BC Hydro
Power smart

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May 15, 2017

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

RE: Project No. 3698901
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Supply Chain Applications Project

BC Hydro writes further to its letter of May 12, 2017 to submit its remaining eight responses to Round 2 Information Requests (**IR**) as follows:

Exhibit B-6-2	BCUC IR 2.47.1.1 BCUC IR 2.47.1.2 BCUC IR 2.47.2 BCUC IR 2.48.4 BCUC IR 2.50.1
Exhibit B-7-2	BCOAPO IR 2.27.3 BCOAPO IR 2.28.1 BCOAPO IR 2.28.2

For further information, please contact Geoff Higgins at 604-623-4121 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,

Fred James
Chief Regulatory Officer

cu/tn

Enclosure

27.0 Reference: Exhibit B-3, BCUC 1.7.1
Exhibit B-4, BCOAPO 1.17.1

2.27.3 In each case what was the evidence that supported BC Hydro's "belief" that such integration could not reasonably be built?

RESPONSE:

As discussed in BC Hydro's response to BCOAPO IR 2.27.2, the scoring for the PassPort-based alternative was lowered with regard to the closing of three capability gaps as discussed below:

Capability Gap	Scoring	Discussion
1 – Inability to manage service related spend	**Reduced from 3 to 2**	**Fully closing this capability gap requires integration with SAP's project management module (where most of the need for materials and services are generated) and with SAP's finance module for the automation of commitments and monthly accruals. Please refer to BC Hydro's response to BCUC IR 2.49.1 for discussion of why such integration cannot be reasonably built including BC Hydro's experience developing and maintaining such interfaces with PassPort.**
5 – Difficulty planning capital projects	**Reduced from 2 to 0**	**Fully closing this capability gap would require extensive integration between SAP's Project Systems module and PassPort. Please refer to BC Hydro's response to BCUC IR 2.49.1 for discussion of why such integration cannot be reasonably built.**
6 – Lack of order, delivery, and payment tracking	**Reduced from 4 to 3**	**Please refer to BC Hydro's response to BCOAPO IR 2.27.2 for discussion of why the integration that can reasonably be built would not fully close this capability gap, resulting in the reduced score.**
Total	**Reduction of 4 (from 40 to 36)**	

28.0 Reference: Exhibit B-3, BCUC 1.9.3
Exhibit B-4, CEC 1.39.1

In the first reference BC Hydro states that it did not consult with ABB in determining the qualitative scores for PassPort's ability to close the 13 identified capability gaps.

In the second reference BC Hydro states that it would be technically unworkable and unsustainable to customize PassPort to the extent needed to close all of the capability gaps.

2.28.1 In Exhibit C3-3 ABB takes exception to a number of BC Hydro's "scores" regarding the capabilities of a PassPort-based solution. Can BC Hydro confirm that, in making its assessment, it was aware of and accounted for the PassPort capabilities discussed by ABB in its evidence?

RESPONSE:

BC Hydro confirms that, with one exception, it was aware of and accounted for the PassPort capabilities discussed by ABB in Exhibit C3-3 in its assessment of a PassPort-based solution's ability to close the capability gaps. Based on the evidence provided by ABB, BC Hydro has changed its scoring for capability gap 11 "Inability to pay suppliers without an invoice", which BC Hydro has revised from 1 to 2. PassPort provides capability to pay for materials without an invoice; however, it does not provide this ability for contract services.

BC Hydro has not changed its scoring for any of the other capability gaps based on the information provided by ABB in Exhibit C3-3.

Please refer to BC Hydro's response to BCOAPO IR 2.28.2 for further discussion.

28.0 Reference: Exhibit B-3, BCUC 1.9.3
Exhibit B-4, CEC 1.39.1

In the first reference BC Hydro states that it did not consult with ABB in determining the qualitative scores for PassPort's ability to close the 13 identified capability gaps.

In the second reference BC Hydro states that it would be technically unworkable and unsustainable to customize PassPort to the extent needed to close all of the capability gaps.

2.28.2 If yes, please indicate the basis for the lower scoring of the PassPort solution even in view of these PassPort capabilities.

RESPONSE:

As discussed in BC Hydro's response to BCOAPO IR 2.28.1, BC Hydro revised its scoring with regard to a PassPort-based solution's ability to close capability gap 11.

The following table summarizes BC Hydro's assessment of a PassPort-based solution's ability to close the seven other capability gaps for which it was scored lower than was an SAP-based solution, taking into account the evidence provided by ABB in Exhibit C3-3.

Capability Gap	SAP Score	PassPort Score	Discussion	References
1 – Inability to manage service related spend	4	2	Please refer to BC Hydro's response to BCUC IR 2.47.2. BC Hydro's assessment of the ability of a PassPort based solution to close capability gap 1 is further discussed in BC Hydro's response to BCUC IRs 2.47.1.1 and 2.47.1.2.	BCUC IR 2.47.1.1 BCUC IR 2.47.1.2 BCUC IR 2.47.2
2 – Poor contract management	4	3	Please refer to BC Hydro's response to BCUC IR 2.48.4.	BCUC IR 2.48.4

Capability Gap	SAP Score	PassPort Score	Discussion	References
5 – Difficulty planning capital projects	4	0	The evidence provided by ABB includes a lengthy discussion of Asset Suite's design engineering (compatible unit estimating) functionality, but does not describe any project management capabilities. ABB's evidence suggests that customers do not use Asset Suite for project management but develop interfaces to other project management systems (such as SAP's Project Systems). Please refer to BC Hydro's response to BCUC IR 2.49.1 for discussion on why this integration cannot reasonably be built to fully close the capability gap.	BCUC IR 2.49.1
6 – Lack of order, delivery, and payment tracking	4	3	The setup described by ABB with regard to closing of capability gap 6 is similar to how BC Hydro currently operates with PassPort interfaced to SAP's finance module to complete the processing and posting of financial entries in SAP. BC Hydro agrees that the current gap could be partially closed with a PassPort-based solution, and that the current interfaces could likely be enhanced. However, the gap cannot be fully closed due to the need to split the payables process across two applications (as is done today), which requires users to access multiple systems. Please refer to BC Hydro's response to BCOAPO IR 2.27.2 for further discussion.	BCOAPO IR 2.27.2

Capability Gap	SAP Score	PassPort Score	Discussion	References
7 – Inability to support return of unused materials	4	3	BC Hydro is aware of Asset Suite's capabilities in this area, and agrees that a PassPort-based solution could meet a number of BC Hydro's requirements. Asset Suite's capabilities are focused on the return of inventoried materials and do not address BC Hydro's requirements to return unused non-stock materials (i.e., non-catalogued materials not carried in inventory). The majority of unused material for which a returns process is required are non-catalogued materials purchased for capital infrastructure projects but not consumed as part of the project.	N/A
10 – No self-serve option for routine service requests	4	3	Please refer to BC Hydro's response to BCUC IR 2.50.1.	BCUC IR 2.50.1
12 – Inability to streamline controls and approvals process	3	2	The evidence provided by ABB provides a description of how controls and approvals are managed within Asset Suite. BC Hydro agrees that controls and approvals could be improved with a PassPort-based solution. However, ABB's evidence does not address BC Hydro's reasoning for why PassPort was rated lower than SAP in this area. As described in the Application, fully closing this capability gap would require work to be managed and approved in a single system.	Exhibit B-1, Page 3-12