

6.2 Asset Management Technology Replacement

Q. Further to PUB-NP-017 of Newfoundland Power’s 2024 Capital Budget Application, please provide a further update, including work completed and results to date, on the ongoing review of Newfoundland Power’s asset management practices, including any results of the completion of Newfoundland Power’s asset management review and whether any regulatory approvals will be required for implementation of any of the review findings.

A. The Company’s framework for its asset management review has been provided as Attachment A in the response to Request for Information PUB-NP-016 from Newfoundland Power’s *2024 Capital Budget Application*. An update on the progress of the review can be found in Appendix B of Newfoundland Power’s *2025-2029 Capital Plan*. The asset management review framework is divided into three major phases: (i) the current state assessment; (ii) the target state assessment; and (iii) implementation planning.

The current state assessment was completed as of March 2023. The current state assessment involved benchmarking Newfoundland Power’s asset management maturity against clauses of ISO 55001. This is a standard approach used by utilities to understand the current state of their asset management. This allows a utility to place its processes on a standardized spectrum of asset management maturity. The benchmarking exercise identified opportunities for assessment which were categorized into three areas: (i) organizational approach; (ii) plans and processes; and (iii) data and technology.

The target state assessment was completed as of March 2024. As part of the target state assessment, the opportunities identified in the current state assessment were grouped into seven milestones.¹

Initiatives completed in the seven milestones include:

- i. A library of documentation was compiled which details how Newfoundland Power currently conducts asset management;
- ii. Internal knowledge capacity was expanded upon through a five-day Institute of Asset Management training course conducted by an external consultant, after which 21 employees became certified in asset management;
- iii. A pilot project was completed which helped to inform the approach to Newfoundland Power’s asset management possible evolution toward asset health indices and quantifiable risk modeling;
- iv. Engagement sessions were held with Newfoundland Power employees across the Island, including knowledge transfer from the asset management training course and an overview of the review;

¹ An update of the seven milestones completed in the target state assessment can be found in Appendix B of the *2025-2029 Capital Plan*.

- 1 v. A review of policies, processes and plans was completed to facilitate next steps
2 in the asset management evolution including inspection and maintenance
3 practices, operational processes, and investment planning;
4 vi. An assessment of data and technology was undertaken to assess how to
5 modernize Newfoundland Power’s asset management technology including the
6 engagement of a third-party consultant; and
7 vii. A resource assessment identified the Company’s current approach to asset
8 management functions as well as the organizational approach, resources and
9 competencies required to meet Newfoundland Power’s objectives.

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11 The Implementation Planning phase is currently underway. An implementation plan is
12 expected to be finalized by the end of 2024. The implementation plan will include a
13 roadmap for asset management initiatives. The implementation plan will consider
14 appropriate timing for other opportunities identified through the target state
15 assessment.

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17 Starting in 2025, the Company intends to replace its current asset management
18 technology due to obsolescence. This project has been proposed in report *6.2 Asset*
19 *Management Technology Replacement* in Newfoundland Power’s *2025 Capital Budget*
20 *Application* for Board approval. Any regulatory approvals in addition to the *Asset*
21 *Management Technology Replacement* project may be identified in the implementation
22 plan. Should regulatory approval be required to implement any additional findings from
23 the review, they will be proposed for Board approval through normal regulatory
24 proceedings, including annual capital budget application applications.

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26 For a more detailed update on the asset management review, refer to Appendix B of the
27 *2025-2029 Capital Plan*.