



MILTON HYDRO DISTRIBUTION INC.

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May 25, 2022

RESS & EMAIL

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON, M4P 1E4

Attention: Nancy Marconi, Registrar

Dear Ms. Marconi:

**Re: Milton Hydro Distribution Inc. (Milton Hydro)
EB-2022-0049: Cost of Service Rate Application for 2023 Electricity Distribution
Rates (Application) – Request to Amend the Application**

Milton Hydro filed the Application on April 14, 2022. On April 26, 2022, pursuant to the OEB's *Practice Direction on Confidential Filings*, Milton Hydro requested confidential treatment of, among other things, certain portions of the IT Strategy & Roadmap Report prepared by PwC (PwC Report), which was included in Exhibit 2 Attachment 2-2 (Milton Hydro's 2023-2027 DSP), Appendix F (the "Confidentiality Request").

In the Confidentiality Request, Milton Hydro explained that the redactions of certain portions of the PwC Report were required on the basis that such information is commercially sensitive and proprietary to the consultant, public disclosure of which could cause competitive harm to PwC and provide unfair advantage to its competitors. The Confidentiality Request is supported by the letter from PwC that provides further details on the nature of and rationale for confidential treatment of such information.

Since the filing of the Confidentiality Request, PwC has provided Milton Hydro with an additional report, PwC IT Strategy & Roadmap Final Report Summary (PwC Summary Report) which excludes the confidential information that is the subject of the Confidentiality Request while essentially maintaining the same analysis and recommendations.

Pursuant to Rule 11.01 of the OEB Rules of Practice and Procedure, Milton Hydro requests to amend the Application by withdrawing the redacted PwC Report from the record of the proceeding, substituting it with the PwC Summary Report (which is attached hereto as Appendix 'A') that contains no redactions, and eliminating the request for confidential treatment as well as the confidential PwC Report.

If the OEB approves the request, there will no longer be a request for confidential treatment with respect to the PwC Report. By eliminating confidential information and the accompanying request, Milton Hydro's objective is to facilitate an efficient review of the Application and to maximize the information by including clear and cohesive information (which excludes redactions) that is available on the public record.

Yours truly,

Dan Gopic, CPA, CMA
Director, Regulatory Affairs
Milton Hydro Distribution Inc.

cc: Igor Rusic, Chief Financial Officer and Vice President, Finance, Milton Hydro Distribution Inc.
Troy Hare, Chief Executive Officer and President, Milton Hydro Distribution Inc.
Tim Pavlov, Torys LLP

APPENDIX A
PWC SUMMARY REPORT



Milton Hydro IT Strategy & Roadmap Final Report Summary

September 2021



Disclaimer

- The material contained herein reflects PricewaterhouseCoopers' (PwC) reasonable efforts to accurately represent our findings in light of the information available at the time of its preparation. Our work does not constitute an audit opinion issued pursuant to CPA standards or any other statutory reporting standards. We will provide no opinion, attestation or other form of assurance with respect to our work or the information upon which our work is based. The procedures we have performed under this engagement will not constitute an examination or a review in accordance with generally accepted auditing standards or attestation standards.
- This Report was developed in accordance with our engagement with Milton Hydro Distribution Inc. ("Milton Hydro").
- Our observations are based on review of documents provided to us by Milton Hydro. No additional information was provided, requested or reviewed. As such, the observations and findings contained in this document are not meant to be exhaustive. Changes in circumstances after this date could affect the findings outlined in this document.
- This information has been prepared for the use and benefit of and pursuant to a client relationship exclusively with Milton Hydro. PwC disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than Milton Hydro. Any use that a third party makes of this document or reliance on, or any decisions made based on it is the responsibility of such third party. PwC accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions based on this document.
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- PwC, its members, employees, and agents shall not be responsible for any loss sustained by any person or entity that relies on the information contained in this publication. The content of this publication is based on information available as of September 3, 2021. Accordingly, changes in circumstances after this date could affect the findings outlined in this Report. We are providing no opinion, attestation or other form of assurance with respect to our work and we did not verify or audit any information provided to us.
- Evaluations are based on historical information and assumptions. As future circumstances are subject to change, this analysis has a margin of error and all suggestions should be considered as directional only.
- Milton Hydro is responsible for all management functions and decisions relating to this engagement, including establishing and maintaining internal controls, evaluating and accepting the adequacy of the scope of the Services in addressing Milton Hydro needs and making decisions regarding whether to proceed with recommendations. Milton Hydro is also responsible for the results achieved from using the Services or deliverables.
- None of PwC, its partners, directors, employees, professional advisors or agents accept any liability or assume any duty of care to any third party (whether it is an assignee or successor of another third party or otherwise) in respect of this Report.

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About this document

This document is the Final Report Summary deliverable for the IT Strategy & Roadmap project prepared for Milton Hydro, September 2021.

This summary deliverable includes primarily the executive summary project overview and cost details.

A close-up photograph of high-voltage electrical equipment, likely a transformer or switchgear, featuring multiple insulators and metal components against a clear blue sky. The equipment is mounted on a metal frame.

1. Executive Summary

IT strategic objectives and guiding principles were developed

This project was delivered in three phases to assess priority business needs and develop a 3-year IT strategy and roadmap.

IT strategic objectives are broad and clearly defined statements of end goals that an organization aspires to achieve. Guiding Principles are tactical statements that will guide decision making and prioritization related to the IT Strategy & Roadmap. Both were used to inform the initiatives of the final IT Strategy & Roadmap.

IT Strategic Objectives



Optimize existing processes and enable automation to eliminate manual and repetitive tasks so that employees may refocus on higher-value tasks and meaningful engagements with customers.



Build for growth and agility through holistic approach of people, process and technology in order to satisfy the population growth in Milton and to respond to regulatory changes and technology disruptions.



Nurture a cultural change and focus on digital upskilling Milton Hydro's workforce to drive innovation and productivity improvement from best-in-class technology solutions.



Establish a strong data foundation that allows employees to easily access real-time business information for reporting, customer information to respond to incoming inquiries faster, and enable document management and knowledge sharing capabilities.



Focus on end customers and establishing a 360 view of customer interactions so that employees can engage in meaningful conversations with customers.



Streamline customer interactions with **an omnichannel view**.



Make **technology decisions that are driven by business needs** to fulfill customer requirements and enable innovation.

Guiding Principles

1. **Customer-Centric.** Place customer at the heart of our decision-making process and enable a 360 view of customers to standardize and provide seamless omni-channel customer experience.
2. **Simple & Usable.** Allow employees to easily maintain and operate through user friendly interfaces and intuitive processes.
3. **Data Driven.** Establish a strong data foundation so that data is available across the organization in real time to support fact-based decision making and real-time reporting.
4. **Automation.** Enable automation through pre-configured workflows and system rules to streamline customer interactions and billing.
5. **Integrated.** Easy to share data with other third parties and systems across the entire technology ecosystem, including financial and operational indicators and performance data.
6. **Scalable.** Able to quickly respond to organizational / regulatory changes and scale as future demand grows, including adopting additional capabilities.
7. **Cost Effective.** Optimize costs that are appropriate for the size of Milton Hydro.
8. **Cloud first.** Explore cloud platform and cloud services as the default option.


Five roadmap themes were defined to meet future state needs

Each theme includes a set of prioritized initiatives, used to derive the 3-year technology transformation roadmap.



ENHANCING THE
EXPERIENCE OF
Our Customers

The initiatives within this theme are related to **improving the customer experience in order to make it simple, engaging and valuable.**



OPTIMIZING
**Our Performance
and Delivery**

The initiatives within this theme are related to **driving operational excellence, designing for speed, improving and measuring business performance** (i.e. by streamlining and automating business processes) and enhancing project delivery in order to reduce operational overhead and enable effective delivery of projects.



EMPOWERING
Our People

The initiatives within this theme are related to **modernizing and enhancing the employee experience** by providing the right tools to request support as well as enabling employees to develop digital skills through upskilling to **support productivity, innovation and growth.**



MANAGING & DELIVERING
VALUE WITH
Our Information

The initiatives within this theme are related to **improving the management, reliability and trust of information** in order to better enable analytics and data-driven decision-making across the organization.



MATURING
Our IT Foundation

The initiatives within this theme are business driven for **enhancing the maturity of the IT organization** in order to **enable IT to better address the needs of the business** as well as support the other programs and the organization as a whole.

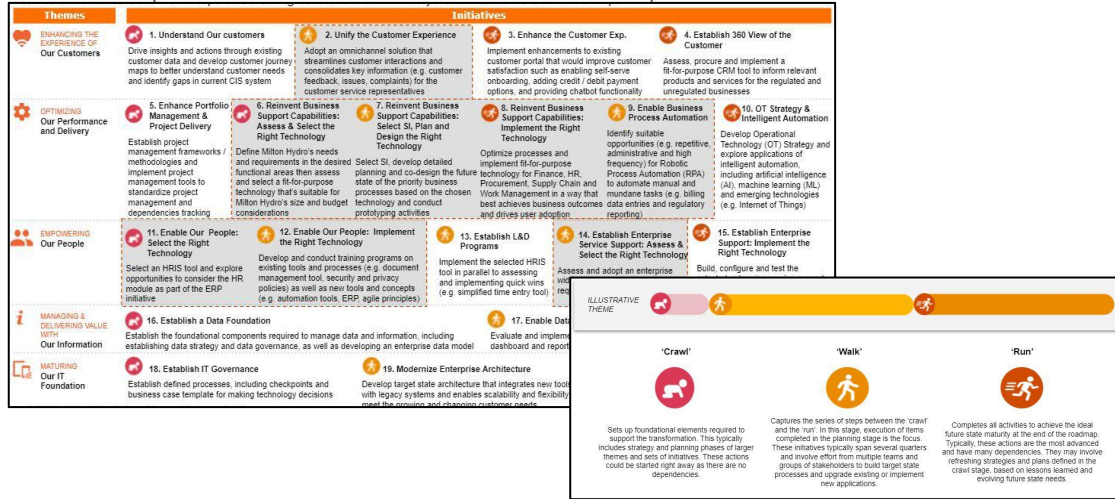
Introduction to Milton Hydro's IT themes and initiatives

Themes

Five themes that initiatives are grouped into.

Initiatives

20 technology initiatives proposed across the 5 themes.



Initiative Type

Three initiative types: Crawl, Walk or Run.

Purpose

Technology themes breakdown the implementation of organizational change into achievable components and serve as key input into the IT roadmap.

Themes

Themes represent areas for investment that align with the business needs, IT strategy vision and guiding principles. A theme is a group of related initiatives managed in a coordinated manner to obtain benefits not available from managing them individually.

Initiative

Each initiative is comprised of a set of activities to enable business priorities. Initiatives are mapped to themes based on linkages and similar objectives.

Initiative Types

Separating initiatives into types encourages more agile project implementation and encourages organizational change.

Realizing the future state vision through technology themes

Based on an understanding of the current state, prioritization of business capabilities and your strategic objectives and guiding principles, **five IT Strategy and Roadmap themes and 20 technology initiatives** were defined to address key priority areas in terms of technology needs and enablement opportunities at Milton Hydro

IT Strategy and Roadmap Themes



ENHANCING THE EXPERIENCE OF
Our Customers



OPTIMIZING
Our Performance & Delivery



EMPOWERING
Our People



MANAGING AND DELIVERING VALUE WITH
Our Information



MATURING
Our IT Foundation

Key Takeaways & Implications

Why Define Themes for Delivery?

Separating projects into categories encourages more agile project implementation and encourages organizational change. 20 technology initiatives have been defined to enable Milton Hydro's Strategy over the next 3 to 5 years.

Key Benefits and Outcomes the initiatives Are Intended to Deliver?

The technology initiatives are focused on meeting the needs of your customers and the business. At a high level, the desired benefits and business value that the initiatives are intended to deliver include the following:

- Optimizing your existing processes and enabling automation to eliminate manual and repetitive tasks so that employees can refocus on higher-value tasks and meaningful engagements with customers
- Support growth and agility in order to satisfy population growth and to respond to regulatory changes
- Establish a strong data foundation that allows employees to easily access real time information in order to respond to customer inquiries faster
- Focus on end customers and establishing a 360 view of interaction, including omni-channel capability
- Governance that support making technology decision that are driven by business needs to fulfill customer requirements and enable innovation

Initiatives are categorized according to type, as either a 'Crawl', 'Walk' or 'Run' initiative

A set of technology initiatives have been proposed for each theme and categorized as crawl, walk, or run. Each theme has a unique timing of crawl, walk and run.

ILLUSTRATIVE
THEME



'Crawl'



Sets up foundational elements required to support the transformation. This typically includes strategy and planning phases of larger themes and sets of initiatives. These actions could be started right away as there are no dependencies.

'Walk'



Captures the series of steps between the 'crawl' and the 'run'. In this stage, execution of items completed in the planning stage is the focus. These initiatives typically span several quarters and involve effort from multiple teams and groups of stakeholders to build target state processes and upgrade existing or implement new applications.

'Run'



Completes all activities to achieve the ideal future state maturity at the end of the roadmap. Typically, these actions are the most advanced and have many dependencies. They may involve refreshing strategies and plans defined in the crawl stage, based on lessons learned and evolving future state needs.

Each theme consists of a set of initiatives

IT Strategy and Roadmap Themes



ENHANCING THE EXPERIENCE OF

Our Customers

The initiatives within this theme are related to improving the customer experience in order to make it simple, engaging and valuable.



OPTIMIZING

Our Performance and Delivery

The initiatives within this theme are related to driving operational excellence, designing for speed, improving and measuring business performance (i.e. by streamlining and automating business processes) and enhancing project delivery in order to reduce operational overhead and enable effective delivery of projects.



EMPOWERING

Our People

The initiatives within this theme are related to modernizing and enhancing the employee experience by providing the right tools to request support as well as enabling employees to develop digital skills through upskilling to support productivity, innovation and growth.



MANAGING & DELIVERING VALUE WITH

Our Information

The initiatives within this theme are related to improving the management, reliability and trust of information in order to better enable analytics and data-driven decision-making across the organization.















MATURING

Our IT Foundation

The initiatives within this theme are business driven for enhancing the maturity of the IT organization in order to enable IT to better address the needs of the business as well as support the other programs and the organization as a whole.

Initiatives

-  1. Understand Our customers
-  2. Unify the Customer Experience
-  3. Enhance the Customer Experience
-  4. Establish 360 View of the Customer
-  5. Enhance Portfolio Management & Project Delivery
-  6. Reinvent Business Support Capabilities: Assess & Select the Right Technology
-  7. Reinvent Business Support Capabilities: Select SI, Plan and Design the Right Technology
-  8. Reinvent Business Support Capabilities: Implement the Right Technology
-  9. Enable Business Process Automation
-  10. OT Strategy & Intelligent Automation
-  11. Enable Our People: Select the Right Technology
-  12. Enable Our People: Implement the Right Technology
-  13. Establish L&D Programs
-  14. Establish Enterprise Service Support: Assess & Select the Right Technology
-  15. Establish Enterprise Support: Implement the Right Technology
-  16. Establish a Data Foundation
-  17. Enable Data Analytics
-  18. Establish IT Governance
-  19. Modernize Enterprise Architecture
-  20. Mature Data & Systems Security

20 initiatives were developed and prioritized



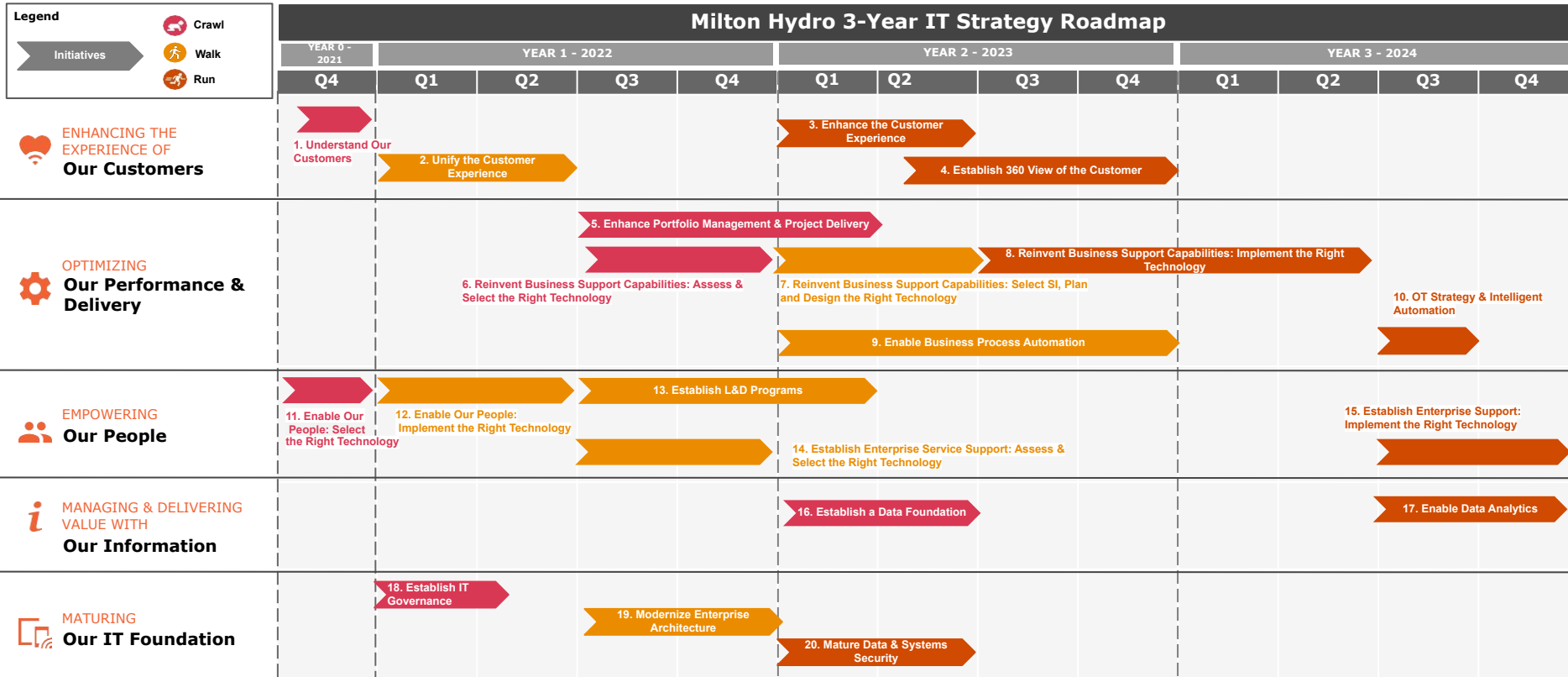
Priority Initiatives

These were validated in workshops and working sessions with Milton Hydro stakeholders and leadership.

Strategic Pillar	Initiative	Description
ENHANCING THE EXPERIENCE OF Our Customers	1. Understand Our customers	Drive insights and actions through existing customer data and develop customer journey maps to better understand customer needs and identify gaps in current CIS system
	2. Unify the Customer Experience	Adopt an omnichannel solution that streamlines customer interactions and consolidates key information (e.g. customer feedback, issues, complaints) for the customer service representatives
	3. Enhance the Customer Exp.	Implement enhancements to existing customer portal that would improve customer satisfaction such as enabling self-serve onboarding, adding credit / debit payment options, and providing chatbot functionality
	4. Establish 360 View of the Customer	Assess, procure and implement a fit-for-purpose CRM tool to inform relevant products and services for the regulated and unregulated businesses
OPTIMIZING Our Performance and Delivery	5. Enhance Portfolio Management & Project Delivery	Establish project management frameworks / methodologies and implement project management tools to standardize project management and
	6. Reinvent Business Support Capabilities: Assess & Select the Right Technology	Define Milton Hydro's needs and Select SI, develop detailed requirements in the desired functional areas then assess and select a fit-for-purpose technology that's suitable for Milton Hydro's size and budget considerations
	7. Reinvent Business Support Capabilities: Select SI, Plan and Design the Right Technology	planning and co-design the future state of the priority business processes based on the chosen technology and conduct prototyping activities
	8. Reinvent Business Support Capabilities: Implement the Right Technology	Optimize processes and implement fit for HRIS, HR, Procurement, Supply Chain and Work Management in a way that best achieves business outcomes and drives user adoption
EMPOWERING Our People	9. Enable Business Process Automation	Identify suitable opportunities (e.g. repetitive, administrative and high volume applications) for RPA to automate manual and mundane tasks (e.g. billing data entries and regulatory reporting)
	10. OT Strategy & Intelligent Automation	Develop Operational Technology (OT) Strategy and include applications of including artificial intelligence (AI), machine learning (ML) and emerging technologies (e.g. Internet of Things)
	11. Enable Our People: Select the Right Technology	Select an HRIS tool and explore opportunities to consider the HR module as part of the ERP initiative
	12. Enable Our People: Implement the Right Technology	Develop and conduct training programs on existing tools and processes (e.g. document management tool, security and privacy policies) as well as new tools and concepts (e.g. automation tools, ERP, agile principles)
MANAGING & DELIVERING VALUE WITH Our Information	13. Establish L&D Programs	Implement the selected HRIS tool in parallel to assessing and implementing quick wins (e.g. simplified time entry tool)
	14. Establish Enterprise Service Support: Assess & Select the Right Technology	Assess and adopt an enterprise wide system to handle service requests for Finance, HR and
	15. Establish Enterprise Support: Implement the Right Technology	Build, configure and test the selected enterprise service support system
	16. Establish a Data Foundation	Establish the foundational components required to manage data and information, including establishing data strategy and data governance, as well as developing an enterprise data model
MATURING Our IT Foundation	17. Enable Data Analytics	Evaluate and implement required tools to enable data and analytics capabilities (including dashboard and reporting capabilities and advanced analytics capabilities)
	18. Establish IT Governance	Establish defined processes, including checkpoints and business case template for making technology decisions
	19. Modernize Enterprise Architecture	Develop target state architecture that integrates new tools with legacy systems and enables scalability and flexibility to meet the growing and changing customer needs
	20. Mature Data & Systems Security	Ensure data is secure and systems are reliable based on current and anticipated future needs

A 3-year IT transformation roadmap was developed

The proposed roadmap spans three fiscal years, with initiatives across all five themes included and sequenced according to priority, complexity and dependencies.



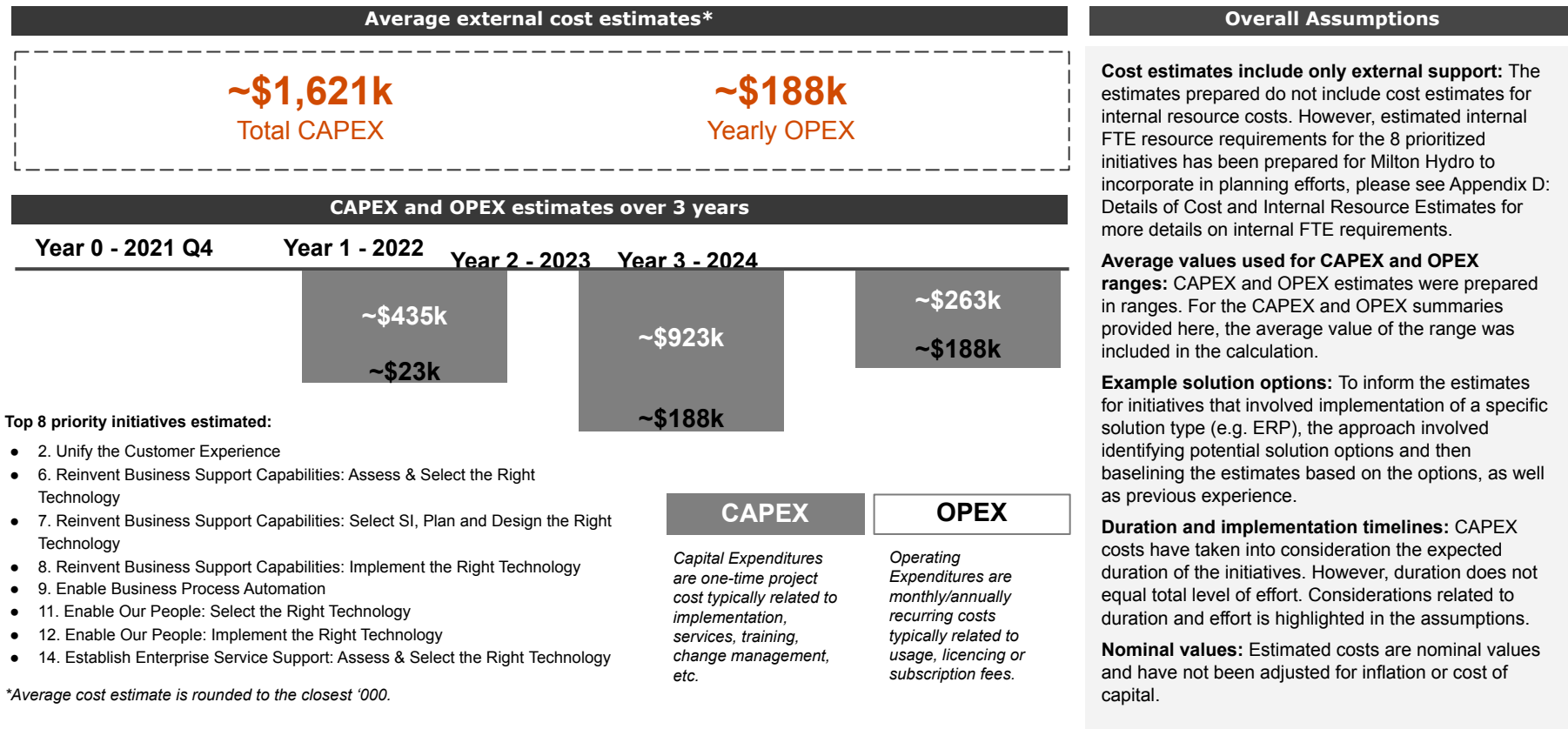


Cost / Initiative Detail

High-level cost estimates were developed for the 8 priority initiatives





initiatives

Average external cost metrics and 3-year CAPEX and OPEX estimates have been prepared for eight prioritized initiatives in the IT Roadmap.





*Average cost estimate is rounded to the closest '000.






Optimizing Our Performance & Delivery - Initiatives (1 of 2)

Initiatives	Description	Est. Cost*	Complexity	Est. Duration
 5. Enhance Portfolio Management & Project Delivery	<p>Enhance and streamline portfolio management and project delivery capabilities by introducing project management frameworks, methodologies, tools and templates, with the goal of ensuring Milton Hydro's project management processes are well-documented and standard tools are used across the organization. This may include the procurement and implementation of a fit-for-purpose project management tool / software that manages capital planning, project resourcing & scheduling for both distribution and capital projects. Take measures to ensure a single solution is implemented and adopted across all business lines.</p>	<p>N/A (Only Top Initiatives)</p>	M	9 months
 6. Reinvent Business Support Capabilities: Assess & Select the Right Technology	<p>Confirm functional areas in scope, including (but not limited to) Finance, Procurement, Supply Chain and Work Management. Gather non-functional, unique and functional technical requirements that are tailored for Milton Hydro's size and needs and conduct market scan to better understand the ERP technology landscape. Develop use cases and RFP, then release RFP to select a fit-for-purpose ERP technology vendor.</p>	<p>CAPEX: \$250k - \$320k OPEX: \$0</p>	M	6 months
 7. Reinvent Business Support Capabilities: Select SI, Plan and Design the Right Technology	<p>Develop and release RFP to select a systems integrator (SI) to act as partner for the ERP implementation. Onboard vendor / SI and develop detailed plan for executing on design and process definition activities. Co-design the future state of the priority business processes based on the chosen technology.</p>	<p>CAPEX: \$290k - \$400k OPEX: \$0</p>	M	6 months
 8. Reinvent Business Support Capabilities: Implement the Right Technology	<p>Build, configure, test, and demo the Finance, Procurement, Supply Chain, Work Management modules. Design a security framework for the new ERP. Go live with new ways of working that are enabled by the new ERP solution.</p>	<p>CAPEX: \$400k-\$650k OPEX: \$80k-\$150k</p>	H	12 months



Optimizing Our Performance & Delivery - Initiatives (2 of 2)

<i>Initiatives</i>	<i>Description</i>	<i>Est. Cost*</i>	<i>Complexity</i>	<i>Est. Duration</i>
 9. Enable Business Process Automation	<p>Leverage existing automation capabilities within Northstar and MCare for automatic loading of billing / financials. Evaluate other suitable opportunities to automate work (e.g. repetitive, administrative and high frequency), business processes, workflows across all business functions (e.g. automating regulatory reporting). Identify use cases and conduct prototyping by leveraging Robotic Process Automation (RPA) to automate manual and mundane tasks and understand how RPA handles exceptions and errors.</p>	<p>CAPEX: \$330k-\$490k OPEX: \$20k-35k</p>	H	12 months
 10. OT Strategy & Intelligent Automation	<p>Conduct a current state assessment of the Operational Technology (OT) landscape and develop an OT Strategy that addresses the identified gap and enables IT/OT integration. Explore opportunities (e.g. smart warehouse) for how intelligent automation and emerging technology can be used by Milton Hydro, including the use of cognitive intelligence capabilities (e.g. artificial intelligence (AI), machine learning (ML), and emerging technologies (e.g. blockchain, augmented reality (AR), Internet of Things (IoT)).</p>	<p>N/A (Only Top Priority Initiatives Estimated)</p>	H	3 months




Empowering Our People - Initiatives

<i>Initiatives</i>	<i>Description</i>	<i>Est. Cost*</i>	<i>Complexity</i>	<i>Est. Duration</i>
 11. Enable Our People: Select the Right Technology	Proceed with the vendor demonstrations and RFP evaluation to select a fit-for-purpose HRIS technology that meets Milton Hydro's HR needs. Select a system integrator to implement the chosen HRIS technology.	CAPEX: \$0 OPEX: \$0	M	3 months
 12. Enable Our People: Implement the Right Technology	Conduct an initial discovery to determine whether payroll will be included in scope for HRIS. Build, configure and test the HRIS technology that manages the full employee lifecycle from hire to termination, enables employee performance monitoring and reporting, provides self-serve capabilities, mobility and simplified time entry.	CAPEX: \$50k-\$100k OPEX: \$10k-\$20k	H	6 months
 13. Establish L&D Programs	Evaluate current learning and development programs and tools against current and future needs of both Milton Hydro and Milton Hydro's employees in order to deliver an improved employee (and supporting customer) experience. Establish training / L&D programs for both existing tools (e.g. document management tool, file sharing tool, Microsoft Office tools) and new tools introduced via other initiatives (i.e. ERP, dashboard, automation and reporting tools). Assess suitable training tools that can automate learning and compliance tracking and enable mobile use.	N/A (Only Top Priority Initiatives Estimated)	M	6 months
 14. Establish Enterprise Service Support: Assess & Select the Right Technology	Gather and document requirements across the business, then select an enterprise wide system to submit service requests that will help to prioritize and manage support services for Finance, HR and IT. This system will ideally integrate with modern omnichannel solutions such as Monday.com.	CAPEX: \$200k-\$300k OPEX: \$0	M	6 months
 15. Establish Enterprise Service Support: Implement the Right Technology	Build, configure and test the selected enterprise service support system and ensure that it's implemented in a way that achieves business outcomes, minimizes risk and locks-in value, while driving meaningful user adoption.	N/A (Only Top Priority Initiatives Estimated)	H	6 months

Managing & Delivering Value with Our Information - Initiatives

Initiatives	Description	Est. Cost	Complexity	Est. Duration
 16. Establish Data Foundation	<p>Enable the trust, quality, integrity and completeness of Milton Hydro's data by establishing the fundamental components of an enterprise data strategy, including documentation and mapping of target state data sources (target state data model), identification of core tools required to manage information, identification of organizational N/A objectives supported by data use, and development of a data governance / operating (Only Top Priority model. Evaluate current tools and potential providers to meet Milton Hydro's current and Initiatives future business needs. Define KPIs and metrics to measure key performance and seek Estimated) solutions that will enable an enterprise view of Milton Hydro's data and existing reports.</p> <p>This initiative is dependent on the new ERP, HRIS and CRM tools, as a result the target state data model will need to be refreshed periodically.</p>		M	6 months
 17. Enable Data Analytics	<p>Procure and implement a centralized analytics tool that integrates dashboards and self-serve capabilities so that business users can view and create reports themselves N/A instead of requesting through IT. Enhance current analytics capabilities and continuously (Only Top Priority identify, prototype, productionize additional use cases to evolve analytics capabilities Initiatives with business needs. This initiative is dependent on the new ERP, HRIS and CRM tools Estimated) and their analytics capabilities.</p>		M	6 months

Maturing Our IT Foundation - Initiatives

Initiatives	Description	Est. Cost	Complexity	Est. Duration
 18. Establish IT Governance	Establish IT governance model including steering committee, roles and responsibilities, terms of reference, and cadence as it relates to oversight of technology and transformation projects. In addition, document processes, checkpoints and business case templates to support decision making for the selection of new technologies.	N/A (Only Top Priority Initiatives Estimated)	L	4 month
 19. Modernize Enterprise Architecture	Map the current state architecture and develop target state architecture that integrates new tools with legacy systems and enables scalability and flexibility to meet the growing and changing customer needs. Unlock value through greater efficiency and scalability as well as improved performance by modernizing current enabling systems and IT infrastructure. The architecture should be refreshed periodically - it is recommended that Milton Hydro repeat this initiative to update the architecture on a yearly basis.	N/A (Only Top Priority Initiatives Estimated)	M	6 months
 20. Mature Data & Systems Security	Assess and implement a cybersecurity program and raise cybersecurity awareness within the organization. Introduce enhanced employee training on data security and privacy in order to ensure data is secure and systems are reliable based on current need and anticipated future events. Assess data loss prevention (DLP) solution to safeguard Milton Hydro's data.	N/A (Only Top Priority Initiatives Estimated)	M	6 months

Breakdown of average external cost estimates by year

Average CAPEX and OPEX cost estimates were developed for the top 8 priority initiatives and calculated across 3 years based on their sequencing on the roadmap.

#	Initiative	System Category	CAPEX (one time cost)			OPEX (ongoing cost)		
			Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)
2	Unify the Customer Experience	Omnichannel Platform	\$60,000			\$15,000	\$30,000	\$30,000
6	Reinvent Business Support Capabilities: Assess & Select the Right Technology	Enterprise Resource Planning (ERP) System	\$175,000					
7	Reinvent Business Support Capabilities: Select SI, Plan and Design the Right Technology	Enterprise Resource Planning (ERP) System		\$250,000				
8	Reinvent Business Support Capabilities: Implement the Right Technology	Enterprise Resource Planning (ERP) System		\$263,000	\$263,000		\$115,000	\$115,000
9	Enable Business Process Automation	Robotic Process Automation (RPA) Tool		\$410,000			\$28,000	\$28,000
11	Enable Our People: Select the Right Technology	Human Resource Information System (HRIS)	\$0					
12	Enable Our People: Implement the Right Technology	Human Resource Information System (HRIS)	\$75,000			\$8,000	\$15,000	\$15,000
14	Establish Enterprise Service Support: Assess & Select the Right Technology	Enterprise Service Ticketing	\$125,000					
Average Cost			\$435,000	\$923,000	\$263,000	\$23,000	\$188,000	\$188,000

Breakdown of high-level external cost estimates (1/2)

High-level CAPEX and OPEX cost estimates were developed for the top 8 priority initiatives. These estimates do not include Milton Hydro's internal planning activities or decision making process, therefore the estimated cost will not reflect the total all-in costs for the initiative.

#	Initiative	Duration	CAPEX (one time cost)	OPEX (ongoing cost)	Assumption
2	Unify the Customer Experience (System Category: Omnichannel Platform)	6 month	\$40k-\$80k	\$20k-\$40k	<ul style="list-style-type: none"> Assumes no external support required for system selection, vendor demo and RFP process One-time cost estimate includes implementation and integration, training and change management Ongoing cost estimate includes licensing for ~10 users and application support Excludes project management, data migration and custom configuration
6	Reinvent Business Support Capabilities: Assess & Select the Right Technology (System Category: ERP System)	6 month	\$150k - \$200k	\$0	<ul style="list-style-type: none"> One-time cost estimate includes requirements gathering, market scan, system selection, use case and RFP development to select ERP technology vendor Estimated level of external effort required is ~3-4 month
7	Reinvent Business Support Capabilities: Select SI, Plan and Design the Right Technology (System Category: ERP System)	6 month	\$200k - \$300k	\$0	<ul style="list-style-type: none"> One-time cost estimate includes RFP development to select SI for ERP implementation and detailed project planning and target state end-to-end process design to lay the foundation for a successful ERP implementation Estimated level of external effort required is ~4-5 month
8	Reinvent Business Support Capabilities: Implement the Right Technology (System Category: ERP System)	12 month	\$400k-\$650k	\$80k-\$150k*	<ul style="list-style-type: none"> One-time cost estimate includes implementation and integration for Finance, Procurement, Supply Chain and Work Management modules, project management support, testing, training and change management Ongoing cost includes licensing for ~40 users and application support Excludes data migration and custom configuration

Average Cost

\$1,010k

\$145k

*Average cost is rounded to the closest '000.

*ERP licensing/subscription and application support costs can vary significantly by vendor as it is dependent on the scope, requirements, customizations, integrations, etc. and it could be as high as \$350k per year based on initial analysis. For the purposes of the above cost estimates license costs have been focused on low to mid range ERP licence costs.

Breakdown of high-level external cost estimates (2/2)

High-level CAPEX and OPEX cost estimates were developed for the top 8 priority initiatives. These estimates do not include Milton Hydro's internal planning activities or decision making process, therefore the estimated cost will not reflect the total all-in costs for the initiative.

#	Initiative	Duration	CAPEX (one time cost)	OPEX (ongoing cost)	Assumption
9	Enable Business Process Automation (System Category: RPA Tool)	12 month	\$330k-\$490k	\$20k-35k	<ul style="list-style-type: none"> One-time cost includes current state assessment and discovery activities to identify suitable automation opportunities and development of 2 RPA automation bots that includes target state process design, solution design, bot development, testing, go-live, knowledge transfer Ongoing cost includes licensing for RPA tool for 3 users, 5 active bots and application support Estimated level of external effort required is ~6 months
11	Enable Our People: Select the Right Technology (System Category: HRIS)	3 month	\$0	\$0	<ul style="list-style-type: none"> An in-flight initiative is currently in progress where RFP responses have already been received and vendor demonstrations are being scheduled. Therefore, it is assumed that no external support will be required for vendor demonstrations or RFP evaluation to select the HRIS technology
12	Enable Our People: Implement the Right Technology (System Category: HRIS)	6 month	\$50k-\$100k	\$10k-\$20k	<ul style="list-style-type: none"> One-time cost includes implementation of core HR, recruitment, performance, compensation, benefits, analytics and time modules, target state process design, training and change management Ongoing cost includes licensing for ~50 employees and application support Implementation and licensing costs are based on estimates received from ADP and will be validated through the RFP process Estimated level of external effort required is ~3 months
14	Establish Enterprise Service Support: Assess & Select the Right Technology (System Category: Enterprise Service Ticketing)	6 month	\$100k-\$150k	\$0	<ul style="list-style-type: none"> On-time cost includes a current state assessment to understand current processes, requirements gathering and a market scan to inform the selection of a suitable vendor Estimated level of external effort required is ~3 month
Average Cost			\$610k	\$43k	*Average cost is rounded to the closest '000.

Breakdown of internal resourcing requirement

(1/2) High-level internal resourcing needs were developed for the top 8 priority initiatives. These estimates represent the level of effort required to implement the proposed technology initiatives.

#	Initiative	Customer Service	IT	Finance	HR	Procurement	Regulatory Affair	Engineering	Assumption
2	Unify the Customer Experience (System Category: Omnichannel Platform)	<ul style="list-style-type: none"> • 20% of 1 FTE over 6 weeks • 50% of 1 FTE over 10 weeks • 10% for 1 FTE over 10 weeks • 100% for 1 FTE for 2 weeks 	<ul style="list-style-type: none"> • 20% for 1 FTE over 6 weeks • 10% for 1 FTE over 10 weeks • 100% for 1 FTE over 2 weeks 			<ul style="list-style-type: none"> • 20% for 1 FTE over 6 weeks 			<ul style="list-style-type: none"> • To support requirements gathering and RFP, 20% of 1 FTE will be required from customer service, IT and Procurement • To support project management, 50% of 1 FTE will be required from customer service • To support Omnichannel implementation, 10% of 1 FTE from each area: customer service and IT • To support Omnichannel go-live testing, 100% of 1 FTE will be required for the last 2 weeks
6	Reinvent Business Support Capabilities: Assess & Select the Right Technology (System Category: ERP System)		<ul style="list-style-type: none"> • 10% of 1 FTE over 10 weeks • 50% of 1 FTE over 10 weeks 	<ul style="list-style-type: none"> • 10% of 1 FTE over 10 weeks 	<ul style="list-style-type: none"> • 10% of 1 FTE over 10 weeks 	<ul style="list-style-type: none"> • 10% of 1 FTE over 10 weeks • 20% of 1 FTE over 6 weeks 	<ul style="list-style-type: none"> • 10% of 1 FTE over 10 weeks 	<ul style="list-style-type: none"> • 10% of 1 FTE over 10 weeks 	<ul style="list-style-type: none"> • To support requirements gathering and market scan, 10% of 1 FTE will be required from each functional area • To support RFP process and contract negotiation, 20% of 1 FTE will be required from Procurement for 6 weeks • To support project management, 50% of 1 FTE will be required from IT
7	Reinvent Business Support Capabilities: Select SI, Plan and Design the Right Technology (System Category: ERP System)		<ul style="list-style-type: none"> • 20% of 1 FTE over 10 weeks • 50% of 1 FTE over 10 weeks 	<ul style="list-style-type: none"> • 20% of 1 FTE over 10 weeks 	<ul style="list-style-type: none"> • 20% of 1 FTE over 10 weeks 	<ul style="list-style-type: none"> • 20% of 1 FTE over 10 weeks • 20% of 1 FTE over 6 weeks 	<ul style="list-style-type: none"> • 20% of 1 FTE over 10 weeks 	<ul style="list-style-type: none"> • 20% of 1 FTE over 10 weeks 	<ul style="list-style-type: none"> • To support detailed planning and process design, 20% effort will be required from each functional area • To support RFP process and contract negotiation, 20% effort will be required from Procurement for 6 weeks • To support project management, 50% of 1 FTE will be required from IT
8	Reinvent Business Support Capabilities: Implement the Right Technology (System Category: ERP System)		<ul style="list-style-type: none"> • 10% of 1 FTE over 52 weeks • 60% of 1 FTE over 4 weeks • 100% of 1 FTE over 52 weeks 	<ul style="list-style-type: none"> • 10% of 1 FTE over 52 weeks • 60% of 1 FTE over 4 weeks 		<ul style="list-style-type: none"> • 10% of 1 FTE over 52 weeks • 60% of 1 FTE over 4 weeks 	<ul style="list-style-type: none"> • 10% of 1 FTE over 52 weeks • 60% of 1 FTE over 4 weeks 	<ul style="list-style-type: none"> • 10% of 1 FTE over 52 weeks • 60% of 1 FTE over 4 weeks 	<ul style="list-style-type: none"> • To support PM and change management, 100% of 1 FTE will be required from IT • To support ERP implementation, 10% of 1 FTE will be required from each functional area • To support ERP go-live testing, 60% of 1 FTE will be required from each functional area for 1 month

Breakdown of internal resourcing requirement (2/2)

High-level internal resourcing needs were developed for the top 8 priority initiatives. These estimates represent the level of effort required to implement the proposed technology initiatives.

#	Initiative	Customer Service	IT	Finance	HR	Procurement	Regulatory Affair	Engineering	Assumption
9	Enable Business Process Automation (System Category: RPA Tool)		<ul style="list-style-type: none"> 20% of 1 FTE over 4 weeks 	<ul style="list-style-type: none"> 20% of 1 FTE over 4 weeks 	<ul style="list-style-type: none"> 20% of 1 FTE over 4 weeks 	<ul style="list-style-type: none"> 20% of 1 FTE over 4 weeks 	<ul style="list-style-type: none"> 20% of 1 FTE over 4 weeks 	<ul style="list-style-type: none"> 20% of 1 FTE over 4 weeks 	<ul style="list-style-type: none"> To support current state assessment and process discovery to identify automation opportunity, 20% of 1 FTE will be required from each functional area To support development of two automation bot, 50% of 1 FTE will be required from one functional area (to be determined based on assessment) To support project management, 50% of 1 FTE will be required from one functional area (to be determined based on assessment)
			<ul style="list-style-type: none"> 50% of 1 FTE over 12 weeks (SMS from the team that will be building the two automation bots) 50% of 1 FTE over 12 weeks (PM from the team that will be building the two automation bots) 						
11	Enable Our People: Select the Right Technology (System Category: HRIS)		<ul style="list-style-type: none"> 10% of 1 FTE over 4 weeks 		<ul style="list-style-type: none"> 10% of 1 FTE over 4 weeks 50% of 1 FTE over 4 weeks 	<ul style="list-style-type: none"> 10% of 1 FTE over 4 weeks 20% of 1 FTE over 2 weeks 			<ul style="list-style-type: none"> To support vendor demonstration and RFP evaluation, 10% effort will be required from IT, HR and Procurement To support contract negotiation, 20% effort will be required from Procurement for 2 weeks To support project management, 50% of 1 FTE will be required from HR
12	Enable Our People: Implement the Right Technology (System Category: HRIS)		<ul style="list-style-type: none"> 10% of 1 FTE over 10 weeks 60% of 1 FTE over 2 weeks 	<ul style="list-style-type: none"> 60% of 1 FTE over 2 weeks 	<ul style="list-style-type: none"> 10% of 1 FTE over 10 weeks 50% of 1 FTE over 10 weeks 60% of 1 FTE over 2 weeks 	<ul style="list-style-type: none"> 60% of 1 FTE over 2 weeks 	<ul style="list-style-type: none"> 60% of 1 FTE over 2 weeks 	<ul style="list-style-type: none"> 60% of 1 FTE over 2 weeks 	<ul style="list-style-type: none"> To support HRIS implementation, 10% of 1 FTE will be required from both HR and IT To support project management, 50% of 1 FTE will be required from HR To support HRIS go-live testing, 60% of 1 FTE across each functional area will be required on the last 2 weeks of the project for testing the tool before go-live
14	Establish Enterprise Service Support: Assess & Select the Right Technology (System Category: Enterprise Service Ticketing)		<ul style="list-style-type: none"> 10% of 1 FTE over 12 weeks 50% of 1 FTE over 12 weeks 	<ul style="list-style-type: none"> 10% of 1 FTE over 12 weeks 	<ul style="list-style-type: none"> 10% of 1 FTE over 12 weeks 				<ul style="list-style-type: none"> To support current state assessment and system selection, 10% of 1 FTE will be required from IT, Finance and HR To support project management, 50% of 1 FTE will be required from IT

Thank you

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