

1 **Q. Section 1: Introduction**

2
3 **Reference: “2025/2026 General Rate Application,” Newfoundland Power Inc.,**
4 **December 12, 2023, vol. 1, Evidence, sec. 1.1.2, p. 1-3/11–13.**

5 **Page 1-3, lines 11–13 state:**

6 **The Company reduced its gross operating cost per customer by**
7 **approximately 9.5% on an inflation-adjusted basis over the last decade. The**
8 **effective use of technology has been a primary means through which the**
9 **Company has improved its operating efficiency.**

- 10 a) **What other means has Newfoundland Power employed to reduce costs and**
11 **improve operating efficiency in the last decade?**
12 b) **Aside from technological improvements noted what operational efficiencies are**
13 **included within the 2025 and 2026 Test Years?**
14 c) **Please provide a list of technology implementations for each year of the decade**
15 **referenced and the associated cost savings attributed to the reduction in gross**
16 **operating cost per customer.**
17 d) **Please provide the costs associated with each of the capital investments made as**
18 **part of the technology implementations in the decade referenced, including the**
19 **year the project began, the year implemented, and the associated revenue**
20 **requirement impact, including 2023 Actuals, for each year.**

- 21
22 A. a) See the responses to Requests for Information PUB-NP-017, PUB-NP-023 and
23 PUB-NP-027 for information about Newfoundland Power’s initiatives to reduce
24 operating costs and initiatives to increase efficiency.
25
26 b) See part a).
27
28 c) Newfoundland Power implements, or enhances, its operations technologies on an
29 annual basis through its annual *Applications Enhancements* project filed with its
30 capital budget application (“CBA”). These projects are generally started and
31 completed within the budget year.

1 Table 1 provides a listing of the Application Enhancements from 2013 to 2022.¹

**Table 1:
Application Enhancements Projects
2013 to 2022
(\$000s)**

Project	Capital cost	Annual Operating cost savings ²
2013 Application Enhancements: ³ <ul style="list-style-type: none"> • Distribution System Information Management Improvements • Customer Call-back Technology • Group Billing Enhancements • Customer Service Internet Enhancements 	1,380	79
2014 Application Enhancements: ⁴ <ul style="list-style-type: none"> • Human Resources Application Enhancements • Financial Planning and Forecasting • Crew Management Improvements • Month End Automation • Customer Service Internet Enhancements 	1,372	87
2015 Application Enhancements: ⁵ <ul style="list-style-type: none"> • Inventory Management Improvements • Property Records Management System Improvements • Customer Outage Communication and Notification • Customer Service Internet Enhancements 	1,325	80
2016 Application Enhancements: ⁶ <ul style="list-style-type: none"> • Payroll Process Enhancements • Vehicle Inspection Enhancements • Customer Service Internet Enhancements 	1,143	61

¹ In addition to the application enhancements listed, Newfoundland Power completes enhancements to the takeCHARGE website and various other minor enhancements each year.

² Based on total year one net operating savings for all application enhancements outlined in the *Application Enhancements* project for each respective year filed with the Company's annual CBA.

³ See Newfoundland Power's 2013 CBA, Schedule B, Page 79.

⁴ See Newfoundland Power's 2014 CBA, Schedule B, Page 71.

⁵ See Newfoundland Power's 2015 CBA, Schedule B, Page 79.

⁶ See Newfoundland Power's 2016 CBA, Schedule B, Page 78.

**Table 1:
Application Enhancements Projects
2013 to 2022
(\$000s)
(Continued)**

2017 Application Enhancements: ⁷	1,003	26
<ul style="list-style-type: none"> • Customer-Employee Interaction Management • Contact Center Enhancements • Customer Service Internet Enhancements 		
2018 Application Enhancements: ⁸	858	-
<ul style="list-style-type: none"> • Safety and Environment Management System Upgrade • Field Collections by Electronic Payment • Introduction of a New Area Code and Ten-Digit Dialing 		
2019 Application Enhancements: ⁹	1,252	31
<ul style="list-style-type: none"> • Electronic Tailboard Enhancements • Technical Work Request (TWR) Billing Enhancements • Customer Contact Validation • Weather Normalization System (WNS) Enhancements • Customer Website Equal Payment Plan Enhancements 		
2020 Application Enhancements: ¹⁰	1,428	111
<ul style="list-style-type: none"> • Technical Work Request System Enhancements • Human Resource Management System Enhancements • Customer Website Self-Service Enhancements • Customer Website Chat Enhancements 		
2021 Application Enhancements: ¹¹	978	110
<ul style="list-style-type: none"> • Substation Mobile System Enhancements • Human Resource Management System Enhancement 		
2022 Application Enhancements: ¹²	1,007	90
<ul style="list-style-type: none"> • Digital Form System Enhancements • Technology Service Management Solution • Dynamics GP Automation 		

1 Newfoundland Power does not complete revenue requirement analysis on a by project
2 basis. In assessing the customer benefits associated with the enhancement of its
3 operation technologies, the Company completes net present value analyses (“NPV”).

⁷ See Newfoundland Power’s 2017 CBA, Schedule B, Page 79.

⁸ See Newfoundland Power’s 2018 CBA, Schedule B, Page 72.

⁹ See Newfoundland Power’s 2019 CBA, Schedule B, Page 74.

¹⁰ See Newfoundland Power’s 2020 CBA, Schedule B, Page 75.

¹¹ See Newfoundland Power’s 2021 CBA, Schedule B, Page 80.

¹² See Newfoundland Power’s 2022 CBA, Schedule B, Page 79.

1 The NPVs are filed with the *Applications Enhancements* project report that is part of
2 Newfoundland Power's annual CBA.¹³

3
4 The Company also implements larger technology projects which can lead to greater
5 operational cost savings. This includes capital projects such as *Automated Meter*
6 *Reading ("AMR") Strategy* and the *LED Street Lighting Replacement Plan*.¹⁴

7
8 As a result of the accelerated deployment of AMR meters, virtually all meters in
9 Newfoundland Power's service territory were automated by year-end 2017.¹⁵ This
10 program has resulted in sustained annual operating savings of approximately
11 \$2.0 million a year.

12
13 The *LED Street Lighting Replacement Plan* has resulted in lower operating
14 requirements for street light maintenance. This capital project has resulted in
15 sustained annual operating savings of approximately \$1.8 million a year commencing
16 in 2021. In addition, there is a reduction in customer rates for LED street lights of
17 13% to 45%.¹⁶

18
19 d) See part c).

¹³ For details on these NPV analyses, see the referenced *Application Enhancements* project reports outlined in part c).

¹⁴ See Order No. P.U. 2 (2019).

¹⁵ The AMR Strategy was initially approved in the Company's *2013 CBA* (see Order No. P.U. 31 (2012)). A strategy for accelerating the deployment of AMR meters was approved as part of the *2016 CBA* (see Order No. P.U. 28 (2015)).

¹⁶ Annual projects associated with the *LED Street Lighting Replacement Plan* have been approved by the Board in the Company's annual CBA filings. The introduction of the LED Street and Area Lighting service option resulted in customer rates for LED street lights that are between 13% to 45% less than the rates for equivalent high-pressure sodium street lights.