1 **Information Technology**
2 **General**
3
4 **Q. NP alleges that its Information Technology projects will provide the following**
5 **benefits:**
6 **a) reduction in the dependency on custom code, resulting in fewer software changes.**
7 **(see Appendix 1, Page3, Line 1; Appendix 3, Page 1, Line 21; Appendix 3, Page 1,**
8 **Last Line on Page; Appendix 3, Page 2, 3 rd Last Line)**
9 **b) reduction or elimination in the need to create company specific modifications or**
10 **"workarounds". (see Appendix 2, page 3, 3 rd line from the bottom)**
11 **c) increased system reliability and reduction in IT staff support requirements**
12 **allowing NP to "do more with less" by freeing up valuable IT resources.**
13
14 **What specific examples can NP provide to demonstrate how these alleged benefits**
15 **will reduce NP's overall IT costs and/or improve operational efficiency. Provide any**
16 **ROI calculations.**
17
18 A. Newfoundland Power could not find the reference in its 2004 Capital Budget Application
19 for the statement that is made in part c) of the above question.
20
21 The Company is able to judge the effectiveness of its IT investments as a whole based on
22 such corporate measures as customer satisfaction, workforce levels, and operating costs
23 per customer as described in Appendix B of the Information Technology Strategy 2004 –
24 2008. It is not generally possible to draw a link between an individual project metric and
25 the overall level of customer service or overall cost reductions as so many different
26 factors impact such measurements.
27
28 However, the following examples illustrate operational efficiency improvements
29 anticipated in the IS department as a result of the projects proposed for 2004.
30
31 The Company modifies customer bill messages four to five times a year to communicate
32 such things as Equal Payment Plan information, reasons for meter reading estimates and
33 customer rebates. Approximately one to two weeks of effort is required each time to
34 change and test the custom code used to format and print the bill message correctly on the
35 bills. With the implementation of new bill format and print processes, it is expected this
36 effort would be cut in half.
37
38 The IS department receives ten to twelve requests annually to enhance the user
39 navigation and document organization features of the Company's Intranet, such as adding
40 a new section or improving search and update capabilities. Changes of this nature
41 currently require approximately one week of programming and testing effort for each
42 request. Using intranet management software, it is expected this effort would be reduced
43 to approximately one day.
44
45 No ROI calculations have been completed for these efficiency opportunities.