

1 **Q. Reference: “2022 Capital Budget Application,” Newfoundland Power, May 18,**
 2 **2021, Volume 1, Section 7.1, 2022 Application Enhancements**
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4 **For each of the enhancements detailed in Appendices A, B, and C, Newfoundland**
 5 **Power has identified labour savings for Years 0 to 7. Will these labour savings result**
 6 **in a reduction in full-time equivalents (“FTE”)? If yes, how many FTEs are**
 7 **expected to be eliminated as a result? If not, how will these labour savings be**
 8 **achieved?**
 9

10 A. Newfoundland Power does not determine full-time equivalent (“FTE”) requirements
 11 based solely on individual projects, but through an overall assessment of workforce
 12 capacity and capability to effectively match changing work requirements. Accordingly,
 13 the labour savings identified in Appendices A, B, and C of the *2022 Application*
 14 *Enhancements* project will not necessarily result in a direct reduction in FTEs. However,
 15 these enhancements will contribute to Newfoundland Power’s ability to achieve
 16 sustainable long-term operating efficiencies and address additional work requirements
 17 without requiring an increase to internal labour resources.¹ In the short-term, labour
 18 savings can be achieved through reduced requirements for overtime, temporary hires and
 19 external contractor resources.
 20

21 The *Digital Forms System Enhancement* project will result in a reduction of manual
 22 labour associated with the work observations and contractor forms, as well as ensure
 23 operating efficiencies gained from electronic job risk assessments (“tailboards”) are
 24 maintained.² This project will result in reduced overtime requirements and increase the
 25 number of customer jobs completed during regular work days and during storm events.
 26

27 The *Dynamics Great Plains Automation* project will automate work that is currently
 28 completed manually by a small group of employees. This project will result in reduced
 29 overtime requirements for these manual processes during peak financial reporting
 30 periods.³ Further, additional work requirements related to financial compliance and
 31 analysis can be met without an increase in labour resources.
 32

33 The *Technology Service Management Solution* will create efficiencies in managing
 34 technology requests by eliminating manual processes and reducing the number of
 35 requests received by the technology staff.⁴ This project will reduce external technology

¹ A positive net present value indicates that the project is consistent with least cost service to customers and will contribute to productivity and operating efficiency.

² Newfoundland Power implemented electronic tailboards in 2015. The Company currently completes approximately 32,000 annual tailboards. 26,000 are completed electronically by field staff (66 line crews x 195 average on-road days yearly x 2 tailboards/day average = 25,740) and approximately 6,000 annual tailboards are currently completed manually by maintenance operations employees.

³ For example, the Company currently creates 3,000 projects manually each year to track costs incurred throughout the year in providing service to customers. This process occurs close to the end of the year, overlapping with year-end financial reporting processes.

⁴ For example, industry guidance indicates that self-service options can reduce direct contacts by approximately 10%. See the *2022 Capital Budget Application, 7.1 2022 Application Enhancements*, page 4.

1 contractor resource requirements and will enable internal resources to meet additional
2 work requirements associated with cybersecurity and computer operating system
3 patching.
4

5 Overall, application enhancement projects include total labour cost efficiency
6 assumptions of \$57,344 in 2022 and \$89,614 in 2023. These savings have been included
7 in the revenue requirements proposed in the *2022/2023 General Rate Application*.⁵ This
8 means that customers served under the rates proposed in that application will receive the
9 benefit of the efficiency assumptions of application enhancement projects whether the
10 Company succeeds in achieving these efficiencies or not.

⁵ The Company's *2022/2023 General Rate Application* was filed with the Board on May 27, 2021.