

1 **Q. Newfoundland Power is subject to cost of service regulation, and like all regulated**
2 **jurisdictions, regulatory precedent is an important consideration. Yet neither EY**
3 **nor NP have put on the record cost data for CSS replacement projects in other**
4 **jurisdictions. It is difficult for the intervenors and the Board to faithfully accept the**
5 **EY estimate given the absence of such information on the record (CA-NP-162 and**
6 **CA-NP-163). It would seem that many of these utilities are regulated so the budget**
7 **estimates and actual costs should be publicly available. Why has EY not provided**
8 **such information in its report? In EY's experience, do regulators in other**
9 **jurisdictions simply accept CSS replacement projects in the absence of such cost and**
10 **schedule comparators?**

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12 **A.** Each CIS implementation is unique in its own circumstances, and comparing projected to
13 actual costs would be not be useful and can be misleading due to variations in:
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- 15 • Customer counts
- 16 • Service types (e.g. electric, gas, water, sewer)
- 17 • Rates types (simple or complex)
- 18 • Age of legacy CSS and connected edge-systems
- 19 • Uniqueness of legacy CSS and connected edge-systems
- 20 • Size of the skill of the team that utility can provide to support the implementation
- 21 • Unique regulatory requirements, and whether those are supported through
- 22 configuration by the new system or not
- 23 • Unique utility requirements, and whether those are supported through configuration
- 24 by the new system or not

25 For these reasons, in our experience, utilities build a CSS cost estimate and schedule that
26 is suited to their needs, resources and constraints, and then validate those results against
27 average or aggregate industry data. Refer to CA-NP-176 part c, which provides the
28 assessment process to arrive at the cost estimate recommended to Newfoundland Power.