

1 **Q. (Reference Application Schedule B, Workforce Management System Replacement,**
 2 **page 94 of 99) It is stated “This project is justified on the obligation to provide reliable**
 3 **service to customers at least cost and cannot be deferred.”**
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5 **a) Please provide evidence based on reliability criteria that Newfoundland Power**
 6 **will be unable to provide reliable service at least cost if it were to delay this project.**

7 **b) Please quantify the impact on the following if the project were delayed by two**
 8 **years: 1) reliability, 2) cost, and 3) the risk and consequences of failure.**
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10 A. a) Newfoundland Power manages its capital expenditures in a manner that balances both
 11 the cost and reliability of the service provided to its customers.¹ The Company is
 12 focused on maintaining current levels of overall service reliability for its customers at
 13 the lowest possible cost.² The *Workforce Management System Replacement* project is
 14 consistent with this objective.
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16 Newfoundland Power responds to approximately 34,000 customer requests for field
 17 work annually, including customer outages and new service connections. The
 18 Company’s workforce management system, Click, is used to support virtually all
 19 customer requests for field work.³
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21 The implementation of Click allowed Newfoundland Power to centralize its
 22 dispatching function. A Central Dispatch team in St. John’s uses Click to schedule,
 23 dispatch and monitor all field work throughout the Company’s service territory. Prior
 24 to implementing Click, these functions were completed separately for each of
 25 Newfoundland Power’s 8 area offices using manual, paper-based processes.⁴
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27 Click has been discontinued by its vendor and will no longer be supported following
 28 2023. Newfoundland Power identified 2 viable alternatives to address the
 29 obsolescence of Click. The primary criteria applied in identifying these alternatives
 30 were: (i) to provide reasonable continuity in the Company’s field response
 31 capabilities; and (ii) to identify the least-cost alternative to achieve this continuity.
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33 Two alternatives were identified to provide continuity in the Company’s field
 34 response: (i) retire the system and revert back to manual, paper-based processes; or
 35 (ii) replace the system with comparable technology. A net present value analysis
 36 determined that replacing Click will provide a net benefit to customers of
 37 approximately \$499,000 over 7 years.⁵

¹ See response to Request for Information NLH-NP-042.

² See response to Request for Information CA-NP-014.

³ See the *2022 Capital Budget Application, Report 7.3 Workforce Management System Replacement*, page 1.

⁴ Ibid.

⁵ Ibid., Appendix A, Attachment A.

1 The *Workforce Management System Replacement* project is consistent with
2 maintaining current levels of service reliability for customers at the lowest possible
3 cost, as further described in part b).
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- 5 b) Delaying the *Workforce Management System Replacement* project by 2 years would
6 require Newfoundland Power to return to a manual, paper-based process for
7 scheduling, dispatching and monitoring field work. The primary consequences of
8 returning to a manual dispatching process is increased costs to customers and reduced
9 service reliability.⁶

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11 The incremental labour cost associated with implementing manual dispatching is
12 approximately \$300,000 per year.⁷
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14 Additionally, manual dispatching processes would increase the amount of time
15 required to respond to customer outages. While line crews currently receive their
16 work assignments electronically, returning to a paper-based process would require
17 this information to be provided manually.
18

19 As an illustrative example, Newfoundland Power experienced approximately 600,000
20 customer interruptions in 2020. Even a modest increase of 2 minutes per interruption
21 would result in over 20,000 additional customer hours of outage.⁸
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23 Delaying the 2022 *Workforce Management System Replacement* project would
24 therefore be inconsistent with maintaining reliable service for customers at the lowest
25 possible cost.

⁶ For information on Newfoundland Power's approach to quantifying risks and benefits, see response to Request for Information CA-NP-014.

⁷ See the 2022 *Capital Budget Application, Report 7.3 Workforce Management System Replacement, Appendix A, Attachment A*, page A-1 and A-2 for details of labour costs.

⁸ 2/60 hours x 600,000 interruptions = 20,000 hours.