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June 16, 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 – CSI UNDERTAKINGS 1-3

Please find enclosed Manitoba Hydro's CSI undertakings 1-3.

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:

A handwritten signature in blue ink, appearing to read 'Brent Czarnecki', written over a horizontal line.

Brent Czarnecki
Senior Counsel

2023/24 & 2024/25 GENERAL RATE APPLICATION

Manitoba Hydro CSI Undertaking #1

MH to undertake to confirm whether the contract amount with Ernst & Young for Phase 0 of the SAP S/4HANA contract is expected to increase.

Response:

Phase 0 of the SAP S/4HANA statement of work was originally contracted for [REDACTED], which has been increased by [REDACTED] due to the timeline being extended.

1d

2023/24 & 2024/25 GENERAL RATE APPLICATION**Manitoba Hydro CSI Undertaking #2**

MH undertake to obtain Ernst & Young's position on making the lump sum contract amount for the SAP S4 HANA contract public (contract filed in response to PUB/MH II-11a-d-Attachment 1).

Response:

Manitoba Hydro reached out to Ernst & Young (EY) to obtain their position on making public the contract amount for the SAP S/4HANA Statement of Work. EY has advised Manitoba Hydro that the contract amount should remain confidential, as this amount is commercially sensitive. As such, amounts disclosed as CSI pertaining to the contract cannot be made public.

2023/24 & 2024/25 GENERAL RATE APPLICATION

Manitoba Hydro CSI Undertaking #3

Manitoba Hydro has forecasted cloud computing arrangement expenditures for SAP S/4HANA of \$156 million over a period of 7 years from 2023/24 to 2029/30. MH to undertake to confirm whether the \$156M forecast includes contingency.

Response:

As outlined in GSS-GSM/MH I-6a-k (Revised), part c) identifies that the \$156 million forecast is a high-level estimate. A detailed estimate will be completed as part of the SAP S/4HANA Phase 0 (pre-planning) that is underway. Manitoba Hydro can confirm that this estimate does not include an amount for contingency due to the nature of it being a high-level budget for purposes of the long-term financial forecast.