

1 **Q. (Reference Application, EY Report, page 23) It is stated that costs for the proposed**
2 **CSS will be \$106 per customer. What are the estimated offsetting savings? What**
3 **might NP cut from its 2021 Capital Budget to reduce costs by \$106 per customer?**
4 **Were the costs associated with the CSS purchase given to NP's customer survey**
5 **group and/or focus groups to determine ratepayer reaction to such a large**
6 **expenditure?**

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8 A. With respect to the estimated offsetting savings, see response to Request for Information
9 CA-NP-075.

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11 With respect to cutting capital expenditures, all expenditures proposed in Newfoundland
12 Power's *2021 Capital Budget Application* are necessary to fulfill the Company's
13 obligation to provide safe and reliable service to customers at least-cost. Capital
14 expenditures that were not necessary to meet these requirements were deferred.¹ Cutting
15 additional projects from Newfoundland Power's 2021 Capital Budget to reduce costs by
16 \$106 per customer would be inconsistent with the Company's obligation to provide safe
17 and reliable service to customers at least-cost.

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19 With respect to the focus groups conducted as part of this project, no, the associated costs
20 were not provided to customers. Replacement of Newfoundland Power's Customer
21 Service System is necessary to continue providing least-cost and responsive customer
22 service. The focus groups conducted as part of this project were designed to understand
23 customers' service expectations and opportunities to improve customer service delivery
24 in the future. The results of the focus groups show that the functionality provided by a
25 modern Customer Information System is consistent with customers' service
26 expectations.²

¹ Three projects totalling \$12 million were originally planned for 2021, but were subsequently deferred and not included in the budget. For more information, see the *2021 Capital Budget Application, Volume 1, 2021 Capital Plan*, page 8, Table 2.

² See the *2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment B, Appendix 1*.