1 **Q.** **Pages 87-89, Customer Correspondence Modernization Project.**
2 **a) The expenditure amounts by category provided for 2026 and 2027 in Table**
3 **1 on page 87 do not sum to the Total amounts by category provided. Please**
4 **provide the correct breakdown;**
5 **b) Appendix A of 4.1 - Customer Correspondence Modernization sets out a Net**
6 **Present Value analysis for the project. Column E of the analysis identifies non-**
7 **labour costs for 2028-2033 that are expected to be saved. Please provide**
8 **examples of these non-labour costs; and**
9 **c) Is the current customer correspondence system supported by a third-party**
10 **vendor or is it supported internally? Please confirm if there is any concern of**
11 **the current system becoming obsolete.**
12

13 **A.** a) The amounts in Table 1 on page 87 were incorrect due to a transposition error in
14 migrating the figures from Table 1 on page 7 of report 4.1 *Customer Correspondence*
15 *Modernization* ("report 4.1"). Table 1 below provides the correct breakdown of the
16 CCM Project Budget for Table 1 on page 87, per report 4.1.

Table 1 CCM Project 2026-2027 Budget ($000s)			
Cost Category	2026	2027	Total
Material	638	738	1,376
Labour – Internal	133	398	531
Labour – Contract	-	-	-
Engineering	-	-	-
Other	11	39	50
Total	782	1,175	1,957

17 b) Examples of non-labour cost savings for 2028-2033 include:
18
19 (i) One printer replacement cost of approximately $300,000;
20 (ii) One inserter replacement cost of approximately $425,000; and
21 (iii) Print production cost savings (printing and distribution) of approximately
22 $160,000 annually or $800,000 over the 5-year period.
23
24 c) The current customer correspondence platform is sustained through a combination
25 of internal staffing and external vendor agreements covering limited support and
26 licensing. It plays a critical role in delivering approximately 3.5 million customer
27 communications annually. Impending obsolescence of the current system is a

1 concern. The customer correspondence design software has already reached the
2 vendor's End of Sale and End of Life statuses, with official vendor support scheduled
3 to end on December 31, 2028.