

1 **Q. In the executive summary (page 1) it is stated:**

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3 **“The overall recommendation arising from the review is that Newfoundland Power**
4 **should formalize and deepen its examination of CSS modernization options to**
5 **include a thorough evaluation of the costs and benefits of replacement and**
6 **deployment options. *In addition, Newfoundland Power should develop contingency***
7 ***plans for CSS support and training to mitigate any unexpected loss of key personnel***
8 ***over the next five years.” (emphasis added)***

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- 10 a) **Does this statement imply that at the time of its study EY believed that the**
11 **existing CSS could operate satisfactorily until at least 2028 provided NP**
12 **implemented a contingency plan for CSS support and training to mitigate the**
13 **unexpected loss of key personnel?**
- 14
- 15 b) **It is understood that NP did not develop contingency plans as recommended by**
16 **EY. Why not, given EY’s expertise in this field? Please explain.**
- 17
- 18 c) **Given EY’s involvement in the CSS replacement project since 2018, how can**
19 **EY be considered an independent expert in recommending that NP “*formalize***
20 ***and deepen its examination of CSS modernization options to include a thorough***
21 ***evaluation of the costs and benefits of replacement and deployment options”***
22 **given the fact that it would be allowed to bid on this work? Please explain.**
- 23
- 24 d) **Was the fact that EY would not be disqualified from bidding the second and**
25 **third assignments relating to this project a condition of its bid on the risk**
26 **assessment assignment? When was EY notified it would not be disqualified?**
27 **Did any such discussion take place at any time with EY?**

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29 A. a) No, this statement does not imply that at the time of its study EY believed that the
30 existing CSS could operate satisfactorily until at least 2028.

31
32 EY’s report assessed the risks facing CSS in 2018 and how those risks were
33 forecast to change over the subsequent 5 to 10 years. The 2018 report found the
34 risks facing CSS were forecast to increase across all dimensions over this period.
35 For example, the 2018 report considered risks that vendors would no longer sell or
36 support key CSS technologies. EY assessed this risk was “moderate-high” in 2018,
37 and was forecast to increase to “high” over the subsequent 5 to 10 years.

38
39 Given this increasing risk profile and the criticality of CSS, EY recommended
40 Newfoundland Power examine modernization options.

41
42 Newfoundland Power required approximately 2 years to assess available
43 modernization options. The contingency plans for CSS support and training, as
44 recommended by EY, were proposed as short-term measures to manage unexpected
45 losses of resources while this work is ongoing.

- 1 b) Based on Newfoundland Power’s research, it is not feasible to develop a
2 contingency plan for CSS support and training.
3

4 CSS support and maintenance requires highly technical skills in the areas of
5 software design and computer programming. Newfoundland Power does not
6 maintain the capabilities to deliver this training in-house. The Company therefore
7 explored options to obtain training services.
8

9 The Company conducted a survey of postsecondary institutions in 2018. The
10 survey confirmed there are no training options available from postsecondary
11 institutions for the specific computer programming languages used to design CSS
12 (e.g. PowerHouse and Axiant).
13

14 In the past, Newfoundland Power employees have availed of vendor-provided
15 training options. The Company contacted the vendor of its CSS programming
16 languages, Unicom Global, to enquire about the availability of training options in
17 2020. The vendor indicated they do not employ training personnel for these
18 programming languages.
19

20 The Company implements contingency plans to maintain service for customers over
21 the short term in the event of a CSS failure. For more information, see response to
22 Request for Information PUB-NP-017.
23

- 24 c) The timing and scope of the specific work required to assess modernization options,
25 including any required advisory services, was not known at the time of EY’s 2018
26 risk assessment.¹ As a result, EY would not have been aware of any future work to
27 be commissioned by Newfoundland Power with respect to this project.
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29 For information on the independence of EY, see responses to Requests for
30 Information CA-NP-138 and CA-NP-139.
31

- 32 d) No, the fact that EY would not be disqualified from bidding on the second and third
33 assignments was not a condition of its bid on the risk assessment. As stated above,
34 the timing and scope of the specific work required to assess modernization options,
35 including any required advisory services, was not known at the time of EY’s 2018
36 assessment.¹ As a result, there were no discussions of the second and third
37 assignments.

¹ This assessment and planning framework was filed with the Board in response to Request for Information PUB-NP-008 as part of the Company’s 2019/2020 General Rate Application.