

1 **Q. Tab 6.1 2015 Application Enhancements – Inventory Management Improvements**

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3 **Has Newfoundland Power contacted any other utilities regarding inventory**
4 **management? Has, for example, the CSS with Click, Metering Equipment System**
5 **and Streetlight Management System been utilized across the industry successfully?**
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7 A. Newfoundland Power, like other utilities, deploys a mixture of internally developed
8 software applications and third party software applications to deliver service to its
9 customers. For example, the Company's Customer Service System is an internally
10 developed and supported software application.¹ The Click scheduling and dispatching
11 application is an example of a third party software application used by a number of
12 utilities.² Because each utility's mixture of software applications tends to be somewhat
13 different, there is no one industry standard suite of utility software for all electric utility
14 functions.
15

16 Newfoundland Power regularly communicates with other utilities regarding a variety of
17 matters associated with software applications it uses to deliver service.³ This includes
18 inventory management software applications. These communications help the Company
19 ensure that its deployment of software applications, including inventory management
20 software, is cost effective.⁴

¹ Newfoundland Power's customer service system was custom developed between 1989 and 1992 with the assistance of Anderson Consulting. Because the system is unique to Newfoundland Power, it is maintained by the Company's own employees. Newfoundland and Labrador Hydro's customer service system is a third party software application.

² The Click scheduling and dispatching application is used by a number of Canadian utilities. Fortis BC deployed the Click application in advance of Newfoundland Power and was able to provide assistance and advice to the Company in its deployment of the application.

³ Newfoundland Power is a member of the Canadian Electricity Association Supply Chain group that meets twice a year to discuss, amongst other things, inventory management practices, industry trends, and relevant inventory management concerns within the electric utility industry. The Company also meets twice a year with its affiliate utilities in the Fortis group of utilities to discuss supply chain management, including inventory management, and participates in bi-monthly conference calls. Participation in these groups enables the Company to make informed decisions regarding its own inventory management.

⁴ The inventory management system improvements contained in Newfoundland Power's 2015 Capital Budget Application indicate a net present value of approximately \$47,000 over an expected application life cycle of 10 years (see 6.1: 2015 Application Enhancements, page 3).