

1 **Q. (Reference Schedule B, Application Enhancements)**

2
3 **Page 142 states "The application enhancements identified for 2027 will**
4 **advance operational efficiency and provide cost savings for customers."**
5 **Please quantify the cost savings.**
6

7 **A.** The *Application Enhancements* project is an annual project which includes upgrading
8 software applications with the goal of reducing customer costs, enhancing service
9 delivery, and continuing to meet business and customer requirements in an efficient
10 manner over the long term. The Board has recognized that ongoing technology
11 modernization, upgrades, and maintenance enhance a utility's ability to provide least-
12 cost, reliable service.¹ The Board has also provided that benefits of technology are not
13 always readily quantifiable, but generally technology projects can provide value to
14 customers such as by improving the accuracy and timeliness of responses to customer
15 requests and inquiries.²
16

17 For 2027, approximately \$825,000 of the *Application Enhancements* project, which
18 accounts for 57% of the total project budget, relates to enhancing the learning
19 management system, customer service automation, and business modernization
20 initiatives.³
21

22 *Learning Management System*

23 Currently, Newfoundland Power maintains and tracks training requirements manually
24 across a number of different sources. This includes multiple spreadsheets, SharePoint
25 lists, emails and department managed tools. The proposed enhancements to the learning
26 management system will centralize its learning management to automate, document and
27 provide enhanced reporting of training requirements for its employees. The enhancement
28 is anticipated to reduce manual efforts by approximately 600 hours annually, which
29 translates to annual operating efficiencies of \$43,000 associated with these tasks.
30

31 *Customer Service Automation Enhancements*

32 Newfoundland Power implemented a webchat service in 2022, providing customers with
33 an additional communication channel using the Company's website. In 2025, the
34 Company enhanced its webchat function to include additional automation and integration
35 of artificial intelligence ("AI") technology.⁴ Since the implementation of the webchat
36 service, Customer Service Representatives ("CSRs") have handled an average of
37 approximately 21,000 webchat interactions annually.⁵

¹ See Board Order No. P.U. 18 (2026), page 5.

² *Ibid.*

³ \$825,000 / total project budget of \$1,442,000 = 57%.

⁴ See the *2024 Capital Budget Application*, report 5.1 *Application Enhancements*, page 6.

⁵ During the same period, Newfoundland Power received on average over 530,000 total inquiries. This includes contacts via phone, email and webchat.

1 The implementation of the Company's AI-enabled webchat solution ("Alex") in 2025
2 provided an additional channel for customers to obtain information outside of regular
3 business hours.⁶ For example, customers can use the automated webchat to report an
4 outage instead of calling the System Control Centre. Customers can also use the
5 automated webchat to check the status of power outages, determine their account
6 balance or usage history and enroll in paperless billing. Since the introduction of Alex in
7 June 2025, there have been an average of 2,900 monthly interactions during business
8 hours, which translates to \$14,500 per month in avoided CSR costs associated with these
9 tasks, in addition to customers receiving enhanced service and 24/7 access to their
10 information and information on outages. These enhancements also allow for CSRs to
11 focus their efforts on more complex customer requests, inquiries and support, such as
12 those related to high bills.⁷

13
14 The proposed enhancements in the *2027 Capital Budget Application* will provide
15 additional capabilities to the webchat service including customer move-in/move-out
16 requests and enrollment in programs including the automated payment plan and equal
17 payment plan.⁸ These enhancements have the potential to reduce CSR interactions by an
18 estimated 500 per month, which translates to \$3,000 per month in avoided CSR costs
19 associated with these tasks.⁹

20 *Business Modernization*

21 Newfoundland Power routinely seeks to utilize technology to help streamline operations
22 and back-office business processes through the modernization of business processes. In
23 recent years, investments in foundational technology such as AI, digital forms, robotic
24 process automation, enterprise reporting and service desk technology have been
25 enhanced and expanded to provide additional business efficiencies. To date, the
26 Company has implemented more than 30 process improvements under Business
27 Modernization that have delivered measurable operational benefits compared to legacy
28 processes. These improvements reduce manual effort, streamline workflows, improve
29 data quality, and enable employees to focus on higher-value activities. The timing and
30 amount of operating benefits can vary depending on the enhancement.
31

⁶ Alex is an AI-enabled webchat solution that provides customers with 24 hour, 7 day per week access to information and support through the Company's website. The AI webchat solution is intended to improve customer accessibility, provide service outside regular business hours, and offer customers an additional digital service channel. Customers can still avail of the webchat to chat directly with a CSR during regular business hours.

⁷ For example, customer calls related to high bills have increased by approximately 60% in 2025 when compared to 2021.

⁸ See the *2027 Capital Budget Application*, Schedule B, page 141.

⁹ As noted above, reallocation of CSR time from more routine tasks to more complex areas of customer support also allows for the improvement of customer service over the long term without additional resourcing.

1 Most recently, in 2025, the Company implemented an AI-enabled scoring and quality
2 assurance solution for its electronic tailboards under Business Modernization.¹⁰ This
3 solution replaced a manual process whereby approximately 1% of all tailboards were
4 reviewed, to an AI-enabled process where 100% of tailboards are reviewed. This solution
5 scores approximately 15,000 annual electronic tailboards to support pre-job safety
6 planning. As a result, the sample size of tailboard reviews increased from 1% to 100%
7 and provides real-time feedback to line staff to ensure that any lagging safety indicators
8 are addressed. The implementation of this solution has decreased manual review efforts
9 by approximately 750 hours annually, which translates to annual operating efficiencies of
10 \$60,000 associated with these tasks. The operating efficiencies achieved in 2025 are
11 indicative of the annual cost savings achieved through the modernization of business
12 processes and tasks. It is also important to recognize that operating cost savings
13 associated with digitizing more routine or manual tasks can allow the Company to
14 improve its business and customer processes, as well as meet new requirements, without
15 incurring new costs.

16
17 The remaining \$617,000 of the 2027 *Application Enhancements* project relates to
18 TakeCharge website enhancements and other various minor enhancements. TakeCharge
19 website enhancements ensure customers continue to have access to up-to-date
20 information on customer energy programs as well as education and awareness
21 resources, which is a necessary communication tool to support long-term lower energy
22 costs and customer bills. For example, in 2025, the Company's conservation and demand
23 management programs achieved energy savings of 26.1 GWh and peak demand savings
24 of 13.6 MW.¹¹ Other various minor enhancements allow Newfoundland Power to respond
25 to unforeseen business requirements that occur throughout the year, such as legislative
26 and compliance changes, as well as minor enhancements designed to improve customer
27 service and operational efficiency over the long term.¹²

28
29 Overall, any operating cost savings associated with application enhancements are
30 reflected in the Company's operating forecasts in its general rate applications whether
31 through efficiencies embedded into actual results or through known and measurable
32 forecast operating cost savings.¹³

¹⁰ Electronic tailboards, or e-tailboards, are digital pre-job safety planning and briefing tools that allows work crews to document hazards, controls, job scope, and safety discussions electronically before work begins, creating a searchable record for compliance, auditing, and continuous safety improvement. E-tailboards are required before performing field work where a pre-job safety briefing and hazard assessment are needed, ensuring crews identify job risks, discuss controls, and document safe work practices before work begins.

¹¹ See page 2 of the *2025 Conservation, Demand Management and Electrification Report* filed with the Board on April 23, 2026.

¹² While cost savings cannot be quantified for these minor enhancements, they are necessary to meet business and customer requirements in an efficient manner, thereby enhancing Newfoundland Power's ability to provide least-cost, reliable service over the long term consistent with the Board's findings in Order No. P.U. 18 (2026).

¹³ For example, in the *2025/2026 General Rate Application*, the Company reduced its 2026 test year operating labour forecast to reflect operating savings associated with application enhancements.