

Q. Please list 5 cost saving measures that NP has instituted since its last GRA and provide details as to when they were instituted and what results they have produced or are expected to produce.

A. Newfoundland Power's cost management involves a large number of initiatives of varying size, combining to reduce overall costs. Newfoundland Power's approach to cost management is to employ prudent management and sound engineering judgment to ensure that long-term cost control is reasonably balanced with the long-term quality of service it is required to provide to its customers.

Part of Newfoundland Power's ability to effectively manage operating cost is related to the condition of its electrical assets. Newfoundland Power's approach to capital investment balances the maximization of asset lives with the proactive replacement of deteriorated or inefficient plant. This, in turn, enables Newfoundland Power to deliver tangible benefits for customers in terms of lower cost and improved service.

Five initiatives which involve cost savings implemented since the 2008 General Rate Application are:

1. In 2008, the Company and Newfoundland and Labrador Hydro developed a Five-Year Energy Conservation Plan. This joint plan will reduce the overall cost of developing and implementing customer energy conservation programming throughout the Province.
2. In 2008, the Company changed its street light bulb standard. The new standard bulb facilitates more efficient maintenance and will, over time, reduce the number of crew visits associated with street light maintenance. The new standard bulb also has a longer life expectancy.
3. In 2008, the Company introduced the use of handheld computers for distribution inspections. This will, over time, streamline workflow associated with distribution maintenance.
4. In 2008, the Company made improvements to its electronic billing system, or *eBills*, providing the option for customers to receive all forms of communication electronically. This, in concert with ongoing promotion of *eBills*, contributed to a 24% increase in 2008 customer *eBills* participation levels compared to 2007.
5. In 2009, the Company introduced ruggedized laptop computers to be deployed in Company vehicles used by field staff. This enables least cost continued compliance with safety and environmental standards and processes. The introduction of mobile computing has further potential to improve efficiency in customer operations which the Company intends to assess in 2010.