

1 **Q. Reference: “2022 Capital Budget Application,” Newfoundland Power, May 18,**  
 2 **2021, Volume 1, Section 7.1, 2022 Application Enhancements, sec 2.2 at p.3**

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 4 **Please provide the basis for the estimate for the new Technology Service**  
 5 **Management Solution, including any assumptions used in the development of the**  
 6 **estimate.**

7  
 8 A. The cost estimate for the Technology Service Management Solution Project was based on  
 9 an internal assessment by Newfoundland Power.

10  
 11 Table 1 provides a breakdown of the cost estimate.

**Table 1**  
**Technology Service Management**  
**Solution Project**  
**2022 Cost Estimate**  
**(\$000s)**

<b>Cost Category</b>	<b>Amount</b>
Material	45
Labour – Internal	55
Labour – Contract	-
Engineering	-
Other	100
<b>Total</b>	<b>200</b>

12 Material costs include software and licensing costs. Other costs include professional  
 13 services fees required to implement the project. These costs, along with internal labour  
 14 costs, were estimated using information provided by Gartner Inc. (“Gartner”).<sup>1</sup> Gartner  
 15 provides research on Information Technology Service Management System (“ITSM”)  
 16 vendors with guidance associated with software licensing, implementation and internal  
 17 resource requirement costs for midsize businesses.<sup>2</sup>

18  
 19 Additionally, internal employee expertise gained from implementation of similar  
 20 applications helped inform the cost estimate.

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<sup>1</sup> Gartner is a leading provider of research and analysis in the global information technology industry.

<sup>2</sup> The research included ITSM providers that are most prevalent in the marketplace for businesses of similar size to Newfoundland Power.