

1 **Q. (Reference Schedule C, Information Systems, page 5 of 8) What is the total**
2 **cost included in the 2026 CBA for information systems and what are the**
3 **expected productivity savings? How will these savings be tracked for**
4 **inclusion in NP's next GRA?**

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6 **A.** Newfoundland Power is seeking approval for \$12,673,000 in capital expenditure related
7 to Information Systems as part of its 2026 Capital Budget Application ("2026 CBA").¹
8 This includes \$6,290,000 for multi-year projects that were approved in previous years,
9 \$5,101,000 for new single-year projects and programs and \$1,282,000 for new multi-
10 year projects commencing in 2026.

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12 The Company requires the use of information systems for purposes including meeting
13 customer service needs², providing safe and reliable operation of the electrical system³
14 and meeting corporate requirements.⁴ In cases where information systems projects are
15 justified by reducing overall costs to customers, the Company will typically include an
16 NPV analysis. In the 2026 CBA, the projects that are justified by reducing overall costs
17 to customers include the proposed *Customer Correspondence Modernization* project and
18 the *Application Enhancements* project.

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20 The *Customer Correspondence Modernization* project is forecast to provide average
21 annual net operating savings of approximately \$469,000 through; (i) labour savings in
22 Contact Centre operations; (ii) reduced manual processing in bill production;
23 (iii) increased customer self-service; and (iv) improved long-term system support.⁵

24
25 The *Application Enhancements* project will utilize technology to; (i) help streamline
26 operations and back-office business processes; (ii) automate manual repetitive
27 processes; (iii) digitizing manual paper-based processes; and (iv) ensure customers
28 continue to have up-to-date information on customer energy conservation and
29 electrification initiatives.

30
31 The Company completes a fulsome review of its overall revenue requirement in the
32 context of a general rate application. Forecast operating savings would be incorporated
33 within the Company's test year operating forecast. For example, in the Company's
34 *2025/2026 General Rate Application*, forecast operating labour costs were reduced by
35 approximately \$480,000 as a result of technology initiatives.⁶

¹ See Newfoundland Power's *2026 Capital Budget Application*, Schedule A, page 1.

² For example, the Company's Customer Service System, takeCHARGE website and public website.

³ For example, the Company's System Control and Data Acquisition system, Outage Management System and Geographic Information System.

⁴ For example, the Company's Financial system and Human Resources Management System.

⁵ See Newfoundland Power's *2026 Capital Budget Application*, report 4.1 *Customer Correspondence Modernization*, page 6.

⁶ See the response to Request for Information CA-NP-036 filed in relation to Newfoundland Power's *2025/2026 General Rate Application*.