Q. In its risk assessment did EY consider actual failure rates? For example, did EY examine failure rates over a number of years to determine if they were increasing? Did EY consider failure rates in light of the availability of the back-up function on the existing CSS?

A. CSS is a critical business application. The system is used to provide all programs and services to customers and stores a significant amount of customer information. Given the criticality of this system, frequent or prolonged failures would lead to a material degradation of service to customers. Newfoundland Power therefore carefully manages both the probability and consequences of system failure.

With respect to the 2018 assessment, failure rates were considered by EY under the Reliability and Security risk dimension. A "high" Reliability and Security risk rating would be a significant concern for Newfoundland Power's customers. For example, a high rating may indicate that customers' information is vulnerable to a cybersecurity threat.

EY considered the back-up, or disaster recovery, capabilities of CSS in its assessment.[1] As observed by EY: *"From a reliability standpoint, the system is stable and unplanned outages are infrequent."*[2] EY therefore determined the Reliability and Security risk of CSS was "low-moderate" in 2018.

For information on the other risks facing CSS and why system replacement is required by 2023, see response to Request for Information PUB-NP-014.

[1] See EY, *CSS Technical Risk Assessment*, June 2018, Appendix B.
[2] See EY, *CSS Technical Risk Assessment*, June 2018, page 17.