

**SHARED SERVICES – CORNERSTONE**

Table 1 below identifies the OM&A expenditures and savings for the Cornerstone project for the period 2006 to 2011.

**Table 1  
 Cornerstone (\$ Millions)**

Description	Historic			Bridge	Test		Allocation to Distribution	
	2006	2007	2008	2009	2010	2011	2010	2011
<b>Development</b>	3.5	4.8	2.6	7.2	1.6	1.8	0.7	0.8
<b>Savings</b>	-	-	-	(9.6)	(15.6)	(27.9)	(5.3)	(8.6)
<b>Net</b>	3.5	4.8	2.6	(2.4)	(14.0)	(26.1)	(4.6)	(7.8)

**1.0 OVERVIEW**

The Cornerstone project is the replacement of key Hydro One business IT that has reached its end of life. A detailed description of the Cornerstone project is provided in Exhibit D1, Tab 3, Schedule 7. This exhibit presents the OM&A development costs of Cornerstone, the forecast OM&A process improvement savings and the result of netting these savings against the development costs. Costs for sustaining the new systems resulting from the Cornerstone implementation are included in Exhibits C1, Tab 2, Schedule 9. Costs for supporting the new processes resulting from the Cornerstone implementation are included in Exhibits C1, Tab 2, Schedule 6.

**2.0 DEVELOPMENT**

OM&A development expenditures for Cornerstone include such costs as initial investigation and retirement of the end of life IT.

1 The differences in year to year expenditures are the result of the phasing of Cornerstone  
2 implementation.

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4 **3.0 SAVINGS**

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6 Savings arising from the introduction of Cornerstone are the result of improved  
7 processes. These saving are re-invested in Hydro One's business. Savings occur  
8 following the implementation and break-in period of the new Cornerstone systems.

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10 A description of the savings is provided in Exhibit D1, Tab 3, Schedule 7.

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12 Savings significantly increase from 2009 to 2011 as process improvements from  
13 Cornerstone are leveraged in the business.

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