

1 **Q. (Reference Application) In reference to NP’s Workforce Management System**
 2 **Replacement approved by the Board in Order No. P.U. 36 (2021):**

3 **a) Please inform what the total cost of the replacement system was and**
 4 **compare the proposed cost to the actual expenditure.**

5 **b) Please inform as to the efficiencies and quantify the cost savings which**
 6 **resulted from the Workplace Management System Replacement and how**
 7 **these savings, if any, were passed on to ratepayers.**

8 **c) What alternatives were considered in this Workforce Management System**
 9 **Replacement, and were leasing alternatives considered and quantified?**
 10 **And if not, why not?**

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 12 A. a) The *Workforce Management System Replacement* project will be completed in the
 13 fourth quarter of 2023. Total project costs will not be available until the project is
 14 complete. For current year to date expenditures on the project, see Newfoundland
 15 Power’s *2024 Capital Budget Application, 2023 Capital Budget Expenditure Status*
 16 *Report*, page 6.

17
 18 b) The replacement Workforce Management System, once fully implemented, will allow
 19 the Company to maintain current levels of productivity for dispatching and
 20 monitoring field crews. A net present value (“NPV”) analysis determined that
 21 replacing the system would reduce costs to customers by approximately \$499,000
 22 over seven years in comparison to implementing manual workforce management
 23 processes.¹ The cost efficiencies associated with using a Workforce Management
 24 System are reflected in current customer rates.²

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 26 c) Newfoundland Power assessed all viable alternatives to provide continuity in its field
 27 response capabilities following the obsolescence of the existing Workforce
 28 Management System. A NPV analysis determined that implementing a replacement
 29 Workforce Management System is the least-cost alternative.³ Implementing a
 30 replacement system is also consistent with sound public utility practice.⁴

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 32 Newfoundland Power does not lease (i.e. outsource) its critical business applications,
 33 such as its Workforce Management System. Newfoundland Power’s Workforce
 34 Management System is used in responding to approximately 34,000 customer
 35 requests for field work each year.⁵ It is essential to the Company’s response to
 36 customer outages, particularly during significant electrical system events. The
 37 criticality of the system requires a high degree of system availability and
 38 performance. Leased applications can be unavailable for periods of time due to

1 See Newfoundland Power’s *2022 Capital Budget Application*, report 7.3 *Workforce Management System Replacement*, Appendix A, page 9.

2 The *Workforce Management System Replacement* project replaced the Company’s existing Workforce Management System. Without replacement of the system, customer costs would increase as a result of implementing manual workforce management processes.

3 See Newfoundland Power’s *2022 Capital Budget Application*, report 7.3 *Workforce Management System Replacement*, Appendix A, *Attachment A Net Present Value Analysis*.

4 *Ibid.*, Section 4.0 *Customer Benefits*, page 10.

5 *Ibid.*, page 3.

Requests for Information

- 1 vendor maintenance and other issues. Due to the critical nature of the Company's
- 2 Workforce Management System, leasing alternatives were not viable.