

1 **Q. The CSS Replacement Project is estimated to cost \$31.6 million over a 3-year**
2 **implementation period. NP describes the project as a once in a generation project.**
3 **Does EY typically quantify risks and benefits to consumers for projects of this**
4 **magnitude? Was EY directed by NP to quantify project risks and benefits?**
5

6 A. In EY's experience, risks and benefits to consumers for projects of this magnitude are
7 typically described in qualitative terms. Benefits are typically articulated in qualitative
8 terms – to ensure continuity of customer service and providing the ability to meet ever
9 evolving customer, regulatory and industry expectations. Risks are also articulated in
10 qualitative terms - EY utilized probability and impact assessment criteria to perform a
11 qualitative risk analysis during our 2018 CSS Technical Risk Assessment. The
12 probability and impact matrix is a standard tool in the Project Management Institute
13 (PMI) Project Management Body of Knowledge (PMBOK) that uses a combination of
14 probability and impact scores to rank and prioritize individual risks. Further details on
15 the criteria used in determining risk scores can be referenced in PUB-NP-021.
16

17 There are many factors that would make quantification challenging for Newfoundland
18 Power's CSS assessment, including: unavailability of comparable past data -
19 Newfoundland Power's situation and CSS environment are very unique (28-year old
20 highly customized system and large number of interfaces to other highly customized
21 systems); a wide range of potential disruption outcomes from minor to major to critical
22 failure (including consequence and remediation); and the number and interdependencies
23 of inputs and variables related to the identified risk dimensions, many of which continue
24 to evolve rapidly. Newfoundland Power would be challenged to perform quantification
25 with outcomes predicated at reasonable confidence levels. The costs associated to build
26 such a model would be high and, for the challenges noted above, would likely outweigh
27 the benefits for the Newfoundland Power's CSS assessment.
28

29 EY was not directed by Newfoundland Power to provide quantification of project risks
30 and benefits.