

1 **Q. Reference: “2021 Capital Budget Application,” Newfoundland Power, July 9, 2020**
 2 **Volume 1, Customer Service Continuity Plan, Attachment 1 “Ernst & Young LLP**
 3 **Customer Information System: Assessment Results and Planning**
 4 **Recommendations” at p. 4**
 5

6 **In the 2018 Risk Assessment, Ernst & Young LLP recommended “. . . that**
 7 **Newfoundland Power should formalize and deepen its examination of CSS**
 8 **modernization options to include a thorough evaluation of the costs and benefits of**
 9 **replacement and deployment options.” Was a cost-benefit analysis completed? If so,**
 10 **please provide. If not, why not? Have any tangible benefits been identified and if so,**
 11 **please provide details on these benefits?**
 12

13 **A.** Yes, Newfoundland Power completed a thorough evaluation of the costs and benefits of
 14 implementing a modern Customer Information System (“CIS”).¹
 15

16 The costs associated with implementing a modern CIS, including the initial capital costs
 17 and estimates of sustaining operating and capital costs, are outlined in the Company’s
 18 *Customer Service Continuity Plan*.² All cost estimates were based on a comprehensive
 19 assessment of Newfoundland Power operations, industry experience and best practices.
 20

21 The customer benefits of implementing a modern CIS are also outlined in the *Customer*
 22 *Service Continuity Plan*. The plan shows that a modern CIS would: (i) provide continuity
 23 in Newfoundland Power’s customer service delivery; (ii) permit the Company to
 24 maintain its service efficiency over the longer term; and (iii) provide opportunities to
 25 improve the customer experience going forward.³
 26

27 With respect to tangible customer benefits, a modern CIS would provide functionality
 28 that is beyond the capabilities of Newfoundland Power’s existing, 27-year old system.
 29 Additionally, given a modern CIS has an expected service life of at least 15 years, it is
 30 necessary to ensure the solution that is implemented will be responsive to customers’
 31 service expectations over the long term.
 32

33 Newfoundland Power’s *Customer Service Continuity Plan* takes a long-term view of
 34 what tangible benefits may be realized for customers in implementing a modern CIS.
 35 The Company’s plan outlines 29 potential future enhancements to its customer service

¹ A modern CIS was assessed to be the only viable alternative to ensure continuity in Newfoundland Power’s customer service delivery. For information on the assessment of alternatives, see response to Request for Information NLH-NP-001.

² See the *2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment A*, pages 23 to 24.

³ See the *2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan*, pages 16 to 19.

1 delivery.⁴ They include:

- 2
- 3 (i) 8 enhancements to the customer website, such as increased real-time customer
4 account information, enhanced self-service capabilities for commercial customers,
5 and an online calculator for customers to estimate bills between meter reads;
6
- 7 (ii) 7 enhancements to customer communication, such as more proactive notifications
8 for customers, the ability to personalize communication via preferred channels,
9 and an online customer chat option;
10
- 11 (iii) 5 opportunities to streamline existing business processes to ensure customers
12 receive timely and efficient service, such as automated service transfers and
13 electronic identity verification for customers establishing a new service;
14
- 15 (iv) 5 new or expanded service offerings, such as the ability to set call-back times or
16 more flexible account management options for commercial customers; and
17
- 18 (v) 4 opportunities to provide better information to employees serving customers,
19 such as the ability to flag accounts associated with small businesses and a 360°
20 view of the customer when responding to enquiries.
21

22 These potential enhancements are consistent with customers' service expectations.⁵
23 Newfoundland Power will evaluate the customer benefits and costs of each enhancement
24 over the short, medium or long term.

⁴ See the *2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment B*, pages 9 to 17.

⁵ During focus groups conducted in 2020, customers noted: (i) a desire for more access to real-time information to understand their usage and opportunities to reduce energy; (ii) the need for personalized communication, including outage alerts and information on available programs; (iii) the desire to communicate with Newfoundland Power via online chat; and (iv) the importance of reaching someone who is well informed and able to resolve their issue. See Newfoundland Power's *2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment C, Appendix 1*.