

1 **Section 2: Customer Operations/Operating Costs**  
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3 **Q. Volume 1, Section 2, page 2-35, lines 9-11. Newfoundland Power states that regular**  
4 **and standby labour costs are forecast to increase by \$4.4 million from 2022 to 2026**  
5 **and explains “The increase in regular and standby labour primarily reflects a**  
6 **combination of labour inflation and decreased labour costs associated with the**  
7 **enhancement of operation technologies.” Please quantify the decrease in labour**  
8 **costs and provide examples of the estimated decrease in labour costs as a result of**  
9 **the enhancements.**

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11 A. Newfoundland Power uses technology to reduce or eliminate manual business processes.  
12 The Company’s forecast regular and standby operating labour costs are lower by  
13 approximately \$480,000 from 2022 to 2026 forecast associated with the enhancement of  
14 operation technologies.<sup>1</sup> This is approximately 1% of operating labour costs forecast for  
15 2026.<sup>2</sup>

16  
17 The *Application Enhancements* projects approved in the *2023 Capital Budget Application*  
18 were forecast to provide operating savings of approximately \$142,000 in 2023 and  
19 incremental additional savings of \$53,000 in 2024.<sup>3</sup> These projects included *Digital*  
20 *Forms Portfolio Enhancements*, *Virtual Meeting System Replacement*, *Environment*,  
21 *Health and Safety System Replacement*, and *Geographic Information System*  
22 *Enhancement*.<sup>4</sup> The Company has reduced its operating labour forecast by approximately  
23 \$195,000 each year from 2024 forecast to 2026 forecast to reflect these proposed  
24 savings.<sup>5</sup>

25  
26 The *Application Enhancements* projects approved in the *2024 Capital Budget Application*  
27 were forecast to provide operating savings of approximately \$220,000 in 2024.<sup>6</sup> These  
28 projects include *Digital Forms Portfolio Enhancement*, *Workforce Management System*  
29 *Enhancement*, *Daily Time Entry Application Enhancement* and *IT Service Management*  
30 *System Enhancement*.<sup>7</sup> The Company has reduced its operating labour forecast by  
31 approximately \$220,000 each year from 2024 forecast to 2026 forecast to reflect these  
32 proposed savings.  
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34 See the response to Request for Information PUB-NP-017 for additional information on  
35 specific actions Newfoundland Power has taken to reduce its operating costs.

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<sup>1</sup> Total savings include avoided costs related to labour inflation from 2023 to 2026 forecast resulting from the projects included in *Application Enhancements*.

<sup>2</sup> ( $\$480,000 / \$43,882,000$  operating labour costs for 2026 forecast) = 0.01, or approximately 1%.

<sup>3</sup> See Newfoundland Power’s *2023 Capital Budget Application, Report 5.1 2023 Application Enhancements*.

<sup>4</sup> Approved in Order No. P.U. 38 (2022).

<sup>5</sup>  $\$142,000 + \$53,000 = \$195,000$ .

<sup>6</sup> See Newfoundland Power’s *2024 Capital Budget Application, Report 5.1 2024 Application Enhancements*.

<sup>7</sup> Approved in Order No. P.U. 2 (2024).