

1 **Reference: 2024 Capital Budget Overview**

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3 **Q. Page 15. Please provide an update on the Customer Service System**  
4 **Replacement project cost, scope, schedule and anticipated savings in**  
5 **comparison to the approved project budget.**

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7 A. The Board approved the *Customer Service System Replacement* project as a three-year  
8 project in Order No. P.U. 12 (2021). The project was designed to be executed in three  
9 stages: (i) procurement of a new Customer Information System ("CIS");  
10 (ii) implementation of the CIS;<sup>1</sup> and (iii) stabilization of the CIS.

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12 Replacement of the existing system is proceeding as approved with no changes to total  
13 project cost, scope and schedule. As there are no changes to the total project cost,  
14 there are no savings when compared to the budget at this time. Of note, the CIS was  
15 deployed on August 14, 2023. The project plan now involves a four-month post  
16 implementation phase for stabilization. Activities included in post implementation  
17 include: (i) minor bug fixes that arise as the software becomes fully operational;  
18 (ii) knowledge transfer and support as staff become more familiar with the new system;  
19 and (iii) wind down and closeout.

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21 Table 1 provides the approved expenditures for the *Customer Service System*  
22 *Replacement* project.

Table 1 Customer Service System Replacement Project Multi-Year Expenditures (\$000s)			
Cost Category	2021 <sup>2</sup>	2022 <sup>3</sup>	2023F
Material	7,186	10,358	3,685
Labour – Internal	1,934	4,132	1,237
Other	783	1,336	995
<b>Total</b>	<b>\$9,903</b>	<b>\$15,826</b>	<b>\$5,917</b>

<sup>1</sup> Includes initiation and planning, confirm and design, development, testing, training and deployment.

<sup>2</sup> Includes a carryover of forecast expenditures of \$7,093,000.

<sup>3</sup> Includes a carryover of forecast expenditures of \$11,860,000.

1 Expenditures for the *Customer Service System Replacement* project total approximately  
2 \$31.6 million. While the project is being executed as approved, the timing of project  
3 approval has resulted in expenditures being carried forward with a greater proportion of  
4 the project being executed in 2023.

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6 Newfoundland Power will continue to provide quarterly updates to the Board on project  
7 execution as part of its Quarterly Regulatory Report. Actual expenditures associated  
8 with the *Customer Service System Replacement* project will be reported to the Board in  
9 the Company's *2023 Capital Expenditure Report*.