



IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O.1998, c.15 (Sched B)

AND IN THE MATTER OF an application by Bluewater Power Distribution Corporation for an Order or Orders pursuant to section 78 of the *Ontario Energy Board Act, 1998* for the final recovery of certain regulatory assets.

**RECOVERY OF
REGULATORY ASSETS
RP-2005-0020 / EB-2005-0527**

Bluewater Power Distribution Corporation
Responses to Interrogatories of

**ENERGY PROBE RESEARCH
FOUNDATION
("ENERGY PROBE")**

**Bluewater Power Distribution Corporation
P.O. Box 2140
855 Confederation Street
Sarnia, ON N7T 7L6**

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**RESPONSES TO INTERROGATORIES OF
Energy Probe Research Foundation (Energy Probe)**

Interrogatory # 1

Reference: Tab 2, Section 2.2, Page 3

*The evidence in the first paragraph of Section 2.2, **Background to Application**, describes “a thorough internal review of its Regulatory Assets” undertaken by the Applicant prior to submitting this Application.*

- a) *Please identify the personnel by function, job level and department who carried out the internal review.*

Response

The internal review was carried out by the following personnel.

Job title/function	Job Level	Department
Regulatory Analyst	Non-Union Staff	Regulatory
VP Corporate Services	Executive	Executive
Manager of Finance	Manager	Finance

- b) *Please provide a copy of the direction to those personnel outlining the scope, detail and product required in the internal review.*

Response

There was no formal direction document produced by Bluewater Power. The product of the internal review was to prepare a complete, accurate and thorough application for Comprehensive Review of Regulatory Assets, and the scope and detail was dictated by that process.

c) *Please file the report emanating from the internal review.*

Response

The result of those efforts was the Application for Comprehensive Review of Regulatory Assets submitted to the OEB.

d) *Please file the response of the Applicant's senior management to that internal review report.*

Response

The response of senior management was to approve and authorize the Application to be submitted to the OEB.

Interrogatory # 2

Reference: Tab 7, Schedule APH Category 1, Page 17

*The evidence, beginning in the section entitled **General Description**, describes the Applicant's search for a CIS solution as it became apparent that its current billing system could not easily be modified to produce a market ready version, and that either an entirely new implementation of an upgraded version of its current billing system, or an entirely new billing system would be required.*

a) Please identify any consultant utilized to assist the Applicant in drafting its RFP.

Response

None.

b) Please file the Letter of Engagement, or its equivalent, used to secure the services of any such consultant.

Response

Not applicable.

c) Please file a copy of the RFP, or its equivalent, used to search the market for a billing solution.

Response

Please find enclosed an electronic copy of the RFP filed as:

Schedule 1A named:

“BWP_Sch1A_RFP_Energy Probe_Q2c”

And

Schedule 1B named:

“BWP_Sch1B_RFP Add_Energy Probe_Q2c”

d) *Please identify the costs associated with the search which are included in the Applicant's Account 1570 claim.*

Response

No costs are included in Account 1570 with respect to either the RFP or efforts expended on the Daffron system prior to Bluewater Power's decision to issue the RFP.

e) *Please indicate whether the same consultant was utilized in the identification of the Canadian Niagara Power/SAP solution as being suitable for Bluewater Power, and whether that consultant had performed that service for Canadian Niagara Power (CNP).*

Response

Bluewater Power did not hire a consultant to help it prepare the RFP or to evaluate the proposals submitted.

f) *Please identify any consultant utilized to assist the Applicant in negotiating terms CNP.*

Response

None.

g) *Please file a copy of any contract negotiated with CNP.*

Response

See answer to SEC Interrogatory #4(c).

Interrogatory # 3

Reference: Tab 7, Schedule APH Category 1, Page 22

*The evidence, outlined in Section 3, **Prudence**, beginning in the second paragraph, noted the hiring of a professional Project Manager familiar with the SAP Solution.*

a) *Please identify the Project Manager and provide a cv.*

Response

The Project Management was provided by Tridium Consulting Ltd., as represented by Paul Camalleri. Please find his curriculum vitae taken from the CNP proposal filed as Schedule 2 named:

“BWP_Sch2_CV_Energy Probe_Q3a”

b) *Please file the gap analysis report which was facilitated by the Project Manager, and any correspondence from the management of the Applicant in response to the analysis.*

Response

Provided as Schedule 3 is the list of gaps identified. That list was produced for a meeting that took place on November 5, 2001.

“BWP_Sch3_Gapanalysis_Energy Probe_Q3b”

The results of that meeting are reflected in the report produced in response to SEC Interrogatory #4(h).

Interrogatory # 4

Reference: Tab 7, Schedule APH Category 1, Page 22

*The evidence, in Section 3, **Prudence**, beginning in the third paragraph, noted that original project strategy was to have the SAP Solution billing system for the Applicant hosted on a system owned by CNP.*

a) Please provide the justification for having CNP host the billing system of Bluewater Power.

The SAP Solution billing system has three different versions at any given time, namely Production, Development, and Quality Assurance. The Production system was never intended to be hosted by CNP, but the Development and the Quality Assurance systems were to be shared and hosted by CNP. The justification for the sharing of those systems was to reduce hardware costs associated with implementation but, more importantly, to facilitate cost sharing on future development of the SAP Solution.

b) Please identify the modifications required by the Applicant that CNP did not require.

Response

See answer to SEC Interrogatory #4(f).

c) Was CNP still hosting the Applicant's billing system when the SAP Solution Template was installed?

Response

The SAP Solution was installed in Production on March 11, 2002. As discussed in the answer to Interrogatory #4(a) above, the Production system was never intended to be hosted by CNP. However, when the SAP Solution Template was installed in Production, the Development and Quality Assurance versions were still hosted by CNP.

Interrogatory # 5

Reference: Tab 7, Schedule APH Category 1, Page 23

*The evidence, in Section 3, **Prudence**, as discussed on Page 23 in the fourth paragraph, outlines some \$320,000 in cost to the Project driven by time delays. The following paragraph asserts that approximately \$313,000 in cost over-run cannot readily be attributable to Bluewater Power.*

a) Please provide an itemized list of those costs in both instances outlined above.

Response

The full statement from page 23 of the Application states that these costs “cannot be readily attributable to Bluewater Power decisions or changes in the regulatory environment”.

For the itemized list requested, see the answer to OEB Interrogatory #33.

b) As part of the itemized list, please identify the supplier, the activity and the cost for each item.

Response

This issue is discussed in detail in answer to OEB Interrogatory #33, but the suppliers that could be identified for each cost driver are set out in the table below.

Activity	Suppliers
Regulatory Flux (\$210,000)	Tridium ViaData Spearhead
Two-phased implementation (\$320,000)	Tridium ViaData Spearhead
Cost over-runs (\$313,000)	Tridium ViaData Spearhead

Interrogatory #6

Reference: Tab 7, Schedule APH Category 1, Page 24

The evidence on Page 24 describes two reviews under taken first by the CEO, and second by the Board of Directors.

a) Please file both reports, or their equivalents.

Response

Reports are included in the answer to SEC Interrogatory #4(h).

b) In the case of the CEO's review, please provide an itemized list of the non-essential implementations that were delayed, and a list of the operational changes made in the project.

Response

Please see answer to OEB Interrogatory #35.

c) In the case of the Board of Directors' review, please provide an itemized list of the non-essential implementations that were delayed, and a list of the cost over-runs that were approved.

Response

The itemized list of non-essential implementations is identical to the list provided at OEB Interrogatory #35. The Board of Directors approved of the list of non-essential implementations as determined by the CEO.

With respect to cost over-runs approved, the Board of Directors acknowledged a total cost to that date of \$2,675,000 made-up of the following:

Original budget	\$1,100,000
Modifications to template	\$ 300,000
Costs outside of original budget prior to April 1	\$ 600,000
Cost incurred April 1 to July 31	\$ 598,000
Cost incurred in the month of August	\$ 77,000

The Board also acknowledged the need for further expenditures.

Interrogatory #7

Reference: Tab 7, Schedule APH Category 1, Page 25

The evidence on Page 25 asserts the appropriateness of the inclusion of 100% of the integrated Billing System costs in Transition Costs. In cross examination at the Comprehensive Review of Regulatory Assets, it very well may be necessary to defend this assertion.

- a) *Please provide justification given that the billing system in place at Bluewater Power was highly customized, less flexible for upgrading, and was likely to need replacement even without a market opening.*

Response

Bluewater Power's customised Daffron system was very capable of continuing to provide useful service for the benefit of Bluewater Power's ratepayers but for the introduction of market opening. Bluewater Power had no intention of replacing this system as evidenced by the fact that extensive money and effort was expended to make the customized Daffron system ready for Y2K. Those extensive efforts were completed by the former Sarnia Hydro only 17 months prior to the decision to issue the RFP. But for market restructuring, the existing system would have continued to meet the needs of Bluewater Power.

-
- b) *Please confirm that the highly customized version of the Daffron Software in place at Bluewater Power was in fact customized internally by the Applicant's staff.*

Response

It needs to be emphasized that the customization was undertaken during the tenure of Sarnia Hydro. The programming was conducted both by internal staff and by contract personnel added from time-to-time in order to respond to significant initiatives.

Interrogatory #8

Reference: Tab 10, Schedule 10-A, Page 49

The evidence on Page 49 is a letter from the Auditor confirming a list of items in connection with the Bluewater Power's Application.

- a) *Please file the Letter of Engagement, or equivalent, which provided direction to the Auditor for this assignment.*

Response

The terms of reference are as follows:

For all accounts:

- a. *confirm carrying charges are based on OEB deemed debt rate and applied to monthly opening balance.*
- b. *Confirm that same accounting method has been used for all reg. asset accounts and throughout life of each account. (billed vs accrual)*
1. *RSVA Accounts 1580, 1582, 1584, 1586 and 1588:*
 - a. *Substantive test of methodology and calculations.*
 - b. *Confirmation of amount claimed.*
 - c. *Confirmation that line loss variances are in account 1588.*
 2. *Pre-Market Open Variance Account 1571 (2001):*
 - a. *Substantive test of methodology and calculations. (required calculation is at para. 3.0.21 of decision)*
 - b. *Confirmation that line loss variance is not included in reg. asset claim*
 - c. *Confirmation of amount claimed.*
 3. *Pre-Market Open Variance Account 1571 (2002):*
 - a. *Substantive test of methodology and calculations.*
 - b. *Confirmation of amount claimed.*
 4. *Retail Cost Variance Accounts 1518 and 1548 (if applicable):*
 - a. *Substantive test of methodology and calculations.*
 - b. *Confirmation of account claimed.*
 5. *Account 1525 Miscellaneous Deferred Debits:*
 - a. *Confirmation that amounts recorded are limited to direct costs and carrying costs.*

6. *Account 1508 (if any):*
 - a. *Confirmation of any regulatory assets not included in other accounts and which result from ratemaking actions of the OEB.*

7. *Transition Costs:*
 - a. *Substantive test of methodology and calculations.*
 - b. *Confirmation of procedures with any RFPs issued.*
 - c. *Confirmation of materiality on segregated basis for period.*

The nature of our procedures and reporting are described in the following. Our approach will include a combination of substantive transaction testing and substantive analysis testing. Our deliverables will be in the form of a report that describes the specific procedures executed and our specific findings. Our report will consist of a CICA Handbook section 9100 report in style.

- b) *In the Appendix, under the heading **Transition Costs account 1570**, in Item 19., on Page 52, the Findings were that “53% of the costs were agreed to invoice or other supporting documentation”. Please explain what the other 47% agreed to.*

Response

That statement simply describes the process followed by KPMG. In other words, the threshold established by KPMG resulted in 53% of costs being traced to invoice. The other 47% of costs were below the sampling threshold established and were not traced to invoice.

Interrogatory #9

Reference: Tab 10, Schedule 10-A, Page 52

In the third paragraph of those Item 19. Findings, on Page 52, the Auditor has concluded that the criteria of the OEB on Transition Costs and the Decisions with Reasons on certain LDCs with respect to Transition Costs, made it difficult to render an opinion on whether including the full cost of implementation of the financial systems meets the criteria of causation. Did the Auditor provide the Applicant with its best guess?

Response

No. Please see answer to SEC Interrogatory # 4 (c) for the discussion of this issue.

Bluewater Power Distribution Corporation
855 Confederation Street
PO Box 2140
Sarnia ON N7T 7L6
Telephone: (519) 337-8201
Fax: (519) 332-3878

Date: May 30, 2001

Request for Proposal

R.F.P. #407-01

**This is not a Purchase Order
Information to Vendor**

Vendor:

To Supply and Implement; an Enterprise Resource Planning (ERP) System all in accordance with the Technical and Commercial specification described in this Request for Proposal #407-01

CLOSING DATE: June 19, 2001 2:00 P.M.

ALL REQUEST FOR PROPOSALS ARE SUBJECT TO THE TABLE OF CONTENTS BELOW

TABLE OF CONTENTS

The following sections marked with an "x" are part of this Request for Proposal:

- | | | | |
|-------------------------------------|----------------------------|-------------------------------------|--------------------------|
| <input checked="" type="checkbox"/> | Instructions to Vendor | <input checked="" type="checkbox"/> | Technical Specifications |
| <input checked="" type="checkbox"/> | Blank Proposal Form | <input checked="" type="checkbox"/> | Bidder Resume |
| <input checked="" type="checkbox"/> | General Terms & Conditions | | |
| <input checked="" type="checkbox"/> | Supplementary Conditions | | |
| <input type="checkbox"/> | Special Conditions | | |
| <input type="checkbox"/> | Scope of Work | | |

Bill validity to be sixty (60) days from Proposal Closing Date.

Bluewater Power
By: Lynne Hicks

Introduction

Bluewater Power is a progressive Electric Utility servicing approximately 34,000 electrical accounts; 4,000 water; and 4,000 sewer. To ensure competitiveness in the new marketplace we are implementing an Enterprise Resource Planning System, which will integrate with our Wholesale and Retail Settlement Systems, SCADA System, Geographic Information System, and Messaging & Calendaring System.

This Request for Proposal (R.F.P.) #407-01 is for a fully functional, integrated **Enterprise Resource Planning system** compliant with the requirements of the Ontario deregulated electricity market.

Document List

2.1 Written Submission

In a written submission, the proposal shall address the items listed below. Following the review of these proposal submissions, the respondent may be asked to provide a presentation to the review committee. A list of specific questions or areas of interest will be provided to the vendor in advance of the presentation date.

The written submissions will address the following list of items:

- § corporate profile/Bidder Resume;
- § list of ERP System installations for the utility sector which have been successfully completed, complete with references (name and phone numbers) and brief descriptions of the services provided;
- § resumes of key staff members that would be expected to be working on this project if the proposal is accepted;
- § the proposal should provide a description of how your company would implement an ERP system based on a phased approach;
- § the proposal should report on all sections of Technical Specification;
- § the proposal should also outline any additional costs, estimated time frames to complete, and alternative options available to BPDC at each step of the process;
- a completed Blank Proposal Form; and
- § demonstrate that their software satisfies the needs of BPDC at the most reasonable cost;
- § copy of End User License and Warranty Agreements;
- § copy of Maintenance Agreement.
- § letter from Surety Company to cover performance bond

2.2 Deliverables and Expected Time Table

Receipt of three copies of written proposals:	June 19, 2001
Review of proposals complete:	June, 2001
On-Site Demonstrations of Software:	July, 2001

Instructions to Vendor

1. Proposal Preparation

- 1.1 **Proposals shall be submitted upon the Blank Proposal Form contained herein as an original and three (3) copies.** Proposals shall be typewritten or written in ink. Proposals are solicited for the Scope of Work in its entirety. Exceptions and/or clarifications shall be covered in a separate letter attached to the base proposal. If exceptions are not itemized by the Vendor, it shall be assumed that the base proposal conforms in all respects with the proposal documents.
- 1.2 Each copy of the proposal shall contain information requested, together with sufficient supporting information and technical data to permit an understanding of the proposal.
- 1.3 Original proposal plus copies shall be submitted in a sealed envelope referring to Request for Proposal number at all times, and addressed to:

Mr. Keith Broad, Manager of Information Technology
Bluewater Power Distribution Corporation
855 Confederation Street, PO Box 2140
Sarnia, Ontario N7T 7L6

1. Signed Request for Proposals

- 2.1 All proposals must be signed by Vendor's duly authorized signing authority.

3. Variations in Proposal Documents

- 3.1 The Vendor shall carefully examine the specifications and other documents incorporated with the Request for Proposal. Any errors, omissions, discrepancies or clauses requiring clarification shall be reported to Bluewater Power in writing not less than four (4) working days prior to the proposal closing date.

Qualified Vendor

The Vendor shall be actively engaged in the line of work required by the specifications.

5. Proposal Acceptance

- 5.1 Bluewater Power reserves the right to accept any proposal and not necessarily the lowest proposal and to reject any or all proposals.
- 5.2 Bluewater Power reserves the right to award in whole or in part, by item, or class.
- 5.3 No commitment shall be made by Bluewater Power in respect of the proposal until such time that the Vendor receives written notification of acceptance from Bluewater Power Purchasing.
- 5.4 Proposals having any erasures or corrections therein may be rejected unless explained or noted over the signature of the Vendor.
- 5.5 Proposal evaluation will include the following criteria:
 - § the extent to which the Request for Proposal is appropriately received and details required are accurately submitted;
 - § the extent to which the Request for Proposal meets all mandatory requirements of this solicitation'
 - § deemed capabilities, understanding the requirements, integrity, reliability and financial stability of the Vendor to meet the requirements of Bluewater Power;
 - § pricing;
 - § quality of product and samples (where requested) submitted;
 - § range and scope of services, resources, available to Bluewater Power;
 - § delivery, capabilities to ensure deadlines are met;
 - § quality of past performance, based of references;
 - § environmental responsibility;
 - § absence of both conflict of interest and potential or perceived conflict of interest.Each criterion above is listed randomly and does not necessarily reflect priority in the actual evaluation process.
- 5.6 Late proposals shall be returned unopened.
- 5.7 Site visit is mandatory, otherwise any proposals submitted will be disqualified.

6. Documentation of Communication with Vendor

6.1 Purpose and Scope

The purpose of this clause is to identify the correspondents for this proposal package at Bluewater Power with the object of gaining maximum efficiency in communications.

6.2 Identification

All communications regarding this proposal package will show the Request for Proposal number.

6.3 Direction and Routing

All communications regarding Technical or Commercial matters will be addressed in writing only.

Our fax number for this purpose is (519) 332-3878.

Commercial:

Lynne Hicks

Purchasing Agent

Email - lhicks@bluewaterpower.com

Technical:

Keith Broad

Manager of Information Technology

Email - kbroad@bluewaterpower.com

Note: Bluewater Power will not be responsible for any verbal communications.

9. Vendor's Liability Insurance

9.1 The Vendor must have insurance in the following amounts and in form satisfactory to BPDC, insuring himself against claim for any and all liability for property damage and public liability.

General Liability

\$2,000,000 per occurrence

Automotive Liability

\$2,000,000 third party liability, and

\$2,000,000 third party liability for non-ownership automotive liability

9.2 Professional Liability

Errors and Omissions Liability Insurance

\$1,000,000.00 per loss.

9.3 Evidence of Insurance

Certificate(s) of Insurance for Vendor and/or any proposed subvendor(s) shall accompany proposal.

9.4 Workplace Safety & Insurance Board

The Vendor shall include with its proposal a valid Certificate of Clearance from the Workplace Safety & Insurance Board for himself and any proposed subvendor.

It is the responsibility of the successful Vendor to supply updated Clearance Certificates every sixty (60) days as applicable for the duration of the contract to BPDC Purchasing.

10. Ability and Experience

10.1 It is not the purpose of BPDC to award a contract to any Vendor who does not furnish satisfactory evidence that he has the ability and experience in this class of work, and that he has sufficient capital and plant to enable him to execute and complete the same successfully and to complete it in accordance with this Request for Proposal.

11. Subvendors

11.1 The Vendor shall stipulate the names and business addresses of subvendors who may perform work or provide services to the Vendor.

11.2 The successful Vendor shall not contract, sublet or assign any portion of his work without prior written approval or Bluewater Power and shall provide Bluewater Power for review, its subvendor qualifications, insurance certificates. Written consent by Bluewater Power will not relieve the successful Vendor from any liability or obligation. The successful Vendor will be responsible for the acts, defaults and neglects for any subvendor, his agents or workmen.

12. Pre-Award Meeting

Date and Time to be announced.

Bluewater Power Distribution Corporation
855 Confederation Street
Sarnia, Ontario

13. Progress Reporting Requirements

13.1 The Vendor will be required to submit its detailed delivery schedule within two weeks after award of an order. The schedule shall include as a minimum, all submissions of drawings and technical data, the start date and duration required for the engineering, material procurement, development, inspection and/or testing, preparation and/or packaging for shipping.

13.2 The Vendor shall submit regular progress reports (min. bi-weekly) showing progress against the original schedule and required on site delivery dates. The schedule is to show also the anticipated manpower requirements for the duration of the project.

14. **Shipping Instructions**

Ship F.O.B. delivered, freight prepaid and allowed. Custom Clearance (if applicable) shall be the responsibility of the successful Vendor.

15. **Contract Administrator**

The Vendor will be responsible for properly administering the contract. A representative shall be available as telephone contact to provide prompt response with regards to information, status, troubleshooting etc.

The name of the representative is: _____
_____ capacity

and the person can be reached at:

telephone: _____

cellular: _____

pager: _____

Email: _____

Note: Attach to Blank Proposal Form

16. **Prices**

16.1 Prices shall be firm.

Prices shall be in Canadian Funds.

17. **Special Instructions**

17.1 It is the Vendor's responsibility to provide a complete, detailed response to both the Commercial and Technical sections of this Request for Proposal that require the Vendor's direct input. Failure to address this completely may result in automatic disqualification. Bluewater Power will no longer accept the responsibility of advising the Vendor that the information provided by the Vendor is incomplete, nor will Bluewater Power advise the Vendor of any disqualification. Should the Vendor not fully understand the foregoing, contact with Bluewater Power shall be made via telephone. Arrangements will then be made to have the Vendor's project manager or qualified representative **and** the Vendor's estimator meet at the Bluewater Power site to clarify all areas of concern (the estimator must be present at any meetings). Vendor must copy Bluewater Power Purchasing on all Technical queries pertaining to this Request for Proposal.

**Bluewater Power Distribution Corporation
R.F.P. #407-01**

Technical Specifications

R.F.P. #407-01

Objective

The purpose for issuing the R.F.P. is to obtain and have implemented, the necessary integrated customer information, financial, work management, human resource and materials management systems to meet the Ontario Deregulated Electricity Market requirements and our growing business needs.

Bluewater Power Distribution Corporation must be market ready and compliant with all Ontario legislative and regulatory requirements. In order to achieve this objective, the planning group is examining the cost associated with the following options: a) purchasing a new locally installed system or, b) utilizing an application service provider to meet its ERP needs.

Scope of R.F.P. Requirements

Specifically, your proposal should be based on, but not limited to, providing the necessary services in respect to the following requirements:

Mandatory Requirements

1. Compliance with Regulations and Market Rules:

Note: Further information, including an explanation of regulation and market rules, can be found at the following internet web sites: Ontario Energy Board - <http://www.oeb.gov.on.ca> and Independent Electricity Market Operator - <http://www.iemo.com>

- a) The Vendor is solely responsible for ensuring the proposed software and hardware system purchased by or implemented for BPDC complies entirely with all regulations and market rules made pursuant to the Energy Competition Act, 1998, including any subsequent rulings by the Ontario Energy Board (OEB) and the Independent Electricity Market Operator (IMO).
- b) The Vendor agrees to save harmless BPDC from any deficiency of the proposed software and hardware system in respect of such regulations and market rules.

2. Bill Design Enhancements:

The billing software and hardware system must allow for the printing of unbundled bills and interface to retail and wholesale software and hardware settlement systems, in accordance with regulations and market rules established by the OEB and the IMO.

3. Integration:

Consolidation and Conversion of Existing ERP system(s) databases (DB-2 based) into proposed ERP system is required.

Bluewater Power Distribution Corporation
R.F.P. #407-01

4. The Vendor shall allow the use of the implemented system(s) for the extended business growth of BPDC beyond current business functions within boundaries of agreements between the Vendor and BPDC.

5. The Vendor will indicate whether future changes in your current market ready version of software will be adhoc modifications or become standard features in future version upgrades.

Utility System Requirements

1. Customer Information Systems

- a) Customer Information with capability of supporting multi-data bases
- b) Retailer Information
- c) Contracts and Rates
- d) Capable of both Imperial and Metric Measurements
- e) New and Renewal Budget Calculations
- f) Service Appointments
- g) Customer Connects & Disconnects
- h) Customer Deposits
- i) Meter Readings (Integration with existing meter reading systems)
- j) Meter Equipment and Inventory
- k) Transformer Equipment and Inventory
- l) Unbundled Utility Bill Calculation and Preparation
- m) Prorated Bill Calculation and Preparation
- n) Non-Utility and Miscellaneous Bill Calculation and Preparation
- o) Bill Printing
- p) Adjustments
- q) Cashiering
- r) Call Centre Requirements including ACD reporting and outbound telemarketing functions.
- s) Payment Processing including automated data entry on all customer accounts, Interac debit, credit card payment, internet payment and electronic Pre-approved Bank Payments.
- t) Internet account, consumption, payment inquiries and bill presentment
- u) Credit and Collections
- v) Billing Penalty Management
- w) Wholesale and Retail Settlements including load forecasting and scheduling as well as settlement interface
- x) Performance Based Regulation Service Standards
- y) Service Transactions Requests (STRs) in accordance with OEB rules and procedures. The Vendor's system(s) will be responsible for using these formats/standards to electronically transact these service requests or data exchanges via XML standards.
- z) The system(s) must support transaction based costing.
- aa) **Marketing Communication Enhancements:**
 - a. Customer Letter Generation including Lawyers', Deposit, Occupancy, Budget, Reference, etc. Letters
 - b. Automate bill insert placement in envelopes
 - c. Adopt capability to place different bill inserts into envelopes according to bill code.
 - d. Postal Code Accuracy.
 - e. Include customer forms generator, including contracts for all products and services.
 - f. Include automatic bill analysis capability - electric versus gas, water heater
 - g. Different rates to customer load profile.

- h. Add customer profile to customer record - consumption history, major appliance history, account information, past billing data, service history and non-financial data.

ab) Bill Design Enhancements:

- a. Consumption history chart (up to 13 periods);
- b. Discount/promotion capability;
- c. Frequency of Billing (bimonthly and monthly);
- d. Capable of complex billing procedures including hourly interval loads and calculation of average weighted prices;
- e. Allow for consolidated and aggregated billing;
- f. Allow for multiple utility services;
- g. Allow for multi-media billing options;
- h. Allow for merchandising of products and services;
- i. Allow for customer purchase financing and financing resource;

2. Financial Systems

- a) General Ledger with capabilities of supporting multiple companies with separate general ledgers
- b) Treasury (cash flows, in-house banking and bank relationship management)
- c) Projects (estimates and tracking, rate recovery, distributions)
- d) Budgeting – Multiple Budgets Capability
- e) Date Driven Functionality for Financial Statements and Management Reporting
- g) Payroll
- h) Expense Reporting (advances, approvals, audits, payment options, expense analysis)
- i) Accounts Payable
- j) Accounts Receivable Billing
- k) Asset Management
- l) Regulatory Planning, Simulation and Reporting
- m) Statistical and Financial Data Analysis and Reporting
- n) Robust System and User Defined Reporting

3. Work Management Systems

- a) Construction Project Management
- b) Commissioning
- c) Work Planning, Scheduling and Dispatching
- d) Work Approval Process
- e) Preventative and Predictive Maintenance
- f) Outage Planning
- g) Equipment Records
- h) Integration with Geographic Information System
- i) Jobs Plans
- j) Work Order Planning and Estimation
- k) Resources
- l) Labour and Contractor Management

Bluewater Power Distribution Corporation
R.F.P. #407-01

- m) Integration with existing Calendaring Application
- n) Routes Administration
- o) Standards Maintenance: e.g. Compatible Units Estimates
- p) Safety Plans
- q) Wireless (service vehicle) I.E. work orders, time reporting
- r) Vehicle Servicing Management
- s) Quick Reporting (time reporting)

4. Human Resources

- a) Administration
- b) Payroll
- c) Organizational Management and Development
- d) Succession Planning
- e) Time Management
- f) Legal Reporting
- g) Recruitment
- h) Total Compensation Management
- i) Workforce Analysis, Learning & Development
- j) Strategic Alignment
- k) Objectives Management
- l) Benchmarking and Reporting

5. Materials Management

- a) Purchase Order Workflow Management
- b) Integration with Financials
- c) Online Requisition Submission
- d) Web Based Procurement
- e) Exception Processing
- f) Electronic Tendering
- g) Integrated Analysis and Reporting
- h) Integrated Inventory Management

6. Does the system have or support third party document management?

Third Party Outsourcing

The supplier will disclose all third party providers involved in the execution of their services to BPDC.

Further Implementation & Technical Requirements

Bluewater Power Distribution Corporation
R.F.P. #407-01

The supplier will include a complete implementation schedule and associated costs including deadlines for data conversion, testing and go-live completion dates. The submission will also identify anticipated local staffing commitments for implementation.

The supplier will include a complete explanation for provisioning of the following:

- a) Service Level Agreement sample to be further negotiated
- b) Disaster Recovery Program in place (ASP model).
- c) Technical breakdown of hosting technology (security, data structure, infrastructure platform etc.) (ASP model).
- d) Data transfer and or connectivity requirements (ASP model).
- e) Sample of data transfer speeds for standard transacting (ASP model).
- f) Required standard / minimum hardware specifications for desktops and servers.
- g) Will the vendor supply the necessary hardware or will it be supplied by BPDC.
- h) Extent of training provided for BPDC staff and explanation of type(s).
- i) Conversion / implementation methods and best practices; sample of implementation done with another client.
- j) Extent to which implementation team is on-site and remotely available.
- k) Post implementation access to technical support.
- l) Upgrades, patches and or fixes – type of method and how often to be expected.
- m) Explanation and Breakdown of costs for on-going maintenance support.

The supplier will undertake a best business practices assessment within seven (7) days of signing a services agreement with BPDC for inclusion in the implementation plan.

Blank Proposal Form

R.F.P #407-01

Blank Proposal Form

1. The successful Vendor shall perform the work as defined in the Request for Proposal Documents (herein referred to as the “work”) and fulfill all other requirements of the work.
2. The Vendor hereby represents to Bluewater Power that it:
 - 2.1 has carefully examined the Request for Proposal Documents as listed in the Request for Proposal;
 - 2.2 has the resources, skills and abilities to perform the work in accordance with the stated requirements.
3. The Vendor understands and agrees that:
 - 3.1 Bluewater Power reserves the right to increase, decrease, delete or vary any portion of the work, and the Vendor agrees to comply with any such change in the work subject to valuation and adjustment as provided in the order.
 - 3.2 The quantities and/or values, if any, listed by Bluewater Power herein are estimates based upon historical information. No claim will be allowed for any loss of anticipated profits resulting from any excess or deficiency in the quantities/values shown.
4. The Vendor represents and warrants to Bluewater Power that the several declarations and matters stated in this proposal are true and binding in all respects, and that this proposal has been compiled by the Vendor with full knowledge and understanding of all matters and things called for insofar as they relate to the Request for Proposal Documents.

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	Sub Total	\$ _____
	Total	\$ _____

Itemized Breakdown as Quoted in the Cost Summary:

Step:

Price:

Server License(s)	Canadian Funds \$ _____
Desktop Licenses	Canadian Funds \$ _____
Software Customization	Canadian Funds \$ _____
Software Installation	Canadian Funds \$ _____
Training	Canadian Funds \$ _____
Software Support	Canadian Funds \$ _____
Software Maintenance	Canadian Funds \$ _____
Miscellaneous costs / Other	Canadian Funds \$ _____
	Canadian Funds \$ _____
	Canadian Funds \$ _____
	Total \$ _____

Addenda: Specify addendums included in total price (if applicable)

Addendum #1 _____ Addendum #2 _____

I/we the undersigned, herewith agree to Supply and Implement an ERP System all in accordance with this Request for Proposal #401-01 including all technical specifications and drawings and at the price and schedule stated herein.

Submitted by: (company name)

Name of Signing Officer:

Title:

Address:

Telephone: _____

Date:

CLOSING DATE: June 19, 2001 2:00 P.M.

Signature of Signing Officer:

Supplementary Terms & Conditions

R.F.P. #407-01

Supplementary Terms and Conditions

1 Definitions

- .1 “BPDC”, “Owner” or “Utility” means Bluewater Power Distribution Corporation.
- .2 “Vendor” means, “Supplier”, “Contractor”, “Bidder”, etc., to whom this Request for Proposal is directed, for the sole purpose of obtaining a proposal.
- .3 “Successful Vendor” means the person, firm or company whose proposal has been accepted by BPDC.
- .4 “Engineer” means any Engineer appointed from time to time by Bluewater Power.
- .5 “BPDC Representative” means any person(s) appointed from time to time by Bluewater Power.
- .6 “Contract” means the document between the successful Vendor and/or its sub/contractor(s) and Bluewater Power to supply, deliver, install, remove, dispose of goods/services all in accordance with Bluewater Power’s Request for Proposal, Technical Specifications, Scope of Work and Drawings.
- .7 “Contract Price” means the sum named in the Blank Proposal Form subject to such additions and deductions as may be made under provisions contained in the contract.
- .8 “Drawings” means the drawings referred to in this specification and any modifications to such drawings approved by BPDC representative and such other drawings as may from time to time be furnished or approved by the BPDC representative.
- .9 “Work” means the work to be executed in accordance with this Request for Proposal.
- .10 “Site” means the land and other places on which the work is to be executed.

2 Invoicing and Terms of Payment

- 2.1 Ninety per cent (90%) of the contract value may be invoiced on a monthly progress basis for the value of the work performed to the end of the previous month, less the sum of all previous payments.
- 2.2 Ten per cent (10%) of the contract value may be invoiced upon satisfactory completion of the “Test and Acceptance” sign-off form at the following stages:
- 2.3 All invoices will be paid within thirty (30) days subject to approval of BPDC.

2.4 When work is not progressing on schedule, all payments will be suspended until such time as work is again proceeding on schedule.

2.5 All invoices must reference purchase order number, applicable phase and detail sufficient to understand the work being billed. Taxes must be shown as a separate item on all invoices(s).

3. Prices

Firm and not subject to change.

4. Changes and Extra Work

6.1 Fixed price changes (if applicable) shall include all costs and impacts associated with the work and must include a price breakdown. Unless otherwise directed the breakdown will be in sufficient detail to provide an analysis of all labour, material, equipment, subcontractor costs, as well as overhead and profit and will cover all work involved in modification, whether such work be deleted, added or changed.

6.2 Any and all changes (if applicable) to the firm Proposal contract price must be documented on a Bluewater Power Change Order Form and submitted to Bluewater Power Purchasing for approval prior to proceeding.

7. Familiarity With Proposed Work

7.1 No plea of ignorance of existing conditions or difficulties which may be encountered during the execution of the work by reason of failure to make necessary inspections and investigations will be accepted as sufficient reason not to fulfill in detail all requirements under this Request for Proposal.

8. Laws, Regulations and Safety

8.1 The successful Vendor shall comply, and ensure compliance of its subcontractor(s), with all federal, provincial and municipal statues, regulations, bylaws and codes, as well as Bluewater Power's safety requirements pertaining to the Work and, without limiting the generality of the foregoing, shall comply with all regulations of the Electrical Utilities Safety Association of Ontario, the Construction Safety Act, Worker's Rights as covered in the Employment Standards Act, and the Occupational Health and Safety Act and Regulations for Construction Projects (latest edition). The successful Vendor will occupy the position of both constructor and Employer within the meaning of the Act. The successful Vendor shall cooperate with safety associations operating under the authority of the Workplace Safety and Insurance Board and ensure that its workers, including those of any subcontractor(s), are equipped with all safeguards and personal protective equipment necessary for the performance of the Work.

8.2 All equipment will be checked regularly to ensure that it is in safe working condition and that any defect is rectified before resumption of use.

8.3 All equipment will be approved by the Canadian Standards Association for the purpose for which it is being used.

Bluewater Power Distribution Corporation

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8.4 The successful Vendor and his employees shall meet with Bluewater Power's representatives regarding Safety and Utility Policy and Procedures prior to commencement of work.

9. Corrections of Defects

9.1 If, at any time prior to eighteen (18) months following successful implementation of the product, any part of the work, as specified herein becomes defective or fails due to defects in the Vendor's design, material, or workmanship, or otherwise fails to meet the requirements of BPDC, then the Vendor, upon receipt of notification from BPDC, shall make good every such defect or failure within the period of time specified by Bluewater Power and without cost to Bluewater Power. The Vendor shall pay all transportation charges both ways between its factory or repair depot and Bluewater Power. The Vendor shall also be liable for the removal (including site disassembly if required) or re-installation of any of the work which requires repair or replacement as a result of such defects in design, material, or workmanship, installation or other failure to meet the requirements, at no charge to BPDC.

9.2 If the Vendor, after notification of a defect or deficiency, should delay or default in proceeding, then Bluewater Power may arrange to remedy the defect or deficiency and the Vendor shall be liable for all costs, charges, and expenses incurred in connection therewith, all without prejudice to any other rights or remedies BPDC might have for breach of contract.

9.3 Any certificate, acceptance, approval, payment or any other act, matter, or thing done or omitted, under the purchase order shall not bar or prejudice the rights of BPDC in this respect.

9.4 Any part of the work made good under this clause shall be subject to the provisions hereof for a period of 18 months from the date when the same has been made good, or until the end of the period set forth in the first paragraph of this clause, whichever is the longer. The correction of defects period shall be extended on each portion of the work which is made inoperative by the need for repair or replacement of any other portion of the work by the amount of time it is so inoperative.

10. Proprietary Rights in Data - Software

BPDC shall have royalty-free, non-exclusive and unrestricted rights to use or copy, in whole or part, all primary source data and source code including machine readable input media, manuals, software, drawings or sketches, training material or other data provided under the purchase order, with express limitation such that data shall not, without the written permission of the Vendor be:

a) Released or disclosed in whole or part outside of BPDC other than to its management agents. The use of management agents is subject to prior agreement with the vendor after such agents have executed an appropriate confidentiality agreement. Prior to releasing or disclosing any information to such agents, BPDC will advise the Vendor, and if the Vendor objects to such disclosure, BPDC shall work with the Vendor to satisfy its objectives.

b) Bluewater Power shall have the right to use all data and program material derived by Bluewater Power through its own efforts or under any separate contract from the primary source data provided under the contract for the sole purpose of improving, modifying, operating, and maintaining the ERP System Software supplied under the

contract. The Vendor shall have the right to use the same data and program material in conducting its normal day to day business.

11. Ownership of Technical Data, Software and Documentation

- 11.1 All originals and all copies, blueprints, and other reproductions of plans, drawings, designs, models, programs (including software defining or implementing the model), specifications and other information tangible form furnished by BPDC or produced by the Vendor under this agreement relating to the work, are the property of BPDC and are to be used by the Vendor and persons in the employ or acting under the discretion of the Vendor for the performance of the work and not otherwise. All such originals, copies, blueprints, and other reproductions of plans, drawings, designs, models, software, specifications, and other information in tangible form relating to the work, are to be delivered to BPDC as soon as they respectively are no longer needed by the Vendor for the performance of the work.
- 11.2 Title to the original and all copies of programs, drawings, technical data, specifications, and all information in tangible form whether furnished by BPDC to the Vendor for the performance of the work, or produced by the Vendor under this agreement, shall vest and remain the property of BPDC.
- 11.3 Title to programs, drawings, technical data, and specifications used by the Vendor for the performance of the work and not specifically developed by the Vendor shall vest in and remain the property of the Vendor, except that BPDC shall have the right to royalty-free, unrestricted use of such data.

12. Penalty Provision

- 12.1 In the event that the Vendor defaults in the Performance of this Order, Agreement or Proposal and the said default is not corrected by the Vendor, then Bluewater Power, in addition to any and all other remedies that Bluewater Power may be entitled to in law or pursuant to the terms of this Order, Agreement or Proposal, shall also be entitled to claim a penalty against the Vendor in an amount equal to the amount of the value of this Order, Agreement or Proposal. The Vendor acknowledges and agrees that this provision is fair and reasonable. Notwithstanding any termination of this Order, Agreement or Proposal, this provision shall remain in full force and effect for so long as may be necessary.

13. Performance Bond

- 13.1 The Proposal shall be accompanied by the commitment of a Surety Company licensed by the Province of Ontario for such purposes, to provide a Performance Bond. The successful Vendor shall furnish the Performance Bond to Bluewater Power Purchasing prior to the execution of the Contract.
- 13.2 The Performance Bond shall be for fifty percent (50%) of the proposal sum and shall be maintained in good standing until the fulfilment of the Contract.

Bluewater Power Distribution Corporation
855 Confederation Street
PO Box 2140
Sarnia ON N7T 7L6
Telephone: (519) 337-8201
Fax: (519) 332-3878

Date: June 13, 2001

Addendum R.F.P. #407-01

Enterprise Resource Planning (ERP) System

This Addendum is issued to extend the Closing Date from June 19, 2001 at 2:00 p.m. **to June 26, 2001 at 12:00 p.m.**

In all other respects the instructions and specifications of original R.F.P. #407-01 dated May 30, 2001 shall apply.

Bluewater Power Distribution Corporation
By Lynne Hicks



Project Implementation Team

Paul Cammalleri – Project Manager

(Photo N/A)

This candidate has over five years of direct project management experience and has held positions varying from functional consultant to Project Manager and has over fifteen years of combined management experience in various industries. He has four years of SAP R/3 experience with three complete implementations. His strong understanding of costing integration and process re-engineering within the supply chain is complimented by his communication skills. His financial and analytical skills along with his strong business acumen, allows him to understand and improve business processes. In addition, he has experience in achieving demanding timelines while maintaining assigned budget. He has demonstrated the ability to work extremely well in a dynamic environment and has developed a solid insight in understanding business requirements.

AREAS OF EXPERTISE

Project Management

* Business Process Reengineering

* Budgeting

* Time Management

Contract Negotiations

Change Management

FI/CO*, IS-U/CCS*, PS Functional Configuration (* SAP Partner Academy Certification)

PROFESSIONAL EXPERIENCE

1999 - present

Managing Consultant,
Tridium Technologies Inc.

1998 - 1999

Project Manager / Senior Consultant
Tullamore Advantage Inc.

1996 - 1998

Senior Consultant, SAP Practice
Ernst & Young Management Consultants

1995 - 1996

Project Coordinator
Union Gas/ Centra Gas Ontario

1994 - 1995

Project Coordinator, Load Research
Union Gas/ Centra Gas Ontario

1992 - 1994

Economic Analyst
Union Gas/ Centra Gas Ontario

1987 - present

Property Manager (part-time)
Da Paolo Group



EDUCATION

- COGNOS – Powerplay 6.5, 1999
- Industry Solutions - Utilities, certification 1999
- Powered by *ASAP* methodology, certification 1998
- Project Systems, certification 1998
- Controlling, certification 1997
- Business Process Modeling, FUSION Methodology 1997
- Life Cycle Model, MENTOR 1997
- Consulting for the Advanced Practitioner (CAP), 1997
- The Canadian Securities Course, 1993
- Bachelor of Administrative Studies, (Accounting major) 1991

PROJECTS & ASSIGNMENTS

Project Manager, Tullamore Advantage Inc. (1998 - 1999)

Canadian Niagara Power (1999)

- Managed team members, consisting of configurators and business process analyst
- Responsible for the development and execution of project plan, ensuring timelines and budget are achieved
- Managed Project plan to ensure alignment with multiple cross-functional areas
- Preparation of proposals and presentations to potential clients
- Developed an industry standard solution for the utilities industry
- Conducted training for both clients and junior consultants
- Experienced with pre-sales presentations
- Developed standard templates for project teams for use during implementations

Senior Consultant/ Team Lead, Ernst & Young Management Consultants (1996 – 1998)

Ontario Hydro (1998)

- FI/CO Team Lead – responsible for the consolidation of three separate SAP instances and three separate releases of SAP
- Responsibilities include the facilitation, current state analysis, and future state design
- Development of standards for the future state and ensuring an integrated, complete solution
- Coordination of strategic project plan to accomplish the consolidation of all systems

Canadian Broadcasting Corporation (1997-1998)

- PS Team Lead - Current State, Future State Definition, Configuration - Iteration 1,2, & 3, and Integration Testing
- Managed team members, consisting of configurators and business process analyst
- Defined and configured the PS structure for all project types – Capital, Operating and Maintenance Projects
- Responsibilities include the facilitation of future state, configuration, unit testing and scripting business processes
- Managed Project plan to ensure alignment with multiple cross-functional areas
- Implementation of the PS module as a program costing/managing solution



- Coordinated and guided all scripting and documentation for functional scripts and test case scenarios
- Direct involvement with the overall planning and execution of Integration Testing

Agrevo Canada (1996-1997)

- CO-PA lead - common North American reporting solution for 3 legal entities
- Responsible for the blue printing of the organizations business processes – for three legal entities, operating in three countries, and three different units of measure
- Analysis of the current state business processes
- Development of standards for the future state and ensuring an integrated, complete solution
- Conducted thorough analysis of the client's product costing and made recommendations for future state
- Defined a common reporting solution for 3 legal entities in 3 different currencies, whereby incorporating functionality to report in one common currency at any given time

Bombardier Services Division (1996)

- CO – Team member
- Scoping and planning of the Controlling module implementation
- Configuration of the Controlling module and ongoing knowledge transfer of configuration expertise to the client team.
- Development of end-user procedures.

Project Coordinator, Union/Centra Gas Ontario (1995 –1996)

- Project Coordinator - developed common costing solution for 2 legal entities
- Analysis of current financial systems to be replaced by SAP
- Configuration of SAP software to meet new business processes requirements
- Development of complex, integrated reports - management reports
- Facilitated the planning and execution of Integration testing for all modules - Prototype 1, Prototype 2, and Integration Testing
- Managed Project plans to ensure alignment with multiple functional areas
- Developed and delivered training programs for end-users (test scripts and documentation)
- Conducted "Road Show" presentations to clients and stakeholders

Project Coordinator, Load Research, Union/Centra Gas Ontario (1992 - 1995)

- Management of Load Research project across northern, eastern and south-western Ontario
- Responsible for all planning, budget, scheduling, and staffing for the project
- Contract negotiations with third party contractors
- Achieved project deliverables on time and on budget

Property Manager, Da Paolo Group (1987 – present)

- Property management of 8 residential and 3 industrial units
- Responsible for all maintenance and up keeping of properties
- Contract negotiations with third party contractors
- All responsibilities for interviewing and selection of tenants
- Sound knowledge of leasing contracts and Landlord/Tenant Act

CNP/BPDC Process Differences “High Level”

**As At
November 5/01
By: J.L. McMichael**

- **Transformer Numbers**
- **Water and Sewer Billing**
- **Pole Numbers**
- **Work Orders – Estimates**
- **Work Orders – True Ups**
- **Integration with Economic Development Model**
- **Budget Billing**
- **Big Mouth**
- **Itron Issues**
- **Dunning Issues**
- **Bill Mailing**
- **PAP – Due Dates**
- **PAP – Bank Transfers**
- **Payroll**
- **Chart of Accounts – Leads to alot of smaller changes!!**
- **Settlements**
- **Requisitions**
- **Purchasing Authorizations**
- **Purchasing Credit Cards**
- **Certain Inventory Processes**
- **Sale of Inventory**