

1 Q. In Tables 3 and 5 of Schedule 1 of the Application, Hydro has indicated that Regulated Hydro's  
2 estimated share of the remaining net book value of the JDE E1 and the IM assets proposed to  
3 move to Regulated Hydro will be 57%.

4 • On page 23 of Schedule 1, lines 6-9 Hydro states that over the life of the JDE E1 asset,  
5 Hydro's regulated business segment share is forecast to be 54%. On page 12, lines 6-7  
6 of Appendix D, it explains that Hydro's share of the JDE E1 additional functionalities is  
7 approximately 56%, whereas Table 2 on page 13 of Appendix D indicates 57% for the  
8 additional functionalities, excluding the dedicated costs.

9 • On page 25 of Schedule 1, lines 3-4 Hydro states that over the life of the IM asset,  
10 Hydro's regulated business segment share is forecast to be 53%.

11 Please clarify why there are differences in the percentages noted above.

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14 A. The allocation of costs for the JD Edwards EnterpriseOne ("JDE E1") like-for-like, JDE E1  
15 Additional Functionalities and Information Management ("IM") projects, are based on the  
16 Business Systems Administrative Fee allocator, which is the percentage of Average Users as  
17 outlined in Schedule 2. The percentage of Average Users for a business segment can change  
18 over time. Therefore, the overall allocation of costs over the life of a project can depend on the  
19 timing of when the components are put into service and charged to the business segments and  
20 the percentage of Average Users in each business segment at any particular point in time. This is  
21 the underlying reason for the variances noted. Table 1 outlines Hydro's regulated business  
22 segment portion of Average Users from 2018 to 2026 and beyond.

**Table 1: BST Program Allocator – Regulated Business Segment share**

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026 and beyond
Average Users (%)	51.5	52.4	53.2	52.5	54.7	55.9	55.3	55.7	57.1

1 In Tables 3 and 5 of Schedule 1 of the Application, Hydro indicated that Regulated Hydro’s  
 2 estimated share of the **remaining** net book value of the JDE E1, TM1 and the IM assets proposed  
 3 to move to Regulated Hydro will be 57%. This value reflects the forecast allocation for 2026 and  
 4 beyond of 57.1% as noted in Table 1 above.

5 ***JDE E1 Like-for-Like Replacement***

6 On page 23 of Schedule 1, lines 6-9, Hydro states that **over the life of the JDE E1 asset, Hydro’s**  
 7 **regulated business segment share is forecast to be 54%**. This statement is referencing the  
 8 historical and future forecast allocation of shared costs associated with **JDE E1 like-for-like**  
 9 **replacement**. The annual JDE like-for-like replacement cost allocations are summarized in Table  
 10 2.

**Table 2: JDE Like-for-Like – Regulated Business Segment share (\$ thousands)**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 onwards	Total
Total Shared Costs (A)	1,525	2,510	1,828	1,808	1,744	1,744	1,744	1,744	1,744	2,391	18,783
Hydro Share (%) (B)	51.5	52.4	53.2	52.5	54.7	55.9	55.3	55.7	57.1	57.1	
Hydro Allocation (A*B=C)	706	1,315	973	949	953	975	965	972	997	1,366	10,171
<b>Percentage Share (C/A)</b>											<b>54%</b>

11 The 54% represents Hydro’s overall forecast allocation of shared costs for JDE E1 Like-for-Like  
 12 implementation, **both historical and future**.<sup>1</sup>

<sup>1</sup> Does not include fixed or dedicated costs of \$3.0 million.

1            **JDE E1 Additional Functionalities**

2            On page 12, lines 6-7 of Appendix D, it explains that **Hydro’s share of the JDE E1 additional**  
 3            **functionalities is approximately 56%**. This statement is referencing the shared portion of the  
 4            **JDE E1 Additional Functionalities** and does not include the JDE like-for-like replacement cost  
 5            allocations. The annual JDE E1 Additional Functionalities cost allocations are summarized in  
 6            Table 3.

**Table 3: JDE E1 Additional Functionalities – Regulated Business Segment share (\$ thousands)**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 onwards	Total
Total Shared Costs (A)	0	0	54	71	120	120	120	120	120	472	1,197
Hydro Share (%) (B)	51.5	52.4	53.2	52.5	54.7	55.9	55.3	55.7	57.1	57.1	
Hydro Allocation (A*B=C)	0	0	29	37	66	67	66	67	69	270	670
<b>Percentage Share (C/A)</b>											<b>56%</b>

7            Appendix D is support for **JDE E1 Additional Functionalities only** and does not include values for  
 8            JDE E1 like-for-like. The 56% represents Hydro’s overall forecast allocation of shared costs for  
 9            JDE E1 Additional Functionalities, **both historical and future.**<sup>2</sup>

10           **Information Management**

11           On page 25 of Schedule 1, lines 3-4 Hydro states that **over the life of the IM asset, Hydro’s**  
 12           **regulated business segment share is forecast to be 53%**. This statement is referencing the  
 13           shared portion of IM program costs. The annual and total IM asset cost allocations are  
 14           summarized in Table 4.

<sup>2</sup> Does not include dedicated costs of \$0.5 million.

**Table 4: IM Program – Regulated Business Segment share (\$ thousands)**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 onwards	Total
Total Shared Costs (A)	131	426	52	52	29	29	29	29	29	73	879
Hydro Share (%) (B)	51.5	52.4	53.2	52.5	54.7	55.9	55.3	55.7	57.1	57.1	
Hydro Allocation (A*B=C)	67	223	28	27	16	16	16	16	16	42	468
<b>Percentage Share (C/A)</b>											<b>53%</b>

- 1 The 53% represents Hydro’s overall forecast allocation of shared costs for IM program
- 2 implementation, **both historical and future.**<sup>3</sup>

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<sup>3</sup> Does not include fixed costs of \$13,000.