

1 **Q. Reference: "2026 Capital Budget Application," Newfoundland Power Inc.,**  
2 **June 27, 2025, Supporting Materials, Information Systems: 4.2.**

3  
4 **a) Did Newfoundland Power perform a cost-benefit analysis for this project?**  
5 **If so, please provide. If not, why not?**

6  
7 **b) How were the detailed cost estimates developed? Did Newfoundland**  
8 **Power receive quotes from vendors? What industry benchmarks and/or**  
9 **internal modelling used in these estimates?**

10  
11 **c) What ongoing operating and maintenance costs are anticipated for this**  
12 **project post-implementation? Have those life cycle costs been factored into**  
13 **the decision to proceed with the submission of this project in the 2026 CBA?**

14  
15 **A.** a) Newfoundland Power (the "Company") did not perform a cost-benefit analysis for  
16 this project. The costs and benefits of using a Geographic Information System  
17 ("GIS") were considered as part of the initial GIS project in the Company's *2013*  
18 *Capital Budget Application*. Additional benefits and costs associated with the use and  
19 enhancement of GIS were proposed, and approved, in subsequent capital budget  
20 applications in 2015, 2017, and 2021. The proposed project involves upgrading to  
21 the latest supported version of the vendor's software, without which Newfoundland  
22 Power's GIS system will no longer be vendor supported after its obsolescence in  
23 February 2028. Without vendor support, cyber vulnerabilities in the GIS system  
24 cannot be patched, compatibility with underlying infrastructure updates and patches  
25 may cause the software to be unusable and integrations with critical systems may be  
26 unusable due to system updates/patches.

27  
28 GIS is a critical business system for Newfoundland Power. Discontinuing the use of  
29 GIS would result in the loss of improved customer service offerings and operational  
30 efficiencies that justified the original implementation and enhancements of GIS and  
31 therefore was not an acceptable alternative.

32  
33 b) Prior to the inclusion of this project in Newfoundland Power's *2026 Capital Budget*  
34 *Application*, the Company engaged the GIS vendor to complete a readiness  
35 assessment for the proposed upgrade. The vendor conducted workshops with GIS  
36 users and provided technical and cybersecurity support to determine migration  
37 complexity, data readiness and integration planning for the proposed project. The  
38 Company also undertook a detailed planning exercise outlining the project  
39 requirements, including external system integrations, expected duration and effort  
40 level of the project, required resources and required vendor engagement. From  
41 these exercises, the Company developed a detailed project scope. Budgetary  
42 estimates were received from the core GIS vendor as well as estimates from  
43 software integration services vendors on their identified scopes of work.<sup>1</sup> These

---

<sup>1</sup> Integrating applications include the Company's Outage Management System ("OMS"), Asset Management System ("AMS"), amongst others. Integration code for each of these business systems must be redeployed in the new version of GIS.

1 inputs were used by the Company to develop a holistic project estimate, which was  
2 then compared against previous projects of similar scope, effort and complexity to  
3 confirm estimate confidence.  
4

5 In addition to the above, Newfoundland Power sought input from other utilities that  
6 have either completed or are currently completing similar projects. This input also  
7 helped validate anticipated costs and identify lessons learned that mitigated risk and  
8 improved the Company's estimate confidence.  
9

- 10 c) Newfoundland Power has an ongoing Enterprise Agreement ("EA") with the GIS  
11 vendor. Ongoing maintenance and support costs are governed by the EA contract,  
12 which applies irrespective of the version of the GIS software that is in use.  
13

14 The EA contract is re-negotiated and renewed on 3-year cycles. The current EA  
15 contract runs until December 31, 2027. The annual cost for maintenance and  
16 support under the current EA contract is \$425,000.  
17

18 Newfoundland Power anticipates continued use of an EA contract for managing  
19 ongoing GIS software maintenance and support requirements post-implementation.  
20

21 The annual costs for ongoing maintenance and support under the EA contract post-  
22 implementation were factored into the decision to proceed with the submission of  
23 the proposed software upgrade in the Company's *2026 Capital Budget Application*.  
24

25 Beyond the cost of the software upgrade as set out in Newfoundland Power's *2026*  
26 *Capital Budget Application*, and the annual maintenance and support costs under the  
27 EA contract, there are no other material operating costs or life cycle costs.