

1 **Q. (Reference Application Schedule B, Workforce Management System Replacement,**
2 **page 95 of 99) It is stated “*The budget for this project is based on cost estimates provided***
3 ***by potential suppliers and an estimate for the internal effort required to complete the***
4 ***project.” Was a similar approach followed to produce the cost estimate for the CSS***
5 ***replacement project? Please explain.***
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7 A. While there are similarities, the cost estimate for the *CSS Replacement* project was
8 developed following a different approach.
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10 The cost estimate for the *Workforce Management System Replacement* project was based
11 on an internal assessment by Newfoundland Power.
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13 The cost estimate for the *CSS Replacement* project was based on a recommendation of
14 Ernst and Young LLP (“EY”).¹ EY’s recommended cost estimate was informed by a
15 comprehensive assessment of Newfoundland Power’s operations. This third-party
16 assessment was necessary due to the magnitude and complexity of the *CSS Replacement*
17 project.
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19 However, while there are differences in the approach, both the *Workforce Management*
20 *System Replacement* project and the *CSS Replacement* project included estimates of
21 software costs and the internal effort required to complete the projects.

¹ See Newfoundland Power’s 2021 *Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment A*, page 23.