

- 1 **Q. The response to CA-NP-070 indicates that “deferring replacement of the existing CSS**
 2 **would increase costs to customers. A capital project would be required to replace**
 3 **Newfoundland Power’s server infrastructure in 2020 with technology that is already**
 4 **obsolete.”**
 5
- 6 **a) Please explain the nature of this project.**
 7
- 8 **b) What would it cost, and how much would it increase costs to customers?**
 9
- 10 **c) How does this cost compare to the savings from deferral of the \$31.6 million**
 11 **CSS replacement project?**
 12
- 13 **d) Would the server infrastructure project facilitate deferral of the CSS**
 14 **replacement for a number of additional years?**
 15
- 16 **A. a)** CSS is a critical business application for Newfoundland Power. The Company
 17 maintains the reliable operation of CSS through a combination of periodic hardware
 18 and software upgrades.
 19
- 20 Newfoundland Power generally upgrades its server hardware every 7 years. This
 21 exceeds the industry average of 5 years. Upgrades of server hardware also typically
 22 involve upgrades to related software components to ensure continued compatibility.
 23
- 24 The last hardware upgrade for CSS was completed in 2015.¹ The next hardware
 25 upgrade would typically be completed in 2021.
 26
- 27 Newfoundland Power’s *CSS Replacement Project* proposed for 2021 avoids this
 28 additional investment for customers.² However, should replacement of this system
 29 be deferred by 1 or more years, a system upgrade would be required.
 30
- 31 **b)** The cost of this system upgrade is approximately \$1.6 million.³
 32
- 33 **c)** See part (d).
 34
- 35 **d)** No, the system upgrade described above would not facilitate the deferral of the *CSS*
 36 *Replacement Project*.
 37
- 38 Should the proposed *CSS Replacement Project* be deferred, this system upgrade
 39 would be required to manage short-term reliability and security risks associated
 40 with operating obsolete technology. The upgrade would not mitigate any of the

¹ See Newfoundland Power’s 2015 Capital Budget Application, Report 6.3 2015 Shared Server Infrastructure, pages 1 to 2 and Report 6.2 2015 System Upgrades, page 2.

² The server infrastructure underpinning CSS is no longer being manufactured and the existing supply is not expected to last beyond 2020.

³ See response to Request for Information CA-NP-070, page 4, footnote 8.

- 1 vendor, support or functional risks that necessitate system replacement. As a result,
- 2 deferring the replacement of CSS would *increase* overall costs to customers.