

PUB (MPI) 1-61

Part and Chapter:	Part V Expenses Fig. EXP-42 Exp Appendix 18 Fig. EXP APP 18-1	Page No.:	59
PUB Approved Issue No:	8. Cost of operations and cost containment		
Topic:	Operating Expenses		
Sub Topic:	Basic Deferred Development Costs		

Preamble to IR:

Question:

- a) Please refile the table in Figure EXP-42 to include columns for all the prior year expenditures (commencing in 2017/18) on each of the listed projects, and a total column by project and in total. Please include the sum of insertion of work for the years 2013/14 through 2017/18.

- b) Please provide a comparison of the total by Basic Project in (a) for Project Nova, with that provided at last year GRA. Please include total column in the comparison.

Rationale for Question:

To understand changes in Basic capital expenditure forecast.

a) **Figure 1 Basic Capital Expenditures by Project (updated Expenses Chapter Figure EXP-42)**

Line No.	Project	LTD Actual*	2017/18A	2018/19A	2019/20A	2020/21A	2021/22A	2022/23F	2023/24F	2024/25F	2025/26F	2026/27F	Unassigned Capital**	Total
1	(C\$000s, except where noted)													
2	Deferred Development	-	-	-	-	5,607	16,487	8,553	8,179	4,782	3,678	-	(494)	46,792
3	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Expense	-	-	99	2,043	4,939	7,313	2,762	1,142	1,981	1,104	431	748	22,562
5	Nova	-	-	99	2,043	10,546	23,800	11,315	9,321	6,763	4,782	431	254	69,354
6	Deferred Development	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Expense	-	-	-	-	366	793	926	1,654	1,880	2,232	-	-	7,851
9	Nova - ongoing ops	-	-	-	-	366	793	926	1,654	1,880	2,232	-	-	7,851
10	Deferred Development	-	-	2,912	246	373	-	-	-	-	-	-	-	3,531
11	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Expense	-	-	201	942	69	-	-	-	-	-	-	-	1,212
13	Technology Risk Management - 2018	-	-	3,113	1,188	442	-	-	-	-	-	-	-	4,743
14	Deferred Development	-	-	-	526	964	71	-	-	-	-	-	-	1,561
15	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Expense	-	-	-	1,070	466	32	-	-	-	-	-	-	1,568
17	Technology Risk Management - 2019	-	-	-	1,596	1,430	103	-	-	-	-	-	-	3,129
18	Deferred Development	-	-	-	-	1,084	552	545	-	-	-	-	-	2,181
19	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Expense	-	-	-	-	597	301	-	-	-	-	-	-	898
21	Technology Risk Management - 2020	-	-	-	-	1,681	853	545	-	-	-	-	-	3,079
22	Deferred Development	-	-	-	-	-	264	(268)	-	-	-	-	-	(4)
23	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Expense	-	-	-	-	-	843	2,417	-	-	-	-	-	3,260
25	Technology Risk Management - 2021	-	-	-	-	-	1,107	2,149	-	-	-	-	-	3,256
26	Deferred Development	-	-	-	-	-	-	1,683	-	-	-	-	-	1,683
27	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Expense	-	-	-	-	-	-	1,713	-	-	-	-	-	1,713
29	Technology Risk Management - 2022	-	-	-	-	-	-	3,396	-	-	-	-	-	3,396

Basic Capital Expenditures by Project (updated Expenses Chapter Figure EXP-42) (cont'd)

Line No.	Project	LTD Actual*	2017/18A	2018/19A	2019/20A	2020/21A	2021/22A	2022/23F	2023/24F	2024/25F	2025/26F	2026/27F	Unassigned Capital**	Total
30	(C\$000s, except where noted)													
31	Deferred Development	-						-	1,683	-	-	-	-	1,683
32	Capital Depreciation	-						-	-	-	-	-	-	-
33	Expense	-						-	1,713	-	-	-	-	1,713
34	Technology Risk Management - 2023	-						-	3,396	-	-	-	-	3,396
35	Deferred Development	-						-	-	1,683	-	-	-	1,683
36	Capital Depreciation	-						-	-	-	-	-	-	-
37	Expense	-						-	-	1,713	-	-	-	1,713
38	Technology Risk Management - 2024	-						-	-	3,396	-	-	-	3,396
39	Deferred Development	-						-	-	-	1,683	-	-	1,683
40	Capital Depreciation	-						-	-	-	-	-	-	-
41	Expense	-						-	-	-	1,713	-	-	1,713
42	Technology Risk Management - 2025	-						-	-	-	3,396	-	-	3,396
43	Deferred Development	-						-	-	-	-	1,683	-	1,683
44	Capital Depreciation	-						-	-	-	-	-	-	-
45	Expense	-						-	-	-	-	1,713	-	1,713
46	Technology Risk Management - 2026	-						-	-	-	-	3,396	-	3,396
47	Deferred Development	-	-	-	280	867	1,203	1,056	-	-	-	-	-	3,406
48	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Expense	-	-	-	201	507	175	-	-	-	-	-	-	883
50	Information Security Maturity	-	-	-	481	1,374	1,378	1,056	-	-	-	-	-	4,289
51	Deferred Development	-	-	-	640	975	5	-	-	-	-	-	-	1,620
52	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Finance Re-Engineering Initiative	-	-	-	640	975	5	-	-	-	-	-	-	1,620
55	Deferred Development	-				671	859	-	-	-	-	-	-	1,530
56	Capital Depreciation	-				-	-	-	-	-	-	-	-	-
57	Expense	-				-	610	-	-	-	-	-	-	610
58	Microsoft 365	-				671	1,469	-	-	-	-	-	-	2,140

Basic Capital Expenditures by Project (updated Expenses Chapter Figure EXP-42) (cont'd)

Line No.	Project	LTD Actual*	2017/18A	2018/19A	2019/20A	2020/21A	2021/22A	2022/23F	2023/24F	2024/25F	2025/26F	2026/27F	Unassigned Capital**	Total
59	(C\$000s, except where noted)													
60	Deferred Development	-				49	(49)	-	-	-	-	-	-	-
61	Capital Depreciation	-				-	-	-	-	-	-	-	-	-
62	Expense	-				-	114	381	-	-	-	-	-	495
63	HRMS Optimization - Phase 1	-				49	65	381	-	-	-	-	-	495
64	Deferred Development	-			124	(124)	-	-	-	-	-	-	-	-
65	Capital Depreciation	-			-	-	-	-	-	-	-	-	-	-
66	Expense	-			-	247	1	-	-	-	-	-	-	248
67	CERP - Additional Product Changes	-			124	123	1	-	-	-	-	-	-	248
68	Deferred Development	-			-	-	-	-	-	-	-	-	-	-
69	Capital Depreciation	-			-	-	-	-	-	-	-	-	-	-
70	Expense	-			59	3	7	41	-	-	-	-	-	110
71	Claims Dispute Tribunal	-			59	3	7	41	-	-	-	-	-	110
72	Deferred Development	-			-	-	-	-	-	-	-	-	-	-
73	Capital Depreciation	-			-	-	-	-	-	-	-	-	-	-
74	Expense	-			-	36	55	-	-	-	-	-	-	91
75	Vehicle Policy & Registration Renewal Term Changes (Discovery Pha	-			-	36	55	-	-	-	-	-	-	91
76	Deferred Development	-			-	-	-	-	-	-	-	-	-	-
77	Capital Depreciation	-			-	-	-	-	-	-	-	-	-	-
78	Expense	-			-	-	96	47	-	-	-	-	-	143
79	eTransfer Capability	-			-	-	96	47	-	-	-	-	-	143
80	Deferred Development	-			-	-	-	-	-	-	-	-	-	-
81	Capital Depreciation	-			-	-	-	-	-	-	-	-	-	-
82	Expense	-			-	-	45	719	761	761	-	-	-	2,286
83	Digital Culture (M365 & Remote work)	-			-	-	45	719	761	761	-	-	-	2,286
84	Deferred Development	-			-	-	-	-	-	-	-	-	-	-
85	Capital Depreciation	-			-	-	-	-	-	-	-	-	-	-
86	Expense	-			-	-	-	2,360	761	761	-	-	-	3,882
87	Data & Analytics	-			-	-	-	2,360	761	761	-	-	-	3,882

Basic Capital Expenditures by Project (updated Expenses Chapter Figure EXP-42) (cont'd)

Line No.	Project	LTD Actual*	2017/18A	2018/19A	2019/20A	2020/21A	2021/22A	2022/23F	2023/24F	2024/25F	2025/26F	2026/27F	Unassigned Capital**	Total
88	<i>(C\$000s, except where noted)</i>													
89	Deferred Development	-						-	-	-	-	-	-	-
90	Capital Depreciation	-						-	-	-	-	-	-	-
91	Expense	-						2,284	1,523	1,523	-	-	-	5,330
92	Cloud Adoption	-						2,284	1,523	1,523	-	-	-	5,330
93	Deferred Development	-						-	-	-	-	-	-	-
94	Capital Depreciation	-						-	-	-	-	-	-	-
95	Expense	-						1,523	-	-	-	-	-	1,523
96	CoE (Digital, Integration, Testing, Automation)	-						1,523	-	-	-	-	-	1,523
97	Deferred Development	-					-	-	-	-	-	-	-	-
98	Capital Depreciation	-					-	-	-	-	-	-	-	-
99	Expense	-					67	1,459	761	761	-	-	-	3,048
100	Knowledge Platforms and Content Management	-					67	1,459	761	761	-	-	-	3,048
101	Deferred Development	-						-	-	-	-	-	-	-
102	Capital Depreciation	-						-	-	-	-	-	-	-
103	Expense	-						1,523	761	761	-	-	-	3,045
104	Public Website and Partner Websites (related to ECM but different)	-						1,523	761	761	-	-	-	3,045
105	Deferred Development	-						-	-	-	-	-	-	-
106	Capital Depreciation	-						-	-	-	-	-	-	-
107	Expense	-						-	381	381	-	-	-	762
108	Application Upgrades (EAM Health)	-						-	381	381	-	-	-	762
109	Deferred Development	-						-	-	-	-	-	-	-
110	Capital Depreciation	-						-	-	-	-	-	-	-
111	Expense	-						-	1,523	1,523	-	-	-	3,046
112	HR and Finance New Technology	-						-	1,523	1,523	-	-	-	3,046
113	Deferred Development	-							-	-	-	-	-	-
114	Capital Depreciation	-							-	-	-	-	-	-
115	Expense	-					253	155	-	-	-	-	-	408
116	eSignature	-					253	155	-	-	-	-	-	408

Basic Capital Expenditures by Project (updated Expenses Chapter Figure EXP-42) (cont'd)

Line No.	Project	LTD Actual*	2017/18A	2018/19A	2019/20A	2020/21A	2021/22A	2022/23F	2023/24F	2024/25F	2025/26F	2026/27F	Unassigned Capital**	Total
117	(C\$000s, except where noted)													
118	Deferred Development	-					-	-	-	-	-	-	-	-
119	Capital Depreciation	-					-	-	-	-	-	-	-	-
120	Expense	-					37	1	-	-	-	-	-	38
121	eCash Payment Capability and Direct Deposit	-					37	1	-	-	-	-	-	38
122	Deferred Development	-					-	-	-	-	-	-	-	-
123	Capital Depreciation	-					-	-	-	-	-	-	-	-
124	Expense	-					-	39	-	-	-	-	-	39
125	Migration of DevOps	-					-	39	-	-	-	-	-	39
126	Deferred Development	-					-	-	-	-	-	-	-	-
127	Capital Depreciation	-					-	-	-	-	-	-	-	-
128	Expense	-					800	1,904	4,188	4,188	-	-	-	11,080
129	Innovation Funding	-					800	1,904	4,188	4,188	-	-	-	11,080
130	Deferred Development	-					-	-	-	-	-	-	-	-
131	Capital Depreciation	-					-	-	-	-	-	-	-	-
132	Expense	-					60	-	-	-	-	-	-	60
133	Records Management Remediation (Phase 1)	-					60	-	-	-	-	-	-	60
134	Deferred Development	-					836	303	-	-	-	-	-	1,139
135	Capital Depreciation	-					-	-	-	-	-	-	-	-
136	Expense	-					98	168	-	-	-	-	-	266
137	Year 1 Data and Analytics Spend	-					934	471	-	-	-	-	-	1,405
138	Deferred Development	-					-	-	-	-	-	-	-	-
139	Capital Depreciation	-					-	-	-	-	-	-	-	-
140	Expense	-					-	228	-	-	-	-	-	228
141	Process Management Enhancements	-					-	228	-	-	-	-	-	228
142	Deferred Development	-					-	-	-	-	-	-	-	-
143	Capital Depreciation	-					-	-	-	-	-	-	-	-
144	Expense	-					-	76	-	-	-	-	-	76
145	Agile Initiatives	-					-	76	-	-	-	-	-	76

Basic Capital Expenditures by Project (updated Expenses Chapter Figure EXP-42) (cont'd)

Line No.	Project	LTD Actual*	2017/18A	2018/19A	2019/20A	2020/21A	2021/22A	2022/23F	2023/24F	2024/25F	2025/26F	2026/27F	Unassigned Capital**	Total
146	(C\$000s, except where noted)													
147	Deferred Development													-
148	Capital Depreciation													-
149	Expense	7,260	372	369	1,887	-	-	228	1,904	1,904	-	-	-	13,924
150	Insertions of Work	7,260	372	369	1,887	-	-	228	1,904	1,904	-	-	-	13,924
151	Total SPM / NOVA Project Costs	7,260	372	3,581	8,018	17,696	31,928	32,826	26,934	24,602	10,410	3,827	254	335,416 167,708
152	*LTD actual are expenditures from 2013/14 to 2016/17 for current projects only.													
153	**The total unassigned capital in Table 6.2 is different from Table 6.1. Only current projects are presented in Table 6.2.													
154	***Nova unassigned Capital captures the difference between the Nova Rebaseline from 2022 budget submission and Nova March 2022 forecasting													
155	***Effective with April 2021, Nova Unassigned Capital will be reforecasted into the 2021/22 and future fiscal years.													

b)

Figure 2 Comparison of the total by Basic Project in (a) for Project Nova

2023 General Rate Application														
Line No.	Project	LTD Actual*	2017/18A	2018/19A	2019/20A	2020/21A	2021/22A	2022/23F	2023/24F	2024/25F	2025/26F	2026/27F	Unassigned Capital**	Total
1	(C\$000s, except where noted)													
2	Deferred Development	-	-	-	-	5,607	16,487	8,553	8,179	4,782	3,678	-	(494)	46,792
3	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Expense	-	-	99	2,043	4,939	7,313	2,762	1,142	1,981	1,104	431	748	22,562
5	Nova	-	-	99	2,043	10,546	23,800	11,315	9,321	6,763	4,782	431	254	69,354
6	Deferred Development	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Expense	-	-	-	-	366	793	926	1,654	1,880	2,232	-	-	7,851
9	Nova - ongoing ops	-	-	-	-	366	793	926	1,654	1,880	2,232	-	-	7,851

Basic Capital Expenditures by Project (updated Expenses Chapter Figure EXP-42) (cont'd)

Line No.	Project	LTD Actual*	2017/18A	2018/19A	2019/20A	2020/21A	2021/22A	2022/23F	2023/24F	2024/25F	2025/26F	2026/27F	Unassigned Capital**	Total
146	(C\$000s, except where noted)													
147	Deferred Development													-
148	Capital Depreciation													-
149	Expense	7,260	372	369	1,887	-	-	228	1,904	1,904	-	-	-	13,924
150	Insertions of Work	7,260	372	369	1,887	-	-	228	1,904	1,904	-	-	-	13,924
151	Total SPM / NOVA Project Costs	7,260	372	3,581	8,018	17,696	31,928	32,826	26,934	24,602	10,410	3,827	254	167,708
152	<i>*LTD actual are expenditures from 2013/14 to 2016/17 for current projects only.</i>													
153	<i>**The total unassigned capital in Table 6.2 is different from Table 6.1. Only current projects are presented in Table 6.2.</i>													
154	<i>***Nova unassigned Capital captures the difference between the Nova Rebaseline from 2022 budget submission and Nova March 2022 forecasting</i>													
155	<i>****Effective with April 2021, Nova Unassigned Capital will be reforecasted into the 2021/22 and future fiscal years.</i>													

b)

Figure 2 Comparison of the total by Basic Project in (a) for Project Nova

2023 General Rate Application														
Line No.	Project	LTD Actual*	2017/18A	2018/19A	2019/20A	2020/21A	2021/22A	2022/23F	2023/24F	2024/25F	2025/26F	2026/27F	Unassigned Capital**	Total
1	(C\$000s, except where noted)													
2	Deferred Development	-	-	-	-	5,607	16,487	8,553	8,179	4,782	3,678	-	(494)	46,792
3	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Expense	-	-	99	2,043	4,939	7,313	2,762	1,142	1,981	1,104	431	748	22,562
5	Nova	-	-	99	2,043	10,546	23,800	11,315	9,321	6,763	4,782	431	254	69,354
6	Deferred Development	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Expense	-	-	-	-	366	793	926	1,654	1,880	2,232	-	-	7,851
9	Nova - ongoing ops	-	-	-	-	366	793	926	1,654	1,880	2,232	-	-	7,851

Comparison of the total by Basic Project in (a) for Project Nova (cont'd)

Line No.	2022 General Rate Application Project	LTD Actual*	2017/18A	2018/19A	2019/20A	2020/21A	2021/22F	2022/23F	2023/24F	2024/25F	2025/26F	Unassigned Capital**	Total
11	<i>(C\$000s, except where noted)</i>												
12	Deferred Development	6,362					14,450	14,103	9,438	3,791	-	1,505	49,649
13	Capital Depreciation	-					-	-	-	-	-	-	-
14	Expense	6,987					5,859	2,730	5,766	1,872	820	(148)	23,886
15	Nova	13,349					20,309	16,833	15,204	5,663	820	1,357	73,535
16	Deferred Development	-					-	-	-	-	-	-	-
17	Capital Depreciation	-					-	-	-	-	-	-	-
18	Expense	366					635	4,671	-	-	-	-	5,672
19	Nova - ongoing ops	366					635	4,671	-	-	-	-	5,672