Manitoba Hydro

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February 21, 2023

THE PUBLIC UTILITIES BOARD OF MANITOBA
400-330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4

ATTENTION: Dr. D. Christle, Board Secretary and Executive Director

Dear Dr. Christle:

RE: MANITOBA HYDRO'S 2023/24 & 2024/25 GENERAL RATE APPLICATION – UPDATED ROUND I IR RESPONSES

Manitoba Hydro filed responses to Round I Information Requests to the Public Utilities Board ("PUB") on February 3, 2023. On February 13, 2023, in reply to a motion by the Consumers Coalition, Manitoba Hydro advised that it would prepare updated responses to COALITION/MH I-75 and COALITION/MH I-91 e). Enclosed please find updated responses to COALITION/MH I-75 and COALITION/MH I-91 e).

Manitoba Hydro has also updated these responses on its external website.

Should you have any questions with respect to the foregoing, please do not hesitate to contact the writer at 204-360-3257.

Yours truly,

MANITOBA HYDRO LEGAL SERVICES
Per:

Brent Czarnecki
Senior Counsel

REFERENCE:

Tab 6, Section 6.6, pg. 29.

PREAMBLE TO IR (IF ANY):

MH states that Strategy 2040 and its Information Technology Plan are inseparable.

QUESTION:

Please provide a copy of MH's current Information Technology Plan, which is consistent with Strategy 2040.

RESPONSE:

Please see Attachment 1 to this response for the D&T Roadmap Summary that was included in the original response filed on February 3, 2023. Some of the items included in the roadmap are IT investments, others are foundational initiatives to build business capabilities, such as recruitment for D&T positions.

Please see Attachment 2 to this response, which outlines the technology dependencies of Strategy 2040 initiatives and how the mandate and strategic imperatives for Digital & Technology are aligned to Strategy 2040. Within the Application, Tab 2, Section 2.7.5 and Figure 2.8 outline top organizational risks for Manitoba Hydro, of which three risks are technology related.

Please see Attachment 3 of this response for technology investment CIJs, where available, that were included on the D&T Roadmap Summary.

The response to COALITION/MH I-76 a) outlines the types of CCAs and the status of the planning of these potential investments. As discussed in Section 1.4.2 of Appendix 4.3 (Amended) of the Application, the most significant cloud computing related impact to O&A expenses is the forecasted spending for SAP S/4HANA. To address the impact of that significant investment, Manitoba Hydro has requested PUB approval to establish a regulatory

deferral. Subject to the PUB's ruling on the treatment of SAP S/4HANA, future regulatory deferrals may be requested for any future major IT investments that result in one-time significant increases in operating expenses.

Manitoba Hydro also identified that it is forecasting $13 million in 2023/24 and $8.5 million per year starting in 2024/25 for cloud computing arrangements related to the implementation of small software systems. Manitoba Hydro did not request that this expense be deferred (i.e., they will be expensed as costs are incurred) since the annual amount deferred will equally offset the annual amount amortized after several years.

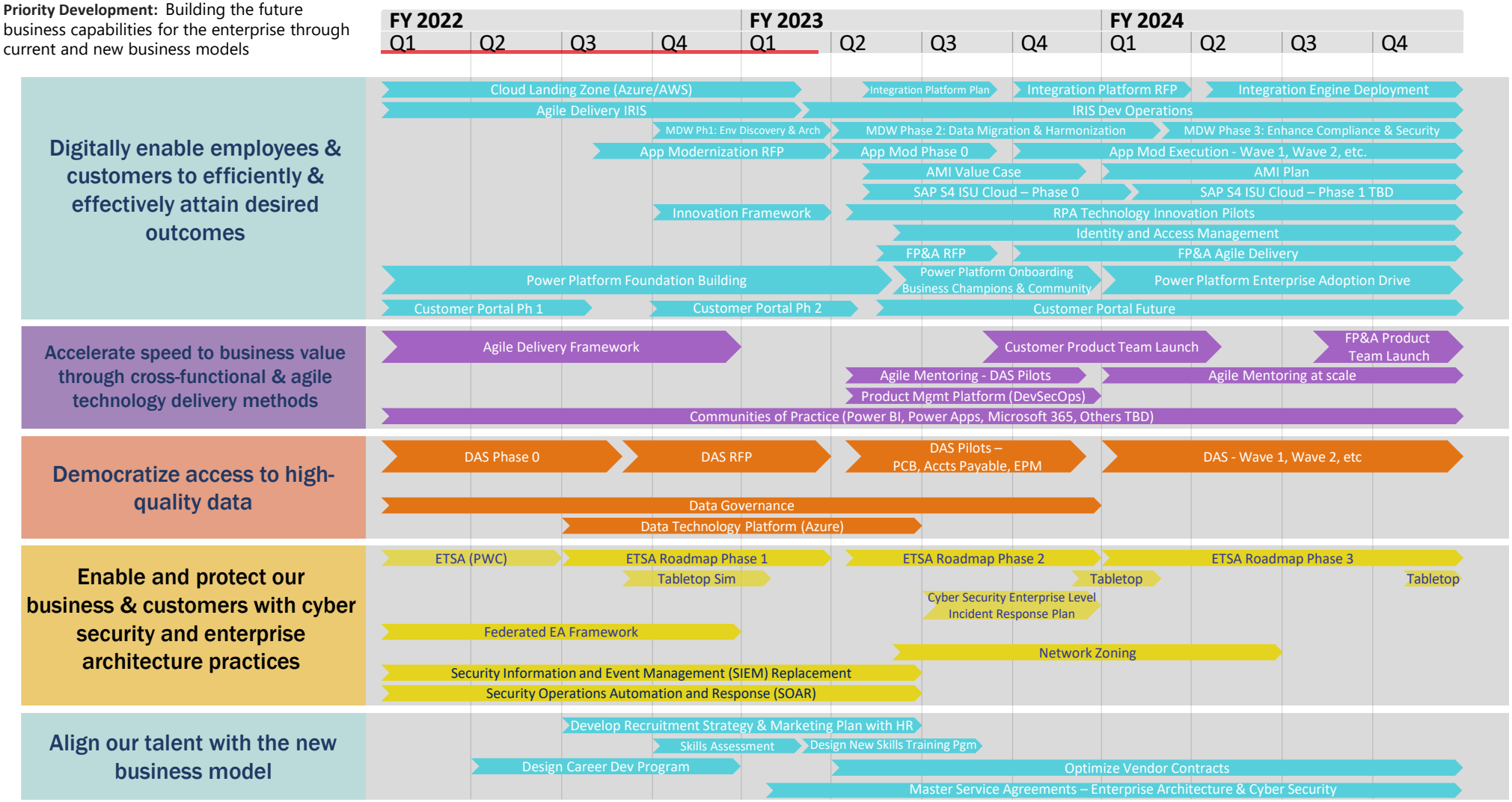
Manitoba Hydro's Digital & Technology plan is under development and has not yet been reviewed and approved by the Manitoba Hydro-Electric Board. As such, further details on each of these initiatives cannot be provided at this time.

D&T ROADMAP SUMMARY
Priority Development- Strategy 2040

June 2022

Manitoba Hydro

Priority Development: Building the future business capabilities for the enterprise through current and new business models



List of Acronyms (in order of appearance)

Acronyms	Meaning
AWS	Amazon Web Services
RFP	Request for Proposal
IRIS	Call Handling Technology
MDW	Modern Digital Workplace
AMI	Advanced Metering Infrastructure
ISU	Industry-Specific Solution
RPA	Robotic Process Automation
FP&A	Financial Planning & Analysis
DAS	Data & Analytic System
PCB	Polychlorinated Biphenyl
EPM	Enterprise Performance Management
ETSA	Enterprise Technology Security Assessment
EA	Enterprise Architecture
HR	Human Resources

Strategy 2040 Initiative Dependency on D&T

Much of Strategy 2040 involves direct D&T capabilities including program, change and process (CI), there are initiatives directly dependent upon digital & technical capabilities & delivery

5 Pillars of Strategy 2040

1	2	3	4	5
Provide safe reliable energy that meets the evolving energy needs of Manitobans	Serve customers efficiently, responsively, and digitally	Help all Manitobans understand their energy options and make informed choices	Ensure Manitobans get maximum value from their clean hydro generation dams and energy infrastructure	Keep energy prices as low as possible, while providing the level of service Manitobans **expect**

In addition to supporting change and program management for all strategy 2040 initiatives, the following initiatives will require Digital & Technology enablement:

Initiatives with a D&T Dependency

1	2	3	4	5
1.1.3 Develop and continuously refresh an Integrated Resource Plan (IRP) which incorporates the evolving energy landscape (considering on an equal basis all assets, new and existing, Manitoba Hydro-owned and other)	**2.2.1 Significantly expand digital customer service**	**3.2.4 Explore potential new product & services offerings**	**5.1.1 Create appropriate tools to manage and shape demand, and to minimize investment**	
1.3.1 Enhance the corporate social responsibility reporting framework	**2.3.1 Continuously improve customer responsiveness and satisfaction**		**5.1.2 Mature the asset management system to optimize lifecycle costs (capital + O&M)**	
			5.3.2 Ensure a safe, healthy, and engaged workforce with the capabilities required to deliver our strategy	
			5.3.3 Leverage automation and digital technologies to drive enterprise value including efficiency, safety, and effectiveness	

Alignment of D&T Mandate and Strategic Imperatives to Strategy 2040

D&T's mandate and strategic imperatives are aligned with and directly support Strategy 2040 initiatives.

D&T Mandate:

As a **catalyst** for jointly developing digital value and transformation, we **empower** and **enable** the Enterprise to achieve its strategic objectives by delivering secure and reliable **technologies**, and fostering an **innovative**, **agile,** and **insights-driven** culture.

D&T Strategic Imperatives:

A. Digitally enable employees & customers to efficiently attain desired outcomes
B. Accelerate speed to business value through cross-functional & agile technology delivery methods
C. Democratize access to high-quality data
D. Enable and protect our business & customers with cyber security and enterprise architecture practices
E. Align our talent with the new business model

The following strategic initiatives from Strategy 2040 rely on D&T involvement, are aligned with D&T's strategic imperatives as follows:

Alignment of D&T Strategic Imperatives with Strategy 2040 Initiatives	
Strategy 2040 Initiative	**D&T Strategic Imperative Supporting Strategy 2040 Initiative**
1.1.3 Develop and continuously refresh an Integrated Resource Plan (IRP) which incorporates the evolving energy landscape (considering on an equal basis all assets, new and existing, Manitoba Hydro-owned and other)	**C, E**
1.3.1 Enhance the corporate social responsibility reporting framework	**C**
2.2.1 Significantly expand digital customer service	**A, C, D, E**
2.3.1 Continuously improve customer responsiveness and satisfaction	**A, B, C, D, E**
3.2.4 Explore potential new product and services offerings	**A, B, C, D, E**
5.1.1 Create appropriate tools to manage and shape demand, and to minimize investment	**A, B, C, D**
5.1.2 Mature the asset management system to optimize lifecycle costs (capital + O&M)	**A, C**
5.3.2 Ensure a safe, healthy and engaged workforce with the capabilities required to deliver our strategy	**E**
5.3.3 Leverage automation and digital technologies to drive enterprise value including efficiency, safety, and effectiveness	**A, B, C, D, E**