

[illegible]

Information Technology	-	(0.4)	0.6	1.8	1.8	1.8	1.8	1.8	1.8	1.8	12.8
Metering	-	0.1	0.1	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.0
Regulatory	-	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.6
Facilities, Logistics, Fleet	-	0.8	1.1	1.4	1.4	1.4	1.4	1.4	1.4	1.4	11.7
Construction, Control Room, Trouble Response	0.1	0.7	0.1	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.4
Grand Total	7.2	20.1	31.7	40.6	42.5	42.5	42.5	42.5	42.5	42.5	354.6

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6 b) Please see the Applicants' response to Interrogatory B-Staff-3b).

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8 c) The primary risks that could negatively impact the Applicants' projected OM&A savings
9 relate to projected synergies and transition costs in respect of the consolidation of the
10 following core enterprise applications during the three years post consolidation: (i)
11 legacy Customer Information Systems will be migrated to a single consolidated Oracle
12 Customer Care and Billing system; (ii) legacy Enterprise Resource Planning systems will
13 be migrated to a single consolidated system; and (iii) legacy Geographic Information
14 Systems and Outage Management Systems will be consolidated to a single system.

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16 The Applicants expect \$270MM (net of transition costs) in savings over the first ten
17 years from payroll reductions. The savings result from redundant positions largely in
18 administration and back-office functions.

19 Additionally, the Applicants expect \$42MM (net of transition costs) in savings in the first
20 ten years from other non-payroll reductions. Savings are related to the elimination of
21 costs due to the duplication of business processes across the four entities and adoption
22 of best practices.

23

24 Delays in the completion of one or more of the aforementioned IT systems consolidation
25 projects would likely result in a deferral of projected net OM&A savings; principally from
26 projected savings from redundant administration and "back-office" functions.
27 Additionally, such delays may potentially result in additional transition costs to complete
28 IT system migration and integration.