Further to P.U.B. 18, in reference to the Company's network infrastructure:

Q. How is this inter-office network infrastructure beneficial to consumers and how does such a structure keep costs down.

A. The network is the communications backbone of Newfoundland Power's information technology infrastructure. The existence of the network is essential to the provision of timely response to customers' service requirements and to the efficient operation of the electrical system.

In general, the cost benefits of an electronic communications network lie in the ability to conduct day-to-day business with a reduced reliance on paper-based communications and workflows. From a practical perspective, it would not be possible to provide the levels of service provided by Newfoundland Power today employing the current numbers of employees without an electronic communications network.

The inter-office network infrastructure is the only practical method of providing the information necessary to service customers' requests and inquiries to front-line customer service personnel accurately, and in a timely manner. Without such an inter-office network, administrative staff, Customer Contact Centre staff, regional operations personnel, and System Control Centre (SCC) staff would all have to be located in the same building to access the corporate data.

There are many specific examples of how the inter-office network infrastructure enables the Company to provide service to customers at lower costs than if the network was not in place. Three such examples include:

1. The network enables the seamless connection of staff in offices outside of St. John's to the Customer Contact Centre so they can take calls from customers as if they were on site at the Customer Contact Centre. The network allows these "remote agents" to access the Customer Service System (CSS) and the Company's internal Intranet, upon which the information required to respond to customers' inquiries or service requests is stored. This ensures maximum utilization of regional staff, while reducing the requirement for additional labour in the Customer Contact Centre.

2. The network enables two customer self-service account inquiry options to function by allowing customers to access their individual account information stored on the CSS through either the Internet or through the Company's toll-free customer service number. Because the information can be provided without the assistance of a live operator, this improves the Company's operating efficiency and frees up employees to assist customers with more complex inquiries.

3. The network is a critical component of the Company's SCADA system. This technology provides the Company with the ability to remotely monitor and control parts of the electrical distribution system. When there is a major outage, relays and

|   | reclosers installed in substations send information to the SCADA servers located in   |
|---|---|
| 2 | the Company's System Control Centre (SCC). This enables employees in the SCC to       |
| 3 | perform remote diagnostics and switching in an attempt to restore power before a line |
| 1 | crew arrives. This technology improves the Company's ability to respond to outages    |
| 5 | in a timely and cost effective manner.  |