

1 **Q. (Reference Application, EY Report, page 11) Would it be better to wait until there is**
 2 **greater understanding and clarity of rate mitigation, the Muskrat Falls Project and**
 3 **Hydro’s Reliability and Resource Adequacy Study to ensure the proposed CSS is**
 4 **compatible?**
 5

6 A. No, it would not be better to wait until there is greater understanding and clarity of rate
 7 mitigation, the Muskrat Falls Project or Hydro’s Reliability and Resource Adequacy
 8 Study to ensure the proposed Customer Information System (“CIS”) is compatible.
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10 Implementing a modern CIS will align Newfoundland Power with current industry
 11 practice.¹ These systems are designed to deliver all core customer service functionality
 12 through the base product or standard configuration.² Vendor-provided upgrade strategies
 13 ensure modern CIS solutions keep pace with changing industry trends and business
 14 requirements.³ This ensures a modern CIS is compatible in a broad range of
 15 environments.
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17 A modern CIS will provide capabilities beyond those of Newfoundland Power’s existing
 18 system. The implementation of a modern CIS will place the Company in a better position
 19 to evolve its customer service delivery over time in response to changing customer
 20 expectations and regulatory requirements.
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22 For example, Newfoundland Power participated in the rate mitigation reference to the
 23 Board. In its Final Report, the Board recommended the Provincial Government
 24 “Continue ongoing work in relation to electrification potential, conservation demand
 25 management and the role of rate design in supporting appropriate electrification and
 26 conservation demand programs.”⁴ Newfoundland Power’s existing Customer Service
 27 System could not be modified to deliver complex rate designs (e.g. time of use rates) to
 28 support electrification or conservation programs for customers. Complex rate design
 29 functionality is standard within a modern CIS.⁵
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31 It is currently unclear whether rate mitigation, the Muskrat Falls Project or Hydro’s
 32 Reliability and Resource Adequacy Study will impact Newfoundland Power’s customer
 33 service delivery. However, a modern CIS will ensure the Company can adapt its service
 34 delivery to meet changing requirements over the long term.
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36 For additional information on why the replacement of Newfoundland Power’s Customer
 37 Service System cannot be deferred, see response to Request for Information
 38 CA-NP-070.

¹ See the 2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment A, Appendix A, pages 5 to 7.

² See the 2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment A, page 15.

³ See the 2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment A, page 10.

⁴ See the Board’s Final Report, February 7, 2020, page 109.

⁵ Newfoundland Power’s research has determined time-of-use rates may provide value to customers in the 2030 to 2034 timeframe. This is within the expected useful service life of a modern CIS. For more information, see response to Request for Information CA-NP-073.