

FRPO INTERROGATORY #2

INTERROGATORY

REF: Exhibit B, Tab 2, Schedule 4, Page 2 and Exhibit D, Tab 1, Schedule 3 and EB-2012-0459, Exhibit I.B18.EGDI.STAFF.58, Page 2

Preamble: We would like to understand better the incremental costs for the WAMS project and the drivers behind those costs.

Part c) of the STAFF.58 in the above reference states: ..."Enbridge made the decision to use an "in-house" approach for several reasons including that it aligns well with current industry practices, has worked effectively for recent major business systems such as CIS, and that it enables Enbridge to have a direct relationship with the product vendor and therefore more influence on sustainability of the product to meet Enbridge's future needs. These factors, plus the ability to reduce additional vendor related costs, make the proposed approach more cost effective. A review of this approach was conducted by Sync Energy (Exhibit B2, Tab 8, Schedule 2, Attachment 1) and was deemed to be in alignment with current trends for the utility industry.

The above references in the instant proceeding provide the following reasons for the overrun: "Longer duration of solution design and increased scope to ensure quality of design" and "The cost variances are mostly the result of timing delays due to the competitive bid processes, and a greater level of detail in relation to technology and business complexities within the design, construct and quality assurance phases as noted above".

Please provide more specific information on the increased scope to ensure quality of design and quality assurance phases ensuring the following information is provided:

- a) The initial scope and cost of quality assurance
- b) The final scope and cost of quality assurance
- c) What new information came to light that drove the difference between initial and final scope

RESPONSE

Please refer to the response to BOMA Interrogatory #12, found at Exhibit I.EGDI.BOMA.12.

Witnesses: W. Akkermans
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