



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

E-mail: ShirleyWalsh@nlh.nl.ca

2019-01-18

Ms. Shirley Walsh  
Senior Legal Counsel - Regulatory  
P. O. Box 12400  
Hydro Place, Columbus Drive  
St. John's, NL A1B 4K7

Dear Ms. Walsh:

**Re: Newfoundland and Labrador Hydro - 2017 General Rate Application - Business Systems Transformation Program - Requests for Information**

Enclosed are requests for information PUB-NLH-188 to PUB-NLH-213 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or by telephone 709-726-6781.

Sincerely,

Cheryl Blundon  
Board Secretary

CB/cj  
Enclosure

**Newfoundland & Labrador Hydro**  
Mr. Alex Templeton, E-mail: alex.templeton@mcinnescooper.com  
NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca  
**Newfoundland Power Inc.**  
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**Labrador Interconnected Group**  
Mr. Senwung Luk, E-mail: sluk@oktlaw.com

1 **IN THE MATTER OF**  
2 the *Electrical Power Control Act, 1994*,  
3 SNL 1994, Chapter E-5.1 (the “*EPCA*”)  
4 and the *Public Utilities Act, RSNL 1990*,  
5 Chapter P-47 (the “*Act*”), as amended; and  
6

7 **IN THE MATTER OF** a General Rate  
8 Application by Newfoundland and Labrador  
9 Hydro to establish customer electricity rates  
10 for 2018 and 2019; and  
11

12 **IN THE MATTER OF** Newfoundland and  
13 Labrador Hydro’s Corporate Business Systems  
14 Transformation Program Justification.

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**PUBLIC UTILITIES BOARD  
REQUESTS FOR INFORMATION**

**PUB-NLH-188 to PUB-NLH-213**

**Issued: January 18, 2019**

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1 **NLH - Corporate Business Systems Transformation Program Justification - 2018-06-22**


- 2
- 3 **PUB-NLH-188** Evidence, page 1, lines 21-24 - Does the vendor still provide support for JD  
4 Edwards World and has the vendor announced a date that it will no longer  
5 provide support?  
6
- 7 **PUB-NLH-189** Evidence, page 2, lines 14-18 - When and at what cost was JD Edwards  
8 implemented at Hydro? In the response include the capital and operating  
9 amounts spent on JD Edwards since its implementation.  
10
- 11 **PUB-NLH-190** Evidence, page 3, lines 4-11 - What was the cost of implementation of CAPM  
12 and how much capital and operating amounts have been spent since its  
13 implementation?  
14
- 15 **PUB-NLH-191** Evidence, page 4, lines 11-15 - Describe the mandate and composition of the  
16 Business System Transformation Program Steering Committee. If there is a  
17 written Terms of Reference for the committee please provide it.  
18
- 19 **PUB-NLH-192** Evidence, page 5, lines 14-20 - Describe the current information management  
20 program used by Hydro. In the response include the date it was implemented,  
21 the cost at implementation and the capital and operating amounts spent since  
22 on the program.  
23
- 24 **PUB-NLH-193** Evidence, page 5, lines 23-28 - Provide the number of Hydro personnel on the  
25 project team and the mandate of the team.  
26
- 27 **PUB-NLH-194** Evidence, page 6, lines 5-11 - Explain the process used to select the four  
28 software options considered for the Enterprise Resource Planning (ERP).  
29 Provide any consultants reports used to identify the options.  
30
- 31 **PUB-NLH-195** Evidence, page 7, lines 8-11 - Provide the costs of SAP, EnterpriseOne and  
32 upgrading JD Edwards.  
33
- 34 **PUB-NLH-196** Evidence, page 7, lines 19-20 - Provide a copy of the report or memo from the  
35 project team recommending EnterpriseOne software.  
36
- 37 **PUB-NLH-197** Evidence, page 8, lines 8-12 - Explain the process used to select the software  
38 options considered for the Planning, Budgeting and Forecasting software.  
39
- 40 **PUB-NLH-198** Evidence, page 8, lines 17-18 - Provide the report or memo from the project  
41 team recommending Cognos TM1.  
42
- 43 **PUB-NLH-199** Evidence, page 9, lines 8-12 - The total cost of the BST Program is projected  
44 to be \$44.1 million which includes \$2.6 million related to preliminary  
45 assessment costs which have been absorbed by Nalcor. Hydro's share of the  
46 BST program is approx. \$23.2 million (52.6% of the total \$44.1 million).  
47 Please confirm that a portion of the \$2.6 million is not included in the \$23.2  
48 million provided in Table 1.

- 1 **PUB-NLH-200** Evidence, page 10, Table 2 - The 2019 Information Systems Fee in Table 2 is  
2 not included in the Annual Business Systems Fee in Table 1 on page 9 or in  
3 the Costs in Appendix D. Please explain the purpose of the Information  
4 Systems Fee and how it is related to the Business Systems Transformation  
5 Project.  
6
- 7 **PUB-NLH-201** Evidence, page 14, lines 1-3 - Explain the efficiency gains of \$415,000 and  
8 include a table detailing each efficiency initiative and the savings forecast with  
9 each.  
10
- 11 **PUB-NLH-202** Evidence, page 14, lines 20-22 - Why was it necessary to make the two options  
12 cost neutral in completing the cost benefit analysis?  
13
- 14 **PUB-NLH-203** Evidence, page 15, lines 5-7 - Provide the calculation of the \$565,000 annual  
15 efficiency savings required for cost neutrality between the two options.  
16
- 17 **PUB-NLH-204** Evidence, page 15, footnote 20 - What is the GDP Implicit Price Deflator?  
18
- 19 **PUB-NLH-205** Evidence, page 19, lines 11-17 - What is the cost of the Utiligy360 customer  
20 service information system? Is it included in Hydro's overall cost of \$23.3  
21 million for the Business Systems Transformation Project?  
22
- 23 **PUB-NLH-206** Evidence, page 21, lines 1-15 - What is the full cost of Cognos TM1 and what  
24 is Hydro's share of that cost and is Hydro's share of the cost included in  
25 Hydro's overall cost of \$23.3 million for the Business Systems Transformation  
26 Project?  
27
- 28 **PUB-NLH-207** Appendix E - Provide the discount rate used in the present worth calculations  
29 in Scenarios 1 and 2.  
30
- 31 **PUB-NLH-208** Appendix E - Is Column F in Scenario 1 the "Annual Business Systems Fee"?  
32 If so, how does this reconcile to the annual fees included in Table 1, page 9?  
33 What are the costs included in Column F in Scenario 2?  
34
- 35 **PUB-NLH-209** Appendix E - Provide the calculations and assumptions to support the amounts  
36 included in Columns H and I for Scenario 1 and Column I in Scenario 2.  
37
- 38 **PUB-NLH-210** Appendix E - According to page 14 of the Evidence, lines 20-21, Benefit 1  
39 (Column H) reflects the 0.6% reduced operating expenses required to make  
40 the two options cost neutral. Provide the operating expenses used to calculate  
41 the result in Benefit 1 (Column H) in Scenario 1.  
42
- 43 **PUB-NLH-211** Appendix E - Is footnote 18 (page 14 of the Evidence), included in the  
44 scenarios provided in Appendix E?  
45
- 46 **PUB-NLH-212** Appendix E, Column I, Scenario 1 there is a benefit of \$1,423,253 in 2018.  
47 Why is there no benefit in Column I, Scenario 2 for 2018?

1 **PUB-NLH-213** Appendix B, page 4 of 4, the commentary provided for the “Costs to  
2 Implement” criteria indicates that the “total implementation costs for JDE E1  
3 option exceed the cost of the World alternative by \$5.6 million.” Is this  
4 factored into the scenarios provided in Appendix E? If so, please explain.

**DATED** at St. John’s, Newfoundland this 18<sup>th</sup> day of January, 2019.

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

Per   
Cheryl Blundon  
Board Secretary