

Q. Re: 2012 Application Enhancement (Report 6.1). Please details all projected operating cash savings which the company expects to achieve through the proposed 2012 Application Enhancements.

A. The proposed Application Enhancements for 2012 consists of five projects. Cost benefit analyses are conducted where the Company can provide specific operating cost savings, as is the case for two projects, Electronic Invoice Processing and Outage Management Improvements. In other projects, such as: Customer Service Internet Enhancements; Energy Conservation Enhancements and Various Minor Enhancements, where specific cost savings have not been identified a cost benefit analysis cannot be conducted.

Some application enhancements are justified on the basis of improving customer service while others will result in increased operational efficiencies. Some projects will have a positive impact on both customer service and operational efficiency. The following is a justification summary for each of the five projects.

- The Electronic Invoice Processing project is justified on operational efficiency improvements. A financial analysis of the costs and benefits associated with this project indicates a positive net present value of \$23,261 over the next 7 years as shown in Tab 6.1, page A-1. Specific justification details are provided in Tab 6.1, page 2.
- The Outage Management Improvements project is justified based on improvements in employee productivity and customer service. A financial analysis of the costs and benefits associated with this project indicates a positive net present value of \$25,034 over the next 7 years as shown in Tab 6.1, page A-2. Specific justification details are provided in Tab 6.1, pages 4-5.
- The Customer Service Internet project is justified based on improvements in customer service. This project will provide an overall benefit to the more than 34,500 customers that manage their electricity account information electronically as well as responding to the increasing number of customers who choose to interact with the Company via the internet. Specific justification details are provided in Tab 6.1, page 7.
- The Energy Conservation Website project is justified based on customer service improvements. The purpose of this project is to enhance the internet functionality which supports the Company's energy conservation initiatives. Specific justification details are provided in Tab 6.1, page 8.
- The Various Minor Enhancements project is justified on the basis of improved customer service, operating efficiencies, or compliance with regulatory and legislative requirements. This project provides enhancements to the Company's computer applications in response to unforeseen requirements such as legislative and compliance changes, vendor or employee identified enhancements designed to improve customer service or operational efficiency. For example in 2011 changes to the Customer

- 1 Service System are required to accommodate Seasonal Rates and to implement the
- 2 Government HST Rebate.