

Demande de renseignements no 1

Références : - GI-4, document 7.6, page 5;
- GI-4, document 7.6, page 6.

Préambule :

- i) *«Accenture is limited to recovering their investment in the development and implementation of the solution by way of the charges for usage of the system (i.e. services rendered under component 3, described below).»*
- ii) *«There was no separately identifiable charge to EGD or Gazifère from Accenture for this phase (Design and Implementation of (WAMS) Work and Asset Management Solution) of the work.»*
- iii) *«Gazifère receives a charge for the usage and maintenance of WAMS for EGD. It is the only one of the four components of EnVision for which Gazifère currently receive a charge from EGD.»*

Questions :

1. Étant donné les points i) et ii) du préambule, serait-il plus approprié de dire au point iii) que Gazifère *« receives a charge for the recovering of Accenture's investment in the development and implementation of the solution embedded in the charge for the usage and maintenance of WAMS? »*

In light of items i) and ii) in the preamble, would it be more appropriate to say at item iii) that Gazifère *“receives a charge for the recovering of Accenture's investment in the development and implementation of the solution embedded in the charge for the usage and maintenance of WAMS.”*

Answer 1.1:

The Accenture implementation costs associated with EnVision are part of the charge that Gazifère receives for their use of the system, component 3 of EnVision, as specified in the Deloitte study in Section 3.2. The charge to Gazifere for this component of EnVision in 2005 was \$132, 833 which includes the portion related to the implementation costs. There were no additional up front Accenture related charges to Gazifère for the design and implementation of WAMS. The implementation costs or some portion of them will be recovered through the use of the system over the life of the contract.

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2. Si non, veuillez expliciter les ajustements faits par EDG afin de s'assurer que les investissements liés au « *Design and Implementation of WAMS* » ne sont pas facturés à Gazifère Inc.?

If not, please explain the adjustments made by EDG to ensure that the investments connected with the "*Design and Implementation of WAMS*" are not charged to Gazifère Inc.

Answer 1.2:

N/A

Demande de renseignements no 2

Référence : GI-4, document 7.6, page 5.

Préambule :

- i) «*The timing of the implementation of Field Force Transformation (FTT) at Gazifère has not yet been determined.*»
- ii) «*Gazifère is not expecting to be charged for the design and implementation of the Field Force Transformation (FFT) solution.*»

Questions :

1. Si cette composante était implantée au cours de l'année tarifaire 2004-2005, Gazifère s'engage-t-elle à absorber ces coûts?

If this component were introduced during the 2004-2005 rate year, does Gazifère agree to absorb these costs?

Answer 2.1:

Cette composante ne sera pas implantée durant l'année témoin 2005 (octobre 2004 – septembre 2005).

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2. Gazifère peut-elle donner l'assurance à la Régie que, dans ses négociations avec EDG, elle va faire en sorte que les investissements faits au titre du «*design and implementation of the FFT solution*» ne lui soient pas facturés?

Can Gazifère assure the Régie that, in its negotiations with EDG, it will see to it that the investments made for the “design and implementation of the FFT solution” are not charged to it?

Answer 2.2:

As mentioned in the response to Question 1 in section 1, Accenture is attempting to recover some, if not all, of the Accenture related WAMS implementation costs through the charge for the usage of WAMS. There are currently no charges to Gazifere related to the FFT component of EnVision since it has not yet been implemented. It is quite likely however that the Accenture related FFT implementation costs will form part of the FFT service charge to EGD and subsequently to Gazifère once the system goes live at Gazifere. No additional up front Accenture related charges to Gazifère for the design and implementation of EnVision are expected.

Demande de renseignements no 3

Référence : GI-4, document 7.6, page 8, Table 2 : *Charges related to Operations of WAMS.*

Question :

1. Comment le montant de 1 600 000 \$ attribué au « *Management Assistance Component* » a-t-il été établi?

How was the \$1,600,000 allotted to the “Management Assistance Component” arrived at?

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Answer 3.1:

The services and associated expenses related to the management assistance component of EnVision are specifically identified in the contract. As such, EGD is able to isolate this component of EnVision related expenses so that they are not charged to Gazifère.

Demande de renseignements no 4

Références : - GI-4, document 7.6, page 8, Tables 2 & 3;
- OEB; RP-2003-0203; Enbridge Gas Distribution Inc., June 14, 2004;
Exhibit N1, Tab 1, Schedule 1 (page 26).

Préambule:

«The fee-for-service contract with Accenture is for a 10-year period (2004-2013). EGD has provided a forecast of the fees for that period and the projected benefits. The total cost of the project is approximately \$ 136 million over the 10 year period with expected annual benefits of approximately \$ 25 million by 2006. EGD is proposing to capitalize 90% of the Accenture fees and recover 10% through its annual O & M expenses.»

Questions:

1. Cette caractérisation du projet est-elle globalement juste?

Is this an accurate overall characterization of the project?

Answer 4.1:

On page 5 of the Deloitte Study, the EnVision system is described as being maintained by Accenture, the Application Services Provider, and that a 10 year contract between EGD and Accenture that includes the terms and charges related to EnVision is in place. Deloitte was not provided access to the contract nor did we review any of the quantifiable benefits related to EnVision and as such cannot comment as to the accurateness of these statements as described above.

2. La proposition de EDG de capitaliser 90% des honoraires d'Accenture et d'en recouvrer 10% par le biais des dépenses d'opération a-t-elle été acceptée?

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Was EDG's proposal for capitalizing 90% of the Accenture fees and recovering 10% through its operating expenses accepted?

Answer 4.2:

The 90% capitalization was accepted in the EGD's 2005 rate case. In that rate case the Ontario Energy Board asked EGD to engage an independent consultant to report on the achievability of the savings put forth by EGD. Since the basis for the 90% capitalization was that 90% of the savings were on capital projects it is conceivable that in the 2006 rate case the 90% may be adjusted based on the consultant's report.

3. Si oui, comment le montant de 9 500 000 \$ s'intègre-t-il dans la proposition de EGD?

If yes, how does the \$9,500,000 fit into EDG's proposal?

Answer 4.3:

EGD will be capitalizing 90% of, the Accenture charges less the amount paid by Gazifere in 2005.

Demande de renseignements no 5

Références : - GI-4, document 7.6, page 12;
- OEB; RP-2003-0203; Enbridge Gas Distribution Inc., June 14, 2004;
Exhibit N1, Tab 1, Schedule 1 (page 27);
- GI-4, document 7.6, page 7.

Préambule :

- i) *«The costs and benefits associated with EnVision were accepted by the OEB subject to specific conditions which included an agreement by EDG to hire an independent consultant to conduct an assessment of the project as indicated in OEB decision RP-2003-0203.»*

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- ii) *«Acceptance of the costs and benefits for the test year will not prejudice the ability of parties to challenge the costs and benefits projections of the EnVision Project in future proceedings.»*
- iii) *«However, it is our opinion that the current non existence of the Service Level Agreement (SLA) should not invalidate the charge, given: the commitment of EGD and Gazifère to develop an SLA in the near future.»*

Questions :

1. Gazifère a-t-elle pensé inclure, dans l'entente de service prévue (point iii) du préambule) entre elle et EDG, une clause de réouverture du «prix» conditionnelle aux conclusions de l'évaluation mentionnée au préambule i)?

Did Gazifère think to include in the service level agreement (item iii) in the preamble) between it and EDG a “price” reopening clause conditional on the findings of the assessment mentioned in item i) of the preamble?

Answer 5.1:

Yes.

2. Si non, pourquoi ?

If not, why not?

Answer 5.2:

N/A.

3. Gazifère serait-elle prête à accepter une condition semblable à celle négociée entre EDG et les intervenants et dont il est fait mention au point ii) du préambule?

Would Gazifère be prepared to accept a condition similar to the one negotiated between EDG and stakeholders and which is mentioned in item ii) of the preamble?

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4. Si non, pourquoi?

If not, why not?

Answers 5.3 and 5.4:

Non, Gazifère n'est pas prête à accepter une telle condition puisque, d'une part, Gazifère considère qu'il serait injustifié dans les circonstances d'encourir les coûts importants associés à la réalisation d'une étude additionnelle et que, d'autre part, la preuve produite au dossier démontre que ce système est nécessaire et que les coûts y afférents sont justes et raisonnables. Selon la preuve, il ne fait pas de doute que Gazifère ne pourrait se procurer un système de cette nature à un tel coût sans la participation d'EGD et qu'il serait trop onéreux pour elle de maintenir les systèmes Legacy.

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