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February 7, 2025

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Re: Application for the Replacement of Information Systems

Please find enclosed Newfoundland and Labrador Hydro's ("Hydro") application for the capital expenditures related to the replacement of two outdated software applications— Hydro's Learning Management System and Reporting Tools. These two systems are at significant risk of asset stranding, and as a result replacement is required to ensure compliance with legislative responsibilities and conduct key operational functions that contribute to Hydro's ability to provide safe, reliable service to customers, as discussed in Schedule 1 to the application. The total cost for both projects is \$1,714,500. This includes the replacement of Hydro's Learning Management System, which is estimated to cost \$952,600, and the replacement of Reporting Tools, which is estimated to cost \$761,900. Both projects are scheduled to begin in mid-2025 and conclude in 2026.

The proposed capital expenditure is necessary to ensure that Hydro can continue to provide service which is safe and adequate, and just and reasonable, as required by Section 37 of the *Public Utilities Act*. As the amalgamation of Hydro and Nalcor Energy did not occur until January 1, 2025, these projects were not considered as part of Hydro's 2025 Capital Budget Application ("CBA"). Submission of this proposal within Hydro's 2026 CBA would delay approval until the end of 2025 or early 2026; as Hydro determined that the replacement is needed as soon as possible, Hydro determined that a supplementary CBA was necessary.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

A handwritten signature in blue ink, appearing to read "Shirley A. Walsh", written over a horizontal line.

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/mc

Encl.

ecc:

Board of Commissioners of Public Utilities

Jacqui H. Glynn
Board General

Island Industrial Customer Group

Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Glen G. Seaborn, Poole Althouse

Labrador Interconnected Group

Senwung F. Luk, Olthuis Kleer Townshend LLP
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

Consumer Advocate

Dennis M. Browne, KC, Browne Fitzgerald Morgan & Avis
Stephen F. Fitzgerald, KC, Browne Fitzgerald Morgan & Avis
Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis
Bernice Bailey, Browne Fitzgerald Morgan & Avis

Newfoundland Power Inc.

Dominic J. Foley
Regulatory Email

Replacement of Information Systems

February 7, 2025

An application to the Board of Commissioners of Public Utilities



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (“*EPCA*”) and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (“*Act*”), and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (“*Hydro*”) for approval of capital expenditures for the replacement of learning management software and reporting management tools pursuant to Section 41(3) of the *Act*.

To: The Board of Commissioners of Public Utilities (“Board”)

THE APPLICATION OF HYDRO STATES THAT:

A. Background

1. Hydro, a corporation continued and existing under the *Hydro Corporation Act, 2024*, is a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*.
2. On December 4, 2024, Bill 33, an Act Respecting the Amalgamation of Newfoundland and Labrador Hydro-Electric Corporation and Nalcor Energy (“*Nalcor*”) received Royal Assent. The legislation is cited as the *Hydro Corporations Act, 2024*, and formalizes the legal requirements of the amalgamation of Hydro and Nalcor.
3. As a result of the proclamation of the *Hydro Corporations Act, 2024*,¹ as of January 1, 2025, Nalcor and Hydro’s assets vest in Hydro, and Hydro is charged with all obligations and liabilities formerly held by Hydro and Nalcor. All Nalcor subsidiaries are Hydro subsidiaries.
4. Subsequent to the amalgamation, Hydro owns and operates an array of Information Systems (“*IS*”) infrastructure that supports and administers the corporate information technology needs of the organization. In addition to ensuring Hydro is compliant in its mandate to provide safe, reliable, environmentally responsible, least-cost service to customers, as well as with other legislative requirements such as Occupational Health and Safety (“*OHS*”), these assets help

¹ Order in Council OC2024-210, dated December 13, 2024.

Hydro conduct critical business functions, including communications, customer service, financial management, and human resources tasks among others.

5. Two outdated IS assets—Learning Management System and Reporting Tools—were identified for replacement prior to the amalgamation; procurement of the replacement had not yet been initiated.

B. Application

6. Without replacement of the learning management and reporting infrastructure, there is risk that employees would fail to receive the training necessary to conduct their work in a safe, proficient manner, or that Hydro would lose the ability to organize and analyze data, to inform critical business decisions.
7. Hydro intends to replace both pieces of infrastructure. As detailed in Schedule 1, existing assets present a significant business risk for Hydro in meeting its operational needs and OHS obligations, which contribute to Hydro's ability to provide safe, reliable service to customers.
8. This is a two-year project. Both replacements will begin in mid-2025, with completion in 2026. The estimated combined cost of the project is \$1,714,500.
9. As the proposed infrastructure will be utilized by both regulated and non-regulated functions of Hydro, as well as by Hydro's subsidiaries, Hydro will calculate and recover costs related to non-regulated operations utilizing the intercompany shared services model, further outlined in section 5.1 of the application. Hydro estimates that \$771,500 of the \$1,714,500 will be recovered through this model, resulting in a net capital cost of \$943,000.
10. Hydro submits that the proposed capital expenditure is necessary to ensure that Hydro can continue to provide service that is safe and adequate, and just and reasonable, as required by Section 37 of the *Act*.

C. Newfoundland and Labrador Hydro's Request

11. Hydro requests that the Board make an Order pursuant to Section 41(3) of the *Act*, approving the capital expenditures necessary for the replacement of the learning management and

reporting tools systems, as more particularly described in this application and the attached Schedule 1.

D. Communications

12. Communications with respect to this application should be forwarded to Shirley A. Walsh, Senior Legal Counsel, Regulatory for Hydro.

DATED at St. John's in the province of Newfoundland and Labrador on this 7th day of February 2025.

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
Counsel for the Applicant
Newfoundland and Labrador Hydro
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Schedule 1

Replacement of Information Systems



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Replacement of Information Systems

Location:	Various
Investment Classification:	General Plant
Asset Category:	Information Systems (“IS”)
Estimated Cost:	\$1,714,500

1.0 Introduction

On December 13, 2024, through Order in Council OC2024-210, the Act Respecting the Amalgamation of Newfoundland and Labrador Hydro-Electric Corporation and Nalcor Energy (“Nalcor”) was proclaimed into force effective January 1, 2025. That Act, known as the *Hydro Corporation Act, 2024*, repealed and replaced both the *Energy Corporation Act* and the *Hydro Corporation Act, 2007*. As a result of the proclamation of the *Hydro Corporation Act, 2024*, the assets previously held by Nalcor and Newfoundland and Labrador Hydro (“Hydro”) vest in Hydro, and Hydro is charged with all obligations and liabilities formerly held by Hydro and Nalcor. All Nalcor subsidiaries are Hydro subsidiaries.

Through the implementation of the *Hydro Corporation Act, 2024*, the corporate IS assets previously held by Nalcor are now Hydro’s. As a result, the assets associated with these systems are now considered regulated and thus are subject to capital recovery and oversight from the Board of Commissioners of Public Utilities (“Board”).

There are certain capital expenditures for IS that had been planned and budgeted by Nalcor for 2025 and for which Nalcor had initiated and completed procurement as required for the projects prior to amalgamation. Further detail regarding these particular capital project expenditures and Hydro’s proposed treatment of existing and future corporate IS assets in the context of its regulated rate base will be provided in Hydro’s upcoming report regarding the implications and impacts of the amalgamation.

Hydro has two software applications without completed procurement activities that it is proposing for replacement in 2025 that have a certain time sensitivity for implementation and cannot be deferred for inclusion in the 2026 Capital Budget Application. They are:

1 **1)** A Learning Management Solution (“LMS”) that will centralize learning management activities
2 into a single solution, enhancing Hydro’s ability to manage comprehensive and effective training
3 for all staff. The current LMS has reached the end of its useful service life due to a lack of vendor
4 support and upgrades, which presents functionality issues as well as cybersecurity vulnerability.

5 **2)** A reporting solution that will allow staff to organize and analyze data, such as maintenance and
6 human resources data from Hydro’s Enterprise Resource Planning (“ERP”) system, to inform
7 business decisions. Hydro’s current reporting tools face a risk of asset stranding due to issues
8 with maintaining integration and compatibility with key software.

9 As both solutions will be used by all lines of business within Hydro as well as its subsidiaries, Hydro will
10 utilize the shared-services model, particularly the approved Intercompany Transaction Costing
11 Guidelines, to share costs appropriately. The Board has previously accepted this approach for sharing
12 costs amongst entities in Board Order No. P.U. 27(2022) indicating that where information sharing is
13 required in the context of the corporate structure, the shared-services approach is preferable to a
14 standalone model.

15 **1.1 Learning Management**

16 Hydro employs a workforce of approximately 1,600 staff. As an electrical utility, the nature of Hydro’s
17 operations requires that many employees routinely engage in work that requires mitigation of health,
18 environment, and safety hazards. A necessary component of risk mitigation is providing each employee
19 with the required training to perform their job, from generalized training to highly specialized training
20 for site- and role-specific topics. Comprehensive training is integral to ensuring the safety and well-being
21 of Hydro’s staff and customers, meeting Hydro’s mandate of providing safe, reliable, least-cost
22 electricity in an environmentally responsible manner and satisfying Hydro’s occupational health and
23 safety legislative requirements relating to employee compliance and preparedness.

24 As an employer within the province, Hydro is subject to the *Occupational Health and Safety Act* (“OHS
25 Act”) and as a result, Hydro is required to track and maintain employee training records. Per the *OHS*
26 Act, Hydro is obligated to:

- 27 • Provide the information, instruction, training and supervision and facilities that are necessary to
28 ensure the health, safety and welfare of the employer’s workers;

- 1 • Ensure that the employer's workers and supervisors are made familiar with health or safety
2 hazards that may be met by them in the workplace;
- 3 • Ensure that the employer's undertaking is conducted in a manner that does not expose other
4 persons to health or safety hazards; and
- 5 • Ensure that the employer's workers are given operating instruction in the use of devices and
6 equipment provided for their protection.

7 Learning management is the planning, implementation, monitoring, and evaluation of learning activities.
8 An LMS that provides consistency in delivering, capturing and recording training requirements, along
9 with a strategic approach to managing and tracking employee training, is essential to ensure compliance
10 with the obligations of the *OHS Act*. Without proper training in essential job components and utility
11 operations, Hydro risks non-compliance with legislative requirements that mandate staff awareness.
12 Additionally, failure to provide proper education and training on safe work practices and procedures
13 specific to their duties could potentially jeopardize employee safety.

14 **1.2 Reporting**

15 Hydro's current reporting tools solution integrates with core IS, including Hydro's ERP system, to allow
16 for efficient and in-depth analysis of an array of business functions. JD Edwards EnterpriseOne is Hydro's
17 ERP system, used by all areas of the organization and Hydro's subsidiaries. The system manages core
18 business processes in capital asset management, customer service, finance, human resources, and
19 supply chain. Hydro uses its ERP for critical functions, including:

- 20 • Capital Asset Management – including work order management, equipment cost analysis, and
21 resource assignments;
- 22 • Customer Service – including customer billing;
- 23 • Finance – including general ledger management, accounts payable, and accounts receivable;
- 24 • Human Resources – including payroll, provision of benefits, and employee information
25 management; and
- 26 • Supply Chain – including sales order management, procurement, and inventory management.

27 The reporting software includes both standard, routine report templates used within the organization as
28 well as allowing for ad-hoc creation of reports and queries.

1 **2.0 Project Description and Justification**

2 **2.1 Learning Management**

3 Hydro's primary learning management application is a custom-built database that is housed on a
4 platform which is at the end of its useful life and is lacking vendor support. As the application does not
5 facilitate the delivery or management of training, Hydro uses Skillspass software, licensed from Bluedrop
6 ISM, to facilitate online training modules. Other current training and development solutions vary by
7 location and include a combination of tools and databases built in-house. The decentralized process
8 presents a significant risk to the delivery of comprehensive, employee-specific training modules, as well
9 as to maintaining accurate training records. The reliance on manual processes to record and relay
10 training records and requirements challenges Hydro's ability to ensure employees complete their jobs
11 safely.

12 Further, the primary LMS poses challenges for security and compatibility with Hydro's other IS systems,
13 and is more susceptible to cybersecurity risks. As a result, Hydro requires a more modernized version,
14 which will allow for standardized learning management activities across the company.

15 Hydro seeks to implement an end-to-end LMS that will centralize activities and bring alignment and
16 standardization to learning management processes for the entire organization. This project will replace
17 the applications used as part of the decentralized process with a holistic LMS solution that will centralize
18 learning management activities with a single, organization-wide solution for planning, delivering,
19 tracking, and reporting on learning management activities. The LMS will allow for easier confirmation of
20 training completion, comprehensive identification and delivery of training to each employee, and will
21 allow Hydro to more efficiently identify gaps and provide communication to staff and management on
22 new and outstanding training modules.

23 **2.2 Reporting**

24 Hydro's business environment relies heavily on data-driven decision-making processes. The reporting
25 tools utilized by Hydro must ensure accurate and efficient compilation and analysis of data, and are
26 critical in making key decisions in an expedient manner. This technology reduces manual effort and
27 human errors, and improves the communication of data for internal and external functions, such as
28 confirmation of payroll-related data.

1 Hydro's current reporting technology presents a significant risk of asset stranding as a result of a lack of
2 future vendor upgrades that could impair integration with Hydro's ERP and Microsoft Office tools, no
3 longer allowing for the reliable delivery of the necessary information required for decision-making and
4 analysis. There are additional increasing challenges in integrating the reporting tool with other
5 technology platforms. To continue ensuring timely and accurate analysis and reporting of critical
6 information, Hydro must implement a new reporting solution that ensures compatibility with its ERP
7 system and Microsoft Office tools, is able to be upgraded, and operates securely.

8 **3.0 Asset Overview**

9 **3.1 Asset Background**

10 **3.1.1 Learning Management**

11 The existing LMS database was created in January 2011 within Hydro's Lotus Notes Platform ("Lotus
12 Notes"); Hydro has used the platform and associated email infrastructure for over 25 years.

13 The other tools used were created due to the absence of key functionalities from Lotus Notes, such as
14 tracking of training deliverables. This has led to a decentralization of records and information,
15 preventing centralized management of training completion, and adjudication of program effectiveness.
16 Completion of any of these activities requires manual compilation of data from multiple sources,
17 resulting in the risk of inaccurate records and non-compliance with legislative requirements.

18 Hydro has experienced increasing difficulty with successfully executing upgrades and obtaining support
19 for Lotus Notes, with the developer advising they can no longer provide a list of vendors who support
20 the product. The LMS would face related issues due to this lack of support.

21 **3.1.2 Reporting**

22 Hydro's primary reporting platform for EnterpriseOne and its related core functions is a data
23 warehousing and querying system that allows users to pull information together from different datasets,
24 and create, compile, generate, and share reports.

25 After 25 years of use, future upgrades to EnterpriseOne and Microsoft Office risk incompatibility with
26 Hydro's reporting tools software system. As the primary purpose of the software is to extract data from
27 the system, the risk of losing that reporting functionality is unacceptable.

1 **3.2 Historical Reliability**

2 **3.2.1 Learning Management**

3 Hydro is phasing out the use of Lotus Notes beginning in 2025, as it has reached the end of its useful life
4 and presents functionality and upgrade challenges.¹ Hydro has upgraded Lotus Notes routinely since
5 implementation, with the last being performed in 2023; however, there are limited upgrade resources
6 available² in the marketplace to perform the next upgrade.

7 **3.2.2 Reporting**

8 The reporting platform received its last upgrade in June 2021, and maintaining compatibility with
9 Hydro’s ERP system through recent upgrades has been challenging. The reporting platform is also
10 incompatible with Microsoft Office 365, and as a result, Hydro is faced with increasing support costs to
11 maintain the software due to higher administrative needs and internal support activities. The vendor has
12 informed Hydro that it cannot confirm compatibility with EnterpriseOne and its platform in the future.
13 Further upgrades to the software pose an increased risk in the complete loss of integration with
14 EnterpriseOne, effectively stranding the software.

15 Further, the tool is not compatible with newer technology platforms or new updates to Hydro’s IS
16 infrastructure. This limits Hydro’s ability to upgrade this infrastructure, preventing the organization from
17 completing key maintenance updates and security features.

18 **3.3 Asset Condition**

19 **3.3.1 Learning Management**

20 Lotus Notes, and the LMS application within it, specifically, has become inadequate to effectively
21 provide service and is incompatible to integrate with a number of technologies, presenting a
22 cybersecurity risk. These issues lead to higher administrative needs and support activities, resulting in
23 increased support costs and impacts on day-to-day operations. This is further exacerbated by a lack of
24 expertise in the market, as vendors charge increased rates due to the specialized nature of the work.
25 The risks associated with the use of the platform are expected to continue to increase over time.

¹ As the procurement process for this project, previously approved by Nalcor, had begun prior to amalgamation, a capital budget application was not made. Further details of this project will be provided in Hydro’s report on amalgamation, to be submitted in the first quarter of 2025.

² During a recent request for proposal (“RFP”) to upgrade the Lotus Notes environment, only one response was received.

1 **3.3.2 Reporting**

2 The reporting system is at risk of asset stranding, leaving Hydro vulnerable to security risks and technical
3 issues due to the lack of updates and vendor assistance. As a result of the lack of support, any system
4 defects or compatibility problems with integrated software could lead to the disruption of a broad array
5 of reporting processes. Additionally, the solution’s structure and outdated technology presents an
6 increased security risk by limiting upgrades to other software in order to maintain integration
7 capabilities.

8 **4.0 Analysis**

9 **4.1 Evaluation of Alternatives**

10 Hydro has evaluated the following alternatives:

- 11 • Deferral;
- 12 • Upgrade Life Extension, and
- 13 • Like-for-Like Replacement.

14 **4.1.1 Deferral**

15 Hydro has determined that deferral is not a viable option due to the unacceptable level of risk to the
16 business by continuing to utilize these current systems. Hydro must ensure staff complete training
17 requirements to work safely and have the ability to aggregate and analyze data to make timely business
18 decisions. Neither LMS nor the reporting platform receive reliable vendor support to maintain their
19 viability and integration capability. By deferring this project, Hydro increases its cybersecurity risk due to
20 a lack of vendor patches and vulnerability updates, is at risk of failing to meet its legislative
21 requirements, and is at risk of losing business-critical reporting functionality.

1 **4.1.2 Upgrade Life Extension**

2 Upgrading current applications is not a viable alternative. There are no upgrades available to the current
3 version of Hydro's reporting tools software that integrates with Hydro's ERP system. As noted, there is
4 limited market support available to perform upgrades to the Lotus Notes platform to enable the life
5 extension of the primary LMS application. Upgrades, if available, would not provide the required
6 functionality to reduce current business risks.

7 **4.1.3 Like-for-Like Replacement**

8 ***Learning Management***

9 This project allows Hydro to replace its current LMS applications with an updated application that will (i)
10 address cybersecurity and other risks within the existing systems; (ii) enable Hydro to deliver, monitor,
11 and track employee training to ensure they have the appropriate information to perform work safely;
12 and (iii) ensure that Hydro meets OHS legislative requirements. The replacement will allow for one
13 standardized application across the organization.

14 A new end-to-end LMS application will allow Hydro to properly administer, deliver and track the
15 necessary training for each employee in the organization. The LMS will allow for improved access to, and
16 accessibility of, the training Hydro provides. The singular, centrally-managed application will eliminate
17 the use of multiple, inconsistent tools across sites, and allow for more effective auditing and reporting.

18 ***Reporting***

19 This project will allow Hydro to replace its current reporting solution and maintain business-critical
20 reporting functionality. A modern reporting solution will allow Hydro to ensure it is accessing up-to-date
21 data as efficiently as possible to support decision-making and review processes. The new system will
22 also help to reduce manual processes and potential data errors by streamlining data collection and
23 automating reporting processes. A further benefit will be easier integration with other technology
24 platforms and operating systems. In addition, a supported solution will have regular updates and
25 security patches, reducing vulnerabilities and related cybersecurity risks.

26 **4.2 Least-Cost Evaluation**

27 Hydro has not identified any viable alternatives to a like-for-like replacement to facilitate a least-cost
28 evaluation.

1 **4.3 Recommended Alternative**

2 Hydro recommends replacing the existing LMS and reporting tools software solutions as both
3 applications are at significant risk of asset stranding and present unacceptable risks to the organization.

4 Increasingly, information technology vendors are offering cloud-based software³ and/or software as a
5 service-based solutions as an alternative to traditional on-premises applications. Unlike on-premises
6 applications, cloud-based solutions may be controlled by a service contract provider, and may not be
7 eligible to be capitalized as assets under International Financial Reporting Standards.

8 Hydro is generally unable to confirm whether the recommended alternative for each solution will be
9 cloud-based or on-premises infrastructure in advance of the RFP process. Further, Hydro cannot
10 typically perform the appropriate analysis to determine if a potential cloud project qualifies for
11 operating or capital until after the procurement process is complete and vendor specifications are
12 known.

13 Hydro is currently assessing the need for a deferral account for operating expenses associated with
14 cloud-based software⁴ that otherwise would have been capitalized if the project was on-premises rather
15 than cloud.

16 **4.3.1 Risk of Asset Stranding**

17 There is minimal risk for asset stranding to either system for the following reasons:

- 18
- 19 • Training and data aggregation and analytics are critical and consistent functions of the organization; and
 - 20 • The systems will be capable of integration with Hydro's ERP, EnterpriseOne, which Hydro has no
21 plans to retire.

³ Cloud-based deployment is the delivery of software applications and services over the internet, hosted on remote servers rather than being installed in on-premises infrastructure.

⁴ In the event the costs did not qualify as capital and were recorded as an operating costs with no deferral account then the costs would be excluded from rate base and have no corresponding return.

1 **4.3.2 Risk Mitigation**

2 Hydro assessed the pre- and post-implementation risk of the scope of work in accordance with Hydro’s
 3 Capital Risk Assessment process. Both solutions received the same assessment outcome, which is
 4 provided in Table 1.

Table 1: Risk Scoring Pre- and Post-Implementation

	Impact	Likelihood	Score
Pre-Implementation	4	3	12
Post-Implementation	4	1	4
	Risk Mitigated		8
	Risk Mitigated per \$1 Million		4.7

5 **5.0 Scope of Work**

6 This project will acquire and implement both an LMS and reporting solution, replacing Hydro’s existing
 7 systems. The project will include procurement of an LMS and reporting function solution, configuration,
 8 testing, training, implementation and project closeout. The scope of the project will be reviewed and
 9 finalized when the procurement process has been completed for each solution.

10 **5.1 Project Budget**

11 The overall estimate for this project is shown in Table 2. The estimates for the individual components of
 12 the project are shown in Table 3 and Table 4.

Table 2: Overall Project Estimate (\$000)⁵

	2025	2026	Beyond	Total
Material Supply	244.5	0.0	0.0	244.5
Labour	89.9	12.3	0.0	102.2
Consultant	1,003.3	151.0	0.0	1,154.3
Contract Work	0.0	0.0	0.0	0.0
Other Direct Costs	0.0	0.0	0.0	0.0
Interest and Escalation	0.0	0.0	0.0	0.0
Contingency	180.9	32.7	0.0	213.6
Total	1,518.6	196.0	0.0	1,714.5

⁵ Numbers may not add due to rounding.

Table 3: LMS Project Estimate (\$000)

LMS Cost	2025	2026	Beyond	Total
Material Supply	0.0	0.0	0.0	0.0
Labour	28.8	0.0	0.0	28.8
Consultant	837.2	0.0	0.0	837.2
Contract Work	0.0	0.0	0.0	0.0
Other Direct Costs	0.0	0.0	0.0	0.0
Interest and Escalation	0.0	0.0	0.0	0.0
Contingency	86.6	0.0	0.0	86.6
Total	952.6	0.0	0.0	952.6

Table 4: Reporting Tools Project Estimate (\$000)⁶

Reporting Cost	2025	2026	Beyond	Total
Material Supply	244.5	0.0	0.0	244.5
Labour	61.1	12.3	0.0	73.4
Consultant	166.1	151.0	0.0	317.1
Contract Work	0.0	0.0	0.0	0.0
Other Direct Costs	0.0	0.0	0.0	0.0
Interest and Escalation	0.0	0.0	0.0	0.0
Contingency	94.3	32.7	0.0	127.0
Total	566.0	196.0	0.0	761.9

1 The project cost will be split using Hydro’s Intercompany Guidelines under the IS Administrative Fee and
 2 allocated based on users. Hydro will be responsible for approximately 55% of the total cost
 3 (approximately \$943,000), the entities related to the Muskrat Falls Assets will be responsible for
 4 approximately 10% of the cost (\$171,500), and the remaining lines of business will accrue the remainder
 5 (approximately \$600,000).

6 5.2 Project Schedule

7 The project to replace the LMS and the reporting tools software is a two-year project expected to start
 8 in mid-2025. The schedules for this project are shown in Table 5 and Table 6.

⁶ Numbers may not add due to rounding.

Table 5: Project Schedule – LMS

Activity	Start Date	End Date
Planning and Design:		
Confirm scope requirements, schedule, and plan	June 2025	June 2025
Procurement:		
Issue and award RFP	June 2025	August 2025
Secure project resources		
Construction:		
Configure software solution	September 2025	October 2025
Testing and training	November 2025	February 2026
Implementation:		
Go live with solution	March 2026	March 2026
Closeout:		
Complete closeout documentation	April 2026	April 2026
Decommission old systems		

Table 6: Project Schedule – Reporting

Activity	Start Date	End Date
Planning and Design:		
Confirm scope requirements, schedule, and plan	June 2025	June 2025
Procurement:		
Issue and award RFP	June 2025	September 2025
Secure project resources		
Construction:		
Configure software solution and build reports	September 2025	February 2026
Testing and training	January 2026	March 2026
Implementation:		
Go live with solution	April 2026	April 2026
Closeout:		
Complete closeout documentation	May 2026	May 2026
Decommission old systems		

1 **6.0 Conclusion**

2 Hydro’s current standalone learning management and reporting tools are at risk of asset stranding and
3 unable to meet the existing and evolving needs of the organization and its staff.

4 Hydro is proposing to replace these systems with solutions which feature the functionality and support
5 necessary to meet the needs of the organization, and provide reliable operation and sustainability of the
6 solutions. The replacement solutions will ensure Hydro meets its legislated mandate, Occupational

- 1 Health and Safety requirements, and provides employees with the tools necessary to perform their roles
- 2 efficiently and safely.

Affidavit



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 ("*EPCA*") and the *Public Utilities Act, RSNL 1990*, Chapter P-47 ("*Act*"), and regulations thereunder; and

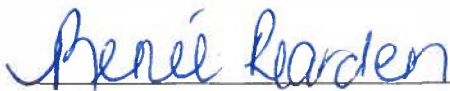
IN THE MATTER OF an application by Newfoundland and Labrador Hydro for approval of capital expenditures for the replacement of learning management software and reporting management tools pursuant to Section 41(3) of the *Act*.

AFFIDAVIT

I, Paul Dillon, of St. John's in the province of Newfoundland and Labrador, make oath and say as follows:

- 1) I am Director of Engineering, Engineering and Technology, Newfoundland and Labrador Hydro, the applicant named in the attached application.
- 2) I have read and understand the foregoing application.
- 3) To the best of my knowledge, information, and belief, all of the matters, facts, and things set out in this application are true.

SWORN at St. John's in the province of Newfoundland and Labrador this 7th day of February 2025, before me:



Commissioner for Oaths, Newfoundland and Labrador



Paul Dillon

RENEE REARDON

A Commissioner for Oaths in and for the Province of Newfoundland and Labrador.
My commission expires on December 31, 2029.