CCC Interrogatory #40

Interrogatory

Reference: Exhibit D3/T1/S1/p.6 and Table 1

The evidence states that in 2017 OPG entered into an Enterprise Agreement with Microsoft ("Microsoft Enterprise Agreement", which allows OPG to obtain per user software licenses for Microsoft E5. The new model shifts away from the purchase and implementation of individual software as it became obsolete to entering in to term agreement with Microsoft. As such OPG will no longer require individual, small projects for each product licence and will, instead, renegotiate and renew its agreement with Microsoft every three years. The IT Support services are increasing significantly beginning in 2020 and continuing into the IR term:

a) Please provide the Business Case Analysis for the changes resulting from the Microsoft Enterprise Agreement;
b) Please indicate why the IT Support Costs are increasing during the IR term. For example, the increase from 2019 to 2022 is almost double going from $53.1 million to $91.2 million.

Response

a) The Microsoft Enterprise Agreement is a sustaining investment and contract renewal, and is not an IT project. As such, a business case was not completed for the Microsoft Enterprise Agreement in 2017.

   As stated in Ex. D3-1-1, every three years, OPG renegotiates and renew its agreement with Microsoft. Although not required, in 2020, OPG utilized the Business Case Summary form (OPG-FORM-0076) to document the business justification for continued renewal of the Microsoft Enterprise Agreement. See Attachment 1 for the 2020 Business Case Summary. OPG does not plan to complete such justifications for ongoing future renewals during the IR term.

b) The IT costs identified at Ex. D3-1-1, Table 1 and referenced in the question are OPG's capital expenditures on IT projects. Please refer to Ex. L-F3-02-VECC-030 for further discussion.