

1 **Reference: Section 2: Customer Operations**

2

3 **Q. Volume 1, page 2-36, Footnote 80. Are the costs described in this footnote annual**  
4 **costs and expensed entirely when purchased? If not, indicate the year the specific**  
5 **costs will be incurred and the amortization period of the costs, if applicable.**

6

7 A. Licensing and support costs for third-party hardware and software solutions typically  
8 cover 1 year of service. Newfoundland Power will pay the the total amount for the  
9 12-month service upon receipt of an invoice from a third-party vendor and amortize the  
10 cost into operating expenses over the 12-month service period.

11

12 The costs described in the footnote referenced in this Request for Information reflect the  
13 amortized operating expense.

14

15 See Attachment A for the annual operating expense from 2019 to 2023 forecast, which  
16 reflect the amortized amounts.

**Computing Equipment and Software Costs**  
**Operating Costs**

**Computing Equipment and Software Operating Costs<sup>1</sup>**  
**2019 to 2023 Forecast**  
**(\$000s)**

<b>Category</b>	<b>2019</b>	<b>2020</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2023F vs 2019</b>
Infrastructure and Network Management	222	260	362	388	430	208
Cybersecurity Management	238	281	277	358	506	268
Customer Service Software	531	538	624	642	970	439
Business Back Office Software	133	194	296	311	317	184
Operations and Engineering Software	706	926	1,064	1,157	1,223	517
<b>Total</b>	<b>1,830</b>	<b>2,199</b>	<b>2,623</b>	<b>2,856</b>	<b>3,446</b>	<b>1,616</b>

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<sup>1</sup> See the 2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Exhibit 2, page 1, line 26.