
18  
19           Salary and Benefit costs increased by \$1.8 million from 2013 Actual to the 2015 Test  
20           Year. A portion of this increase, approximately \$0.8 million, is primarily due to  
21           annual salary adjustments and an increase in fringe benefits associated with the  
22           employer's contribution for the Public Service Pension Plan. The remaining increase  
23           of \$1.0 million is associated with the addition of the 13 net FTEs to Finance Division.