1 Q. For the Budget item identified below, answer the following questions or

2 provide the information as appropriate:

3

4 **Budget Item   Amount   Description**

5 B-64 $2,109,000   Replacement of AS-400 Computers

6

7 (a) Provide details to support the cost estimate.

8 (b) Provide details on the impact of deferring the purchase of this item

9 and continuing to utilize the existing equipment.

10 (c) Is computer capacity being increased as a result of the replacement?

11 (d) If capacity is being increased, indicate the capacity increments

12 proposed and the reasons for the capacity increases by computer

13 applications.

14

15

16 A. (a) Details of the Cost Estimate are as follows :

17

Cost estimate AS400 Production Computer	1,700,000
Cost estimate for AS400 Development Computer	300,000
Project Management	3,000
Labor	5,000
Inspection and Commissioning	2,000
Corporate O/H, IDC, ESC., Contingency	95,300
Total	$2,109,000

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20 (b) The impact of deferring the purchase of this item and continuing to

21 utilize the existing equipment would prevent Hydro from taking

1   advantage of enhancements of the latest software releases. In

2   particular the existing AS400 system cannot adequately support the

3   migration of the JDE financial suite to the upgraded version of the

4   product (One World). In 2002, Hydro will be initiating a One World

5   pilot in order to assess the technology and business implications of

6   moving to One World.

7

8   (c)   The computer capacity is being increased as a result of this

9   replacement.

10

11   (d)   The capacity increments proposed are for a 60 % increase in

12   performance on the Production AS400 and 40% increase in the

13   Development AS400. The capacity increases are needed to allow

14   Hydro to migrate to the JD Edwards One World product, which

15   provides a Web based or Client server interface to the computer

16   applications.