

ORDER NUMBER

G-4-17

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority
Supply Chain Applications Project Application

BEFORE:

D. A. Cote, Panel Chair/Commissioner
M. Kresivo, Commissioner
R. I. Mason, Commissioner

on January 13, 2017

ORDER

WHEREAS:

- A. On December 21, 2016, British Columbia Hydro and Power Authority (BC Hydro) filed the Supply Chain Applications Project Application (Application) and statement of capital expenditures with the British Columbia Utilities Commission (Commission) under section 44.2(1)(b) of the *Utilities Commission Act* (UCA) and requests acceptance of a portion of the expenditures (Phase One) pursuant to section 44.2(3)(a) of the UCA;
- B. BC Hydro states it will seek acceptance of the remainder of the Supply Chain Applications Project capital expenditures (Phase Two) while nearing the completion of the Phase One work and that it anticipates Commission approval of Phase Two expenditures by the end of April 2018;
- C. Through the Supply Chain Applications Project (Project), BC Hydro intends to replace their PassPort supply chain information technology system with an SAP system. This would require the design and implementation of new business processes and information technology related to the acquisition and deployment of materials and services from third-parties;
- D. BC Hydro estimates the mid-range cost of Phase One to be \$26.1 million, with a cost range of \$24.7 to 32.4 million, and the mid-range cost of the overall Project to be \$65.9 million, with a cost range of \$60.5 to \$79.3 million;
- E. BC Hydro estimates that the Project will reduce revenue requirements by approximately \$59 million on a net present value (NPV) basis;
- F. BC Hydro anticipates: i) completing the Project definition phase and starting implementation in or about May 2018; ii) placing the new supply chain IT system in service in or about July 2019; and iii) completing the Project in or about July 2020; and

G. The Commission has determined that a public hearing is necessary for the review of the Application.

NOW THEREFORE the British Columbia Utilities Commission (Commission) orders as follows:

1. A public hearing process and a regulatory timetable, attached as Appendix A to this order, are established for the review of the Supply Chain Applications Project Application (Application).
2. The Commission considers British Columbia Hydro and Power Authority's (BC Hydro) request for confidential treatment of Confidential Attachment G of the Application as reasonably necessary to protect PricewaterhouseCoopers' competitive position in the market, as it contains unredacted resource and pricing information. The Commission will hold Confidential Attachment G confidential. Any requests for access to confidential material must be made in accordance with the Commission's Rules of Practice and Procedure.
3. BC Hydro must publish, as soon as practicable but no later than Friday, January 20, 2017, in display-ad format the Notice of Application attached as Appendix B to this order, in such appropriate news publications as may properly provide adequate notice to the public in its service area.
4. BC Hydro is to provide a copy of this order by Friday, January 20, 2017, and electronically where possible, to registered interveners in the current BC Hydro F2017-2019 Revenue Requirements proceeding and the Inquiry of Expenditures related to the adoption of the SAP Platform proceeding.
5. Intervenors who wish to participate in the regulatory proceeding are to register with the Commission by completing a Request to Intervene Form, available on the Commission's website at <http://www.bcuc.com/Registration-Intervener-1.aspx>, by Friday, January 27, 2017 in accordance with the Commission's Rules of Practice and Procedure.
6. The Application and supporting material must be made available for inspection at the head office of BC Hydro located at 16th floor-333 Dunsmuir Street, Vancouver, BC, and at the Commission's offices located at 6th Floor- 900 Howe Street, Vancouver, BC.

DATED at the City of Vancouver, in the Province of British Columbia, this 13 day of January 2017.

BY ORDER

Original signed by:

D. A. Cote
Commissioner

Attachment

British Columbia Hydro and Power Authority
Supply Chain Applications Project Application

REGULATORY TIMETABLE

ACTION	DATE (2017)
Intervener registration deadline	Friday, January 27
Commission Information Request No. 1	Monday, February 6
Intervener PACA budgets	Monday, February 6
Intervener Information Request No. 1	Friday, February 10
BC Hydro responds to Commission and intervener Information Request No. 1	Thursday, March 2
Procedural Conference commencing at 9:00 a.m.*	Friday, March 10
Further process to be determined	

*Location: Commission Hearing Room
12th Floor, 1125 Howe Street
Vancouver, BC V6Z 2K8

PUBLIC NOTICE

British Columbia Hydro and Power Authority Supply Chain Applications Project Application

On December 21, 2016, British Columbia Hydro and Power Authority (BC Hydro) filed the Supply Chain Applications Project Application and statement of capital expenditures with the British Columbia Utilities Commission and is requesting acceptance of a portion of the expenditures, pursuant to the *Utilities Commission Act*. Through the Supply Chain Applications Project, BC Hydro intends to replace their PassPort supply chain information technology system with an SAP system. This would require the design and implementation of new business processes and information technology related to the acquisition and deployment of materials and services from third-parties. BC Hydro estimates the mid-range cost of the overall Project to be \$65.9 million, with a cost range of \$60.5 to \$79.3 million, and that it will have positive net present value to ratepayers of \$59 million. BC Hydro anticipates placing the new supply chain information technology system in service in July 2019 and completing the Project in July 2020.

HOW TO PARTICIPATE

There are a number of ways to participate in a matter before the Commission:

- [Submit a letter of comment](#)
- [Register as an interested party](#)
- [Request intervenor status](#)

For more information, or to find the forms for any of the options above, please visit our website or contact us at the information below.



www.bcuc.com/RegisterIndex.aspx

All submissions received, including letters of comment, are placed on the public record, posted on the Commission's website and provided to the Panel and all participants in the proceeding.

NEXT STEPS

Intervenor registration Persons who are directly or sufficiently affected by the Commission's decision or have relevant information or expertise and that wish to actively participate in the proceeding can request intervenor status by submitting a completed Request to Intervene Form by January 27, 2017.

GET MORE INFORMATION

All documents filed on the public record are available on the "Current Proceedings" page of the Commission's website at www.bcuc.com.

If you would like to review the material in hard copy, or if you have any other inquiries, please contact Laurel Ross, Acting Commission Secretary, at the following contact information.

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3

Email: Commission.Secretary@bcuc.com
Phone: 604-660-4700
Toll Free: 1-800-663-1385