

1 Q. For the budget item identified below, answer the following questions or
2 provide the information as appropriate:

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4	Budget Item	Amount	Description
5	B-61	\$517,000	Purchase Additional Corporate Applications

6

7 (a) Provide details on the corporate applications being purchased
8 including the rationale for each purchase.

9 (b) How do these applications relate to the J.D. Edwards software system
10 that Hydro currently uses for some of its applications?

11 (c) Provide Hydro's policies and practices with respect to the capitalizing
12 and expensing of expenditures related to software for both internal or
13 external software development including labour, hardware, software,
14 maintenance, consulting, and implementation services, and other
15 costs.

16

17 A. (a) The \$517,000 for the purchase of Additional Corporate Applications
18 consists of : \$117,500 for Short Term Load Forecast Software and
19 \$399,100 for Corporate Applications Software.

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21 **Short Term Load Forecast Software:**

22 Obtaining accurate forecasts of load expected on the system for the
23 short term (several days ahead) is becoming an increasingly important
24 task as Hydro attempts to optimize thermal unit efficiency and
25 minimize spill events, while maintaining a high degree of reliability on
26 its bulk system. These "day-ahead" load forecasts form the basis for
27 decisions regarding equipment removal for maintenance, as well as

1 provide the basis for changing the number of thermal units on-line at
2 Holyrood.

3
4 Benefits that will accrue as a result of this proposal include:

- 5 • Improved ability to take advantage of opportunities to optimize
6 thermal unit dispatch at Holyrood.
- 7 • Improved decision-making ability regarding equipment removal
8 for maintenance and,
- 9 • Improved ability to predict and mitigate system spills.

10
11 **Corporate Applications:**

12 Though J.D. Edwards is an integrated system providing for the bulk of
13 Hydro computing needs, the Corporate Applications budget provides
14 funds for purchase and implementation of specialty software, add-on
15 modules and 3rd party solutions where these are the only viable
16 options to address business needs.

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18 (b) The Short Term Load Forecast Software is a specialty software
19 package, not related to the JDE Software application system. The
20 remainder of the, Corporate Applications, funds will be used to acquire
21 specialty software, add-on modules and 3rd party solutions that are
22 identified during the year as required to provide additional
23 functionality.

24
25 (c) Hydro's policy is to capitalize the costs associated with the
26 acquisition/development and implementation of computer software
27 instances where projected costs exceed \$25,000.