

1 **Q. (Reference Application, Customer Service Continuity Plan) Is it feasible for NP to**
2 **contract out its CSS operation to a third party? What efficiencies might be gained?**

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4 A. No, it is not feasible for Newfoundland Power to contract out operation of its Customer
5 Service System (“CSS”).
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7 From a support and maintenance perspective, CSS is highly customized and unique to
8 Newfoundland Power. The system was implemented in 1993 based on a Customer/1
9 installation. Following the expiry of vendor support in 1997, the system was technically
10 migrated to an OpenVMS platform using PowerHouse, Axiant and COBOL
11 programming languages. This combination of technologies is unique to Newfoundland
12 Power and the skills necessary to support these technologies are no longer commonplace
13 in the labour market. Additionally, CSS has been highly customized over the last 20
14 years to deliver specific requirements, such as the RSP Refund in 2016.
15

16 Given the unique and highly customized nature of Newfoundland Power’s CSS, it is not
17 feasible to contract out support and maintenance requirements.
18

19 From an overall operations perspective, CSS is essential to all customer service delivery
20 functions at Newfoundland Power. As outlined in the *Customer Service Continuity Plan*,
21 functions completed by CSS include:
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- 23 (i) Storing and maintaining information related to over 269,000 active customer
24 accounts and over 1 million inactive accounts;
- 25 (ii) Processing monthly metering data to automatically generate virtually all customer
26 bills, including the automatic issuance of ebills to customers;
- 27 (iii) Tracking and applying customer payments and payment arrangements, including
28 generating automatic correspondence and calls to customers;
- 29 (iv) Connecting directly with the customer website and telephone system to provide
30 self-service options, including the ability for customers to view account balances,
31 request payment arrangements, and report outages online;
- 32 (v) Providing a record of customers’ service history and previous contacts with
33 Newfoundland Power to facilitate responding to customers’ enquiries;
- 34 (vi) Facilitating the delivery of programs and services to customers, including all on-
35 bill customer conservation rebates and customer financing programs; and
- 36 (vii) Logging and tracking day-to-day work queues for customer service staff, such as
37 customer billing adjustments, high billing enquiries, and energy conservation
38 requests.¹
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40 Contracting out operation of Newfoundland Power’s CSS would, in effect, require
41 contracting out the Company’s customer service delivery function. This would
42 fundamentally restrict Newfoundland Power’s ability to manage its operations in a
43 manner responsive to customers’ service expectations.
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¹ See the *2021 Capital Budget Application, Volume I, Customer Service Continuity Plan*, pages 5 to 6.

1 Newfoundland Power provides responsive service to its customers at least cost. Over the
2 20-year period 1999 to 2019, customer service costs were reduced by approximately 43%
3 on an inflation-adjusted basis.² Customer satisfaction remained reasonably consistent
4 over this period, averaging approximately 88%.³

² Efficiency initiatives implemented by the Company to achieve this cost performance for customers are described in response to Request for Information NLH-NP-002.

³ See the *2021 Capital Budget Application, Volume I, Customer Service Continuity Plan*, page 4.