

- 1 **Q. (Reference CA-NP-143 and NLH-NP-025)**
 2 **a) Please quantify the savings resulting from the OMS.**
 3 **b) Please repeat the NPV analysis for the OMS system alternatives using a**
 4 **9.0% discount rate.**

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 6 A. a) The benefits associated with the OMS include improved efficiency and customer
 7 service through: (i) reduced patrol and response time to address incidents; (ii)
 8 improved availability and timeliness of information for customers affected by
 9 outages; and (iii) a reduction in the number of enquiries to the customer contact
 10 centre related to outages.

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 12 Newfoundland Power has responded to over 24,000 incidents since the
 13 implementation of OMS in late 2019. The Company has not quantified the cost
 14 associated with manually processing outage management notifications over that
 15 period. However, Newfoundland Power observes that, in general, the efficiencies
 16 resulting from OMS result in lower labour costs in comparison to manually
 17 addressing outage management response.

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 19 Overall, the NPV analysis of the two alternatives considered for the OMS Upgrade
 20 indicates that proceeding with the major upgrade starting in 2025 would provide a
 21 benefit to customers of approximately \$279,000.

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 23 b) Table 1 provides the NPV analysis for the OMS system alternatives using a 9.0%
 24 discount rate. This analysis indicates that proceeding with the major upgrade
 25 starting in 2025 continues to be the least cost alternative and would provide a
 26 benefit to customers of approximately \$159,000.

Table 1: OMS Upgrade Net Present Value Analysis Results at 9.0% Discount Rate (\$000s)		
Item	Total Costs	NPV
Alternative 1 – Minor Upgrade in 2026 and Major Upgrade in 2027-2028	4,192	3,383
Alternative 2 – Major Upgrade in 2025-2026	3,520	3,224
Difference	672	159