2. Database and Development Software

Q. Given that upgrading backend databases that are tied to existing applications can be disruptive and introduce potential upgrade incompatibilities, provide specific examples of how the proposed database upgrade will "ensure that the Company's business applications continue to function in a stable and reliable manner."

A. Upgrading enterprise software components (including databases) is a complex process. As such, the Company invests in its Application Environment, ensuring upgrades are thoroughly tested in a test environment prior to implementation in production, to prevent disruptions and potential upgrade incompatibilities.

There are no specific examples of how the proposed database upgrade will ensure that the Company's business applications continue to function in a stable and reliable manner. As described in the Information Technology Strategy 2004 – 2008 contained in Volume I, the Company manages the risk of technology obsolescence taking into consideration the high degree of interdependence among the technology components (i.e. databases, development tools, hardware) that support corporate applications. Continuing to rely on older versions of software products raises the risk of technology obsolescence and the risk of upgrade incompatibilities with interdependent technology components. The Company balances these risks with vendor upgrade release schedules so that upgrades are performed in a manner that limits potential disruptions and ensures effective operations.