1   Q.   Further to response to Request for Information NP-NLH-036:

2

3   Please explain how Hydro management satisfied itself that its participation in the

4   Business Systems Transformation Program, being managed by Nalcor Energy, is

5   consistent with the least-cost delivery of power to customers. The explanation

6   should include: (i) a description of alternatives, if any, assessed by or available to

7   Hydro; and (ii) any analysis performed by Hydro.

8

9

10   A.   This Program was approved prior to the restructuring of Hydro as a part of an

11   Information Technology (IT) shared services model to be provided by Nalcor to all of

12   its Lines of Business. Hydro was engaged in all aspects of the Program, from the

13   Steering Committee to the gathering of business requirements, and was the major

14   client and driver for system requirements.

15

16   By receiving a common service, Hydro incurs a share of the total cost (45.6% based

17   on the cost recovery model), instead of the full cost. Hydro will utilize all the

18   modules of the JD Edwards and Budgeting and Forecasting system being

19   implemented and is the sole user of the Customer Service module. For Information

20   Management, Hydro will utilize and participate in all areas of the Program as it is

21   legislatively required under the *Management of Information Act* to manage,

22   protect, and securely dispose of its records in accordance with that Act.

23

24   A dedicated project team was established to assess the needs of the entire business

25   to further understand business processes and assess current IT systems, and

26   identify functional and technical requirements. Nalcor issued a Request for

27   Proposal. Demonstrations were held with vendors to evaluate alternative solutions

1   against key requirements. Solutions were selected for the Enterprise Resource

2   Planning (ERP) system as well as the Budgeting and Forecasting solution and an

3   implementation plan was developed for three main projects: 1) JD Edwards

4   Upgrade; 2) Planning, Budgeting, and Forecasting; and, 3) Information Management

5   Program. Delivery of the selected solutions was determined to be the best

6   approach for the business.