



# Business Case – Large Projects Guide (Greater than \$100,000)

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## Illinois Regulatory 280 Changes

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## Executive Summary

The Illinois Commerce Commission (ICC) issued the Illinois Administrative Code Part 280 that contains new customer service rules affecting all regulated utilities in the state of Illinois. These rules are effective as of November 1, 2014 and must be implemented by May 1, 2016. The new rules will require many changes to Cogsdale CSM, Liberty's Customer Information System (CIS), as well as to Liberty's bill presentations. These changes include but are not limited to:

- Creation of new classes for Special Payment Arrangements (SPA)
- Bill presentation will need to include
  - Additional SPA information,
  - Additional information regarding security deposits,
  - Information about previous year's usage and heating degree days,
  - Detailed tax information
- Ability to transfer SPA's from final bill to a customer's new location
- Outbound letter advising customers of deposit amounts, payment terms, rules for refunds and other information
- Data collection for reports
- A new customer class for low income customers
- Different due dates for Illinois customers compared to the other states in the Mid-States region.
- Introduction of "grace days" into Penalty calculations
- Process and procedural changes to support all of the above items.

All utilities are required to provide an update to the plan every 90 days, and to publish the update to an external utility website for customer information.

Preliminary work has preceded this business case which includes:

- a) A high level assessment of the rules to be implemented conducted in December 2014. An implementation plan and cost estimate was submitted to Illinois Commission Dec 31, 2014. This was based on the high level of understanding of the requirements.
- b) A Discovery phase for the project was approved in March 2015 and initiated via a separate business case. The main outcomes of this phase were to;
  - 1.) Establish the Cogsdale modifications required
  - 2.) Develop a cost/schedule/plan for remaining phases of the project.

There are a total of 472 rules of which 107 rules remain to be implemented broken down by the following categories;

Description of Rules Assessment	No. of Rules
Process Changes only	42
CSM Application Changes (including Bill Export)	38
Cogsdale Configuration	13
Reports	14
<b>Total</b>	<b>107</b>

This business case is to obtain approval for a project that will include all activities required to ensure Liberty is fully compliant with ICC 280 by May 1, 2016. It is intended to cover the remaining activities of the project including design, development, testing, implementation, process/procedural changes and training.

The project includes updates to the following:

#### **Applications**

- i. **Cogsdale CSM CIS– enhancements/configuration changes to the application**, Testing and implementation of CSM V36 as part of a Liberty wide application upgrade to this version.
- ii. **Bill Presentment** – Cogdale/FISERV solutions for Bill Presentment/Print, Inserts, Ebills,
- iii. **Website** - the addition of new information regarding billing, payment options, dispute resolution and other notifications required under 280
- iv. **Reports and Smartlists** – Development, testing and implementation of identified reports and Smartlists

**People/Process**

- i. **Review of Illinois Policies, Processes and Procedures** - To determine required changes or new development including development of new letters or outbound communication
- ii. **Training** - End user training on application changes and new or changed processes and procedures
- iii. **Communication** - Including internal and external communication planning and execution
- iv. **Change management** – Over and above business process, training communication, change management includes job alignment, aligning measurement/KPIs to organization to achieve objectives

The remaining project is expected to take 10 months to complete (July to April). The final implementation is planned for May 1, 2016 but certain tasks may be completed and implemented earlier.

The funding of project will come from Mid-States regional CAPEX budget.

The total expected project costs including regional overhead is \$2 million US (CAPEX). The head office and regional capital costs will be associated with different work orders.

Approximately \$700 K spend will occur in 2015 and \$1.3 million spend in 2016 (these values include regional overhead).

This project is part of an overall GP/Cogsdale upgrade program and results in key interdependency in implementing any system related changes.

To ensure success it is critical to have vendors and stakeholders committed to this project.

# 1. Background

Liberty Utilities operates Natural Gas companies in Missouri, Iowa and Illinois under a single instance of Cogsdale CSM; they are currently being operated as the LU Mid-States region. These companies provide natural gas services to a total of approximately 80,000 customers of which approximately 20,000 are in the State of Illinois.

The Illinois Commerce Commission has enacted Admin Code Part 280 that codifies over 450 regulations that apply to all utilities operating within the state.

Thus far two major activities have taken place:

- A) All utilities in Illinois were required to submit a high level schedule and cost estimate for implementation of the project on Dec 31, 2014. To prepare for the submission, in November and December, 2014, Liberty Utilities conducted a high level assessment in order to produce these plans.

In December 2014, Liberty head office business and IT staff and the regional business team reviewed the Illinois Regulatory Part 280 documentation to determine which rules are currently being met and which rules remain to be implemented. At that time it was established that of the 472 rules specified in the ICC document, 106 needed to be implemented by Liberty Utilities; the remaining 366 were deemed to already be in place. Out of the 106 rules identified as requiring implementation, approximately half were likely to require system changes and the other half were thought to be business process changes only. These estimates were further refined during the discovery phase.

An implementation plan and cost estimate was submitted to the Illinois commission Dec 31, 2014. This plan was based on a high level understanding of the requirements as described above and it called for a requirements or Discovery phase to take place from April to June 2015. The requirements phase would focus on items identified as to needing be implemented that also appeared to require a system change.

- B) The Discovery Phase was completed on schedule at the end of June. In total 121 potential regulatory changes were reviewed during the requirements session, fifteen more than the 106 rules that were identified in the first evaluation.

The discovery phase was necessary to establish the detailed scope of the work that needs to take place to implement the remaining phases of the project. The major deliverables for this phase were the vendor quotes and approval and the creation of

this business case.

The findings were as follows:

<b>Disposition</b>	<b>Number of Regulations</b>
No Change	14
Process/Procedure	42
Enhancement	38
Configuration	13
Report/Smartlist	14
<b>Total</b>	<b>121</b>

On June 15, Cogsdale provided Liberty with a package of twenty-one quotes covering fifty-five regulations. Total cost for the package was estimated at \$427,000.00 US.

Liberty performed an internal review of these quotes and proposed solutions and conducted further discussions with Cogsdale and eliminated five quotes, opting to develop the changes internally or address through a process change.

Total development costs for the sixteen accepted quotes was \$324,000.00 US which Cogsdale further discounted by 30% bringing the total development cost to \$227,000.00 US.

The accepted quotes will deliver functionality to meet the 38 regulations noted above as requiring a system Enhancement; one Report is also included in the quote package. Liberty will develop the remaining 13 reports and SmartLists internally. The 13 configuration changes will be entered by Liberty staff and tested along with the application changes. The 42 procedural changes will be implemented by December 2015 as noted below. See Appendix A below for details of regulations meet by each approved quote.

Liberty advised Cogsdale of their approval on June 30 and provided sign off on the Cogsdale Statement of Work (SOW) on July 6.

All Cogsdale enhancements are scheduled for version 36 of CSM that will be available in late December 2015.

## **1.1. Problem/Opportunity**

Liberty Utilities is currently not compliant with 107 of the ICC Part 280 regulatory requirements (As noted above, 121 possible gaps were reviewed and Liberty found 14 in which no changes were required, leaving 107 instances of non-compliance); Liberty must be fully compliant by May 1, 2016 or must seek an extension prior to that date.

When the Mid-States region was implemented in March 2013, former Atmos customers from Missouri, Iowa and Illinois were assimilated into a single database; with the exception of collections, where notice content and timelines are state based, most of the application processing and configuration as well as the business processes were set up to treat all three states in the same manner. This project will introduce state specific rules for Illinois in areas such as Bill Print, Special Payment Arrangements and Penalties necessitates application, configuration and business process change as well as reporting changes. This marks the first time that Liberty has required significantly different processes for a specific state in a regional database.

The time required for this implementation is approximately 10 months. The changes to Cogsdale CSM, make up the largest component of the implementation, will be available in late December 2015. This means that all of Liberty's testing effort will occur in the first quarter of 2016. The approved quotes require modifications to forty panels or screens; panel changes within Cogsdale constitute core code for the application and can only be introduced via a new version. Version 35 of their code has already been released so the next opportunity is Version 36 (V36) which was already scheduled for release in mid-December 2015; this timing will allow Liberty to meet the require implementation date of May 1, 2016. Liberty Utilities regions, including Mid-States, are currently on CSM V31.2 and Liberty's application architecture dictates that all regions must be on the same version of the application; the Illinois Regulatory project, therefore, must be incorporated into a larger, Liberty wide, project to upgrade all regions to CSM V36.

In addition to the Cogsdale changes, the Bill Print requirements will necessitate changes at Fiserv, Liberty's bill print service provider. The bill print requirements have been defined in a separate document which has been sent to Fiserv and they have been engaged to commence development in December. Fiserv require sample output files in order to carry out most of their development and so will be more fully engaged as these files become available after the delivery of the Cogsdale code.

Lastly, Cogsdale is built on a Microsoft Great Plains (GP) platform. Algonquin Power, Liberty's parent company, and Liberty Utilities are on an outdated version of GP and will lose mainstream support from Microsoft in October 2015; an Algonquin wide project to move to a supported version of GP is scheduled for the same time, the Illinois Regulatory project along with the CSM V36 upgrade, will be incorporated into that overall project

Although the Illinois Reg 280 project will be part of two larger programs (CSM upgrade, GP upgrade), the time and costs associated with the Illinois Regulatory project will be tracked

separately.

Being part of two larger scale programs also increases dependencies and adds risk to the schedule for the Illinois Regulatory Project.

Any other projects beyond the two noted above that may be scheduled over the next six months could also result in dependencies and constraints that will need to be accounted for in the Illinois Regulatory implementation.

## **1.2. Current Situation**

### **Project**

Sixteen quotes and Cogsdale's Statement of Work were formally signed off on July 6 and are scheduled for delivery as part of CSM V36.

Currently processes not tied to application change are being defined and will be rolled out where possible before the end of 2015. This will allow the focus in 2016 to be testing Build 36 Illinois enhancements and related activities.

### **Applications**

#### **Customer information System**

Illinois customers are currently managed as part of the Mid-States region using Cogsdale CSM V11.32.

#### **IVR**

No IVR changes are required.

#### **Bill print**

Illinois bills and notices currently originate in Cogsdale and are printed by Fiserv Output Services (FOS).

#### **Payments**

No payment processing changes are required.

#### **Meter reading**

No meter reading changes are required.

## **Infrastructure**

No infrastructure changes are required.

## **Facilities**

No facilities changes are required

## **Resources**

No additional resources are required.

## **2. Project Description**

The project scope will include people, process and technology.

The key objective of this project is to ensure that Liberty is fully compliant with Illinois Regulatory Part 280 by May 1 2016.

The largest component of ensuring compliance is the delivery, testing and implementation of Cogsdale CSM V36. There are, however, several other streams that can be managed independently of the application changes.

The project is broken into several streams:

- Business Process Changes including Letters/Correspondence
- Application Enhancements
- Reports
- Customer Communications
- Training

Rules not associated with application changes, specifically those requiring process changes or letters only, will be scheduled to be implemented by December 2015. This will ensure that Liberty is achieving completion of rules throughout the entire timeline. Once code becomes available Dec 2015 the focus of the team will be on the rules requiring application changes.

CSM V36 is scheduled to be available in December 2015; it will require approximately three months of Quality Assurance (QA) testing and one month of User Acceptance Testing (UAT) prior to deployment. Because the Illinois Regulatory code will be part of a new release of Cogsdale, CSM V36 must be deployed across all Liberty regions excluding LU South. Testing of the Illinois specific changes within the framework of a larger upgrade project will require extensive coordination.

## 2.1. Objectives

- Ensure Liberty Utilities is fully compliant with Illinois Regulatory Part 280 per timeline with minimal customer impact
- Billing is accurate and timely
- End users trained and are able to perform new or revised business processes
- Business processes established are in line with the Liberty Way
- All the relevant business processes are updated and documented
- Existing integrations/systems leveraged as is (minimal customization required)

## 2.2. Scope

CIS (Cogsdale – CSM)	<ul style="list-style-type: none"> <li>• Testing and Deployment of the Illinois Regulation modifications in Cogsdale V36</li> <li>• Configuration of Cogsdale System to support business transactions</li> <li>• Reports</li> </ul>
Bill Presentment, Payments (FISERV)	<ul style="list-style-type: none"> <li>• Bill Presentment/Print</li> <li>• Ebills</li> <li>•</li> </ul>
Business Process	<ul style="list-style-type: none"> <li>• Process review and validation of 42 regulations identified as “Process Only”, and for process updates as result of system changes</li> <li>• Development and documentation of new processes and procedures as required</li> <li>• Document and/or update existing processes</li> <li>• Determine best approach for each new letter or outbound correspondence</li> <li>• Develop and obtain approval of text for new correspondence</li> <li>• Ensure business processes are in place to support new letters/correspondence</li> </ul>
Training	<ul style="list-style-type: none"> <li>• Conduct needs assessment</li> <li>• Develop and reutilize where possible existing training documentation</li> <li>• Deliver end user training</li> <li>• Train User Acceptance team on application changes prior to participation in testing</li> </ul>
Communication	<ul style="list-style-type: none"> <li>• Develop and execute communication plan for the following audiences - <ul style="list-style-type: none"> <li>○ Customer</li> <li>○ Internal Liberty</li> <li>○ Public Utility Commission</li> </ul> </li> </ul>
Change Management	<ul style="list-style-type: none"> <li>• Align measurement/KPIs to organization to achieve objectives</li> </ul>

## Integration

The Illinois Regulatory project will impact two existing interfaces;

Interface	Partner	Comments
Bill Print Export	FISERV	<ul style="list-style-type: none"> <li>• Cogsdale bill print export file containing all the data necessary to FISERV to create and mail bills</li> <li>• Changes to Fiserv Bill Presentation for Deposits, Taxes and Payment Arrangements,</li> <li>• Changes to support nine regulatory requirements</li> </ul>
Collections extract	FISERV	<ul style="list-style-type: none"> <li>• File contains customer information, used by FISERV to produce collection letters</li> <li>• Changes to support one regulatory requirement</li> </ul>

No new interfaces are required.

## Technology approach

Implementation of technology will follow the standard system delivery life cycle phases - Requirements, Design, Build (Configure and Develop), Quality Assurance and Implement.

- **Requirements**

The purpose of this phase is to understand business requirements and determine how the Liberty Way (technology and process) will be utilized to meet these requirements. The goal is to minimize customization and utilize configuration and business process changes where possible while maintaining a standard process across Liberty Utilities. This phase was completed and sign off obtained on June 30 2015.

Cogsdale requirements gathering entailed conducting detailed walkthrough sessions also known as discovery sessions to identify and document gaps between Liberty Utilities business processes and the Cogsdale CSM system and to recommend options to support requirement which may include configuration/development or changes in business process. The output of these sessions was reviewed in a series of sessions conducted from June 15 – 22 with approval and sign off by Liberty Utilities received on June 30. The approved quotes and Statement of Work will serve as inputs to subsequent project activities.

- **Design and Development**

This phase of the project includes the design of configuration and any

modifications/customizations that may be required. No hardware changes are anticipated to support this project.

During this phase the Cogsdale configuration is defined and documented by Liberty Utilities. If any modifications or development is required, Cogsdale and other vendors will generate a technical specifications document that is to be reviewed and signed off by Liberty Utilities. Liberty Utilities will design and develop reports and smartlists.

- **Quality Assurance**

This is the test phase of project during which Liberty verifies that all components of the systems are functioning properly. This phase includes developing and executing test scripts, processing and testing all user procedures, controls, interfaces, reports, security, and system performance. A test plan is developed and is reviewed and signed off by stakeholders; the plan will include such things as test cycles, test scripts, scope, resources, defect management and test environments.

For the Cogsdale application the QA strategy include two discrete quality assurance test cycles as well as a user acceptance test cycle. Each cycle has a defined scope and, with each iteration, the system is being fully tested and defects will be corrected. The QA plan describes test cycles in detail.

During the last cycle a code freeze is in place that, in effect, stops all changes to configuration or the implementation of additional code. By the time the code freeze is in place, all defect corrections required for production are expected to have been resolved. This allows for a stable environment in which the last round of end-to-end testing can take place in a system that closely represents Production.

### **Implementation**

This phase is the development and execution of the implementation plan; this entails working with Liberty business units, IT staff and vendors to define critical dates for the systems. The plan includes identification of implementation activities, resources and timelines.

Implementation is usually planned over a weekend to minimize impact to the business; this allows for sufficient time for implementation activities be completed while operations are typically shut down as part of normal business. Business users are required to perform a 'production acceptance test' to confirm basic system functionality before the application is released to Liberty as a whole.

Implementation of the Illinois Regulatory changes will be a sub-component of a larger implementation plan for the overall Cogsdale and GP upgrades.

## **Business Approach**

This project includes a number of business changes that do not have a corresponding application change. These include:

- Review of forty two regulatory changes identified as “process change only”; update business processes as required
- Development of outbound correspondence using existing LetterWriter functionality
- Review of accounts to identify Small Business and Illinois Government accounts; will require IT support in the form of extracts
- Updates to Liberty website
- **Business Process not related to Application changes prior to Jan 2016**
  - Process design sessions to be scheduled in Sept/Oct, internal Liberty process. Participation of third parties should not be required.
- **Business Process changes as result of application changes**
- **Training**
- **Web Updates**

Update of several items (TBD) on the Liberty website.

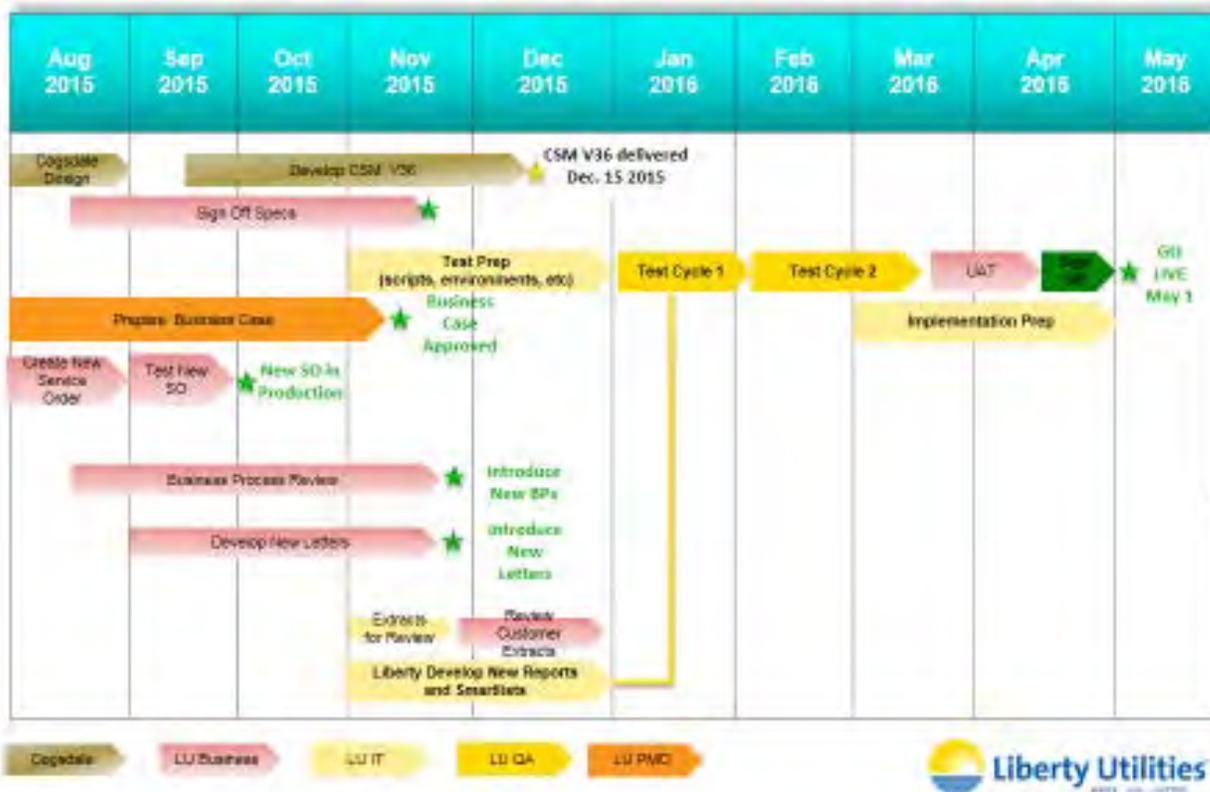
### **2.3. *Out of Scope***

1. Testing of other enhancements/fixes that are included in Cogsdale V36.
2. Testing of the Great Plains upgrade
3. Implementation of any of the approved changes beyond the state of Illinois will be covered under the scope and budget of those projects. Note however there may be interdependencies in implementing the Illinois regulation project with these projects

## 2.4. Project Schedule

The diagram below represents a high-level draft project timeline. The final project timeline will be determined in conjunction with GP/Cogsdale upgrade and is currently in progress.

### High Level – Illinois Reg. 280 Project Plan



## 2.5. Anticipated Outcome

Tables below describe project deliverables and estimated timelines by project stream

### Customer Information System (Cogsdale)

Outcome/Deliverable	Comments	Estimated Completion
<b>Project documents</b>		
<b>Cogsdale Statement of Work(SOW)</b>	Defines the services and related costs for the implementation of the Cogsdale CSM system enhancements	Completed
<b>Integrated Project Plan</b>	Project plan across project streams containing the activities and schedule required to implement Illinois Regulatory 280 changes	Sept 30 2015
<b>Requirements and Design Phase</b>		
Cogsdale Statement of Work and associated quotes.	Documentation of current business process and how Cogsdale application will support this requirement and any gaps identified with software. Liberty Way to be incorporated in this assessment by Cogsdale. This document will require Liberty Utilities sign off.	Completed June 30,2015
Cogsdale modifications specifications	Finalize detailed specifications from Cogsdale . This document will require Liberty Utilities sign off.	November 2015
<b>Configure and Develop</b>		
Cogsdale Code Delivery	Delivery of Cogsdale CSM V36	Mid-December 2015
SmartLists and Reports	Liberty develops smartlists and reports	Nov/Dec 2015
<b>1. Quality Assurance</b>		
Test plan and scripts	Describes the test methodology, number of cycles, defect management plan which will need to be reviewed by stakeholders  Test scripts – identifies the scenarios and detail steps of tests to be executed in system with the expected results	November 2015 – December 2015
Test Cycle 1 Related documents - Test Scope document, Daily Test Execution statistics /defect reports. Test Cycle 1 Results document	System Testing – testing of all new features and functions. Regression testing to ensure no adverse impacts caused by changes.  Documentation and correction of identified defects.	Jan/Feb 2016

Test Cycle 2 Related documents - Test Scope document, Daily Test Execution statistics /defect reports. Test Cycle 2 Results document	Integrated testing with other applications, end to end business testing, including reports and integrations. Testing of advance or complex business scenarios.  Documentation and correction of identified defects.	Feb/Mar 2016
UAT Related documents - Test Scope document, UAT test plan, Daily Test Execution reports. UAT Results document	End user perform testing to accept the system Perform key business transactions that the users identify required. Purpose of this testing is for region and end users to validate the system meets business requirements and validate the process that users have been trained on can be executed to meet the desired outcomes.  Sign off is required to proceed with implementation	Mar/Apr 2016
Cutover and Implementation		
Cutover Plan including schedule	Develop a detail plan with activity, resource, time to execute activities related to upgrade to Cogsdale CSM V36	Mar/Apr 2016
Go live	Implementation of application changes	May 1 2016
Post Implementation Plan	Develop a post implementation support plan which includes (resource and schedule) and plan to migrate to business as usual	

In addition to the above outcomes, the individual project streams have specific deliverables note the quality assurance/cutover deliverables are accounted for under the Customer Information system deliverables and are not repeated below for each of the technology sub projects

### Bill Presentment

Outcome/Deliverable	Comments	Estimated Completion
Bill Print Requirements document /quote	Created by Liberty utilities , will require LU sign off	Completed
Cogsdale Specification Documents	Documents to be created by Cogsdale	Cogsdale: September 2015
FISERV specification and quote	Requirement/specification and quote for the bill presentment changes and letter changes	Dec 2015
FISERV code delivery	Delivery of the Bill presentment changes	Jan 2016

### Website

Outcome/Deliverable	Comments	Estimated Completion
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Statement of Work from Pilot	It will include requirements, timeline and cost of implementation of the web updates. (This may be done internally dependent on scope of updates required)	Feb 2016

## Business Process

Outcome/Deliverable	Comments	Estimated Completion
Business Process Review and Gap analysis (with no system changes)	Review 42 regulations to determine business process gaps  Identify variance from Liberty Way meter to cash process maps.  Incorporate new required processes to Liberty way	December 2015
Business process analysis as result of system changes		Jan 2016 to Apr 2016
Update business process documentation and related policy and procedures		Sep 2015 to Apr 2016

## Training

Outcome/Deliverable	Comments	Estimated Completion
Training Needs Assessment		Dates to be added
Training development schedule		Dates to be added
Updated training documentation		Dates to be added
Training schedule		Dates to be added
User Acceptance Training		Dates to be added
End user training		Dates to be added

## Communication

Outcome/Deliverable	Comments	Estimated Completion
Communication Plan	<p>Describes the communication items, schedule, audience, frequency, content, responsible parties</p> <p>Internal Communication Plans</p> <ul style="list-style-type: none"> <li>• Community site</li> <li>• Cross functional awareness</li> </ul> <p>External Communication Plan</p> <ul style="list-style-type: none"> <li>• Website</li> <li>• Customer Communication</li> <li>• Bill Print Changes</li> <li>• Telecom Changes</li> </ul>	Sep 2015 to Mar 2015
Communication material	Includes letters, inserts etc	Mar 2015
Execution of Communication plan		Nov 2015 – May 2016

## 2.6. Stakeholders

Internal		
Stakeholder	Role	
Sponsor (Head office and Regional President)	Provide funding for project and overall organization strategic direction for project, issues escalated to for support	Internal
Corporate business owner Customer Care	Provide strategic direction for project and resources	Internal
Corporate business owner Operations	Provide strategic direction for project and resources	Internal
LU Mid-States	Provide subject matter expertise and also help support decisions on Liberty Way Water as required	Internal
LU Infrastructure	Assess requirements, Design, Build, Implement infrastructure( Network, Databases, ftp, telecom, citrix ,servers etc)	Internal
LU QA	Develop QA plan, test scenarios, and execute test cases, co-ordinate testing effort with head office and region. Defect management, Test Status reporting	Internal
LU Employees Region	End users of system, will participate in training , customer care, finance, operations, rates and regulatory	Internal

LU Service Management	Support transition post go live Business as usual support process	Internal
LU Rates and Regulatory Region	Report into PUC (not specifically on behalf of this project- does not call for it) Ensure that rates are setup according tariff Department reports are met	Internal
LU Head office Customer Experience Operations	Support decisions, ensure that processes follows Liberty Way, lead business process activities, hiring and training efforts	Internal
Liberty Head office Training	Co-ordinate training plan, schedule, build training documentation, deliver training	Internal
Marketing and Communications - Region	Develop communication plan internal and external. Manage execution of communication plan	Internal
External		
Stakeholder	Role	
Vendor – FISERV	Develop/Configure, unit test and support Liberty testing and implementation of Bill presentment,	External
Vendor – Cogsdale	Support implementation through requirements develop design of system modifications and with quality and according to project schedule	External
Vendor – Pilot	Support and perform website updates ,	External
Public Utility Commission (ICC)		External
Customers	External stakeholder Recipient of output - invoices, letters Will be included in the targeted audiences of communication plan	External

## 2.7. Project organization chart and Governance model

### Governance

**Sponsor** - The VP of IT and Transition, Regional President, and the Director, Customer Experience Operations, are the project sponsors and provide the authority and support for the project.

The Project Sponsor is the champion of the project, who will serve to:

- Provide overall strategic direction for the project.
- Obtain funding approval for the project. Ensure on-going commitment throughout the project and is responsible for project advocacy with senior constituents within the organization.

**Steering Committee** will serve to:

- Establish the overall direction of the project.
- Review and Approve the Project Charter
- Ensure the availability of appropriate resources.
- Provide decision support.

- Provide management support to the project team.
- Provide overall project direction and support issue resolution.
- Final sign off on requirements

Each project stream has project manager leading respective component.

**The Project manager** is responsible for -

- Overseeing the planning, execution and completion of the implementation for their respective work stream.
- Preparing the project charter project administration including project resource management, project schedule budget management and issues management throughout the project and have corresponding teams.
- The Project Manager will be given full responsibility and authority to execute all aspects of the Project within the scope as defined by this Project Charter.
- The project manager will report through to the VP IT Transition and to the project steering committee

**Customer Experience Manager** for each functional area is responsible for

- Managing change management activities which includes training, business process implementation, working with region on hiring, co-ordination of communication plan, change management for his/her respective business unit. Share in the identification, review and sign off of technical design requirements, business process flows.
- Work with project manager, team members, and regional users necessary to implement and deliver the Liberty Way model including - business process design, organizational structure, and technology solutions
- Ensure that the organization and distributed user community are prepared to deliver the customer experience using Liberty Utilities technology and process
- Sign off for final system acceptance.
- Communication plan

**Regional Business Project leader**

- Provide Business process acumen and knowledge of state regulations to ensure compliance is incorporated to Liberty Way
- Review and sign off of requirements and technical sign off documents
- Secure regional QA and UAT resources
- Co-ordinate on site activities (facilities, scheduling, hiring etc.)
- Represent Meter to Cash transition to the state leadership and end users
- Sign off for final system acceptance

**Team**

The core project team will be multidisciplinary consisting of business analysts, business process leads, QA analysts, resources from infrastructure, service management, production application team. Resources from business units includes from finance, customer care,

operations, rates and regulatory from both head office and region. Team will also include trainers and vendor resources.

### **Status Reporting**

The Project Management team (PMO) will create one biweekly progress status reports and prepare monthly status reports for presentation at the Project Steering Committee monthly meetings. The status reviews will cover technical, budget, schedule related and resource aspects of the project. Status reports will focus on the accomplishments for the concluded reporting period, the planned activity for the next reporting period, and the identification and resolution of project issues/risks. See Appendix for sample project status report.

In addition Bi weekly project management teams will be held with selected stakeholders to review issues on a more frequent basis.

### **Issue/Risk Management**

Issue management is a process designed to address issues that may arise during the course of a project. Issues are always associated with some degree of risk to the project and therefore need to be assessed and resolved in a timely manner either within or outside of the project boundaries. Issues need to be resolved in a consistent and disciplined manner in order to maintain the quality of the deliverable, as well as to control schedules and cost.

The Issue Management Process provides the mechanism to ensure that issues are properly identified and documented, escalated for management review, and resolved quickly and efficiently. It includes (1) procedures for the identification, assignment and escalation of issues; (2) level of management that needs to be involved for escalation; (3) target timeline for issue resolution; and (4) the tracking of issues. The process is designed to handle technical problems or issues as well as to address process, organizational and operational issues

## **2.8. Alternatives**

Alternatives for this project are limited by two key factors:

- The requirements are mandated by the ICC and must be implemented by May 1, 2106; Liberty Utilities may face potential sanctions if they fail to comply.
- For the requirements where an application change has been identified, either no manual workaround is available or the workaround is unfeasible due to complexity, anticipated volume of additional work and/or susceptibility to error.

As a result, Liberty has no viable alternative to implementing the identified application changes and their options are limited to timing and approach.

- Timing: If the May 1 2016 date is at risk, Liberty could request an extension of the implementation date from the ICC
  - This should be seen as a last resort
- Approach: Rather than implementing as part of a larger project, Liberty could request Cogsdale to build the changes into the current version of CSM so they could be deployed independently of CSM V36
  - This would require the same amount of effort as including the changes with CSM V36 and would drive additional cost to Liberty as a complete retesting would be required when a Cogsdale upgrade is ultimately deployed

## **2.9. Initiative Priority**

This initiative is a high priority because it has a regulatory mandated implementation of May 1, 2016.

Key project priorities at this time are:

- Engagement and commitment of LU Mid-States and Oakville resources, joint review acceptance of project schedule
- Securing project resources including QA
- Alignment of activities with other project dependencies

Other 2015/16 activities include:

### **Cogsdale**

- Finalization of specifications
- Delivery of CSM V36

### **FISERV (Bill presentment and Payments)**

- Modifications to Illinois Bill Print
- Modifications to Illinois Collection Letters

### 3. Project Risk Assessment

This is a high risk project due to dependencies on other projects. Additionally, the application changes are complex and the limited time between code delivery and implementation will make testing difficult, introducing further risk.

<b>Risk</b>	<b>Priority</b>	<b>Impact</b>	<b>Mitigation</b>
Resources  Other Liberty projects in progress (Cogsdale and GP, Upgrades). Project leads, business process leads could result in a resource constraint	Med	<ul style="list-style-type: none"> <li>Project resources are unable to meet the Illinois project deliverable timelines, impact to schedule of project</li> </ul>	<ul style="list-style-type: none"> <li>Co-ordinate schedules across project ahead of time and identify resource gaps and have back up resources assigned, where possible have dedicated resources</li> <li>Separate project team to be assigned to Illinois Reg.</li> </ul>
Scope  Illinois Regulatory rolled into Cogsdale and GP upgrade projects	Med	<ul style="list-style-type: none"> <li>Issues with either or both of the other projects could impact schedule of project</li> <li>Dependency to implement all components of program at once including Illinois Regulations</li> </ul>	<ul style="list-style-type: none"> <li>Communicate dependency on other projects to ICC in case extension is required</li> <li>Close monitoring of project timelines</li> </ul>
Regional resources may be limited due to operating business	High	<ul style="list-style-type: none"> <li>May result in quality issue with deliverables and/or project activity delay resulting in impact to implementation timeline</li> </ul>	<ul style="list-style-type: none"> <li>Identify project resources or operational resource back ups</li> </ul>
Change orders may arise due to insufficient detail in requirements or misunderstanding of requirements.	Med	<ul style="list-style-type: none"> <li>Additional development by vendor, re-testing by team, will result in schedule, cost impacts.</li> </ul>	<ul style="list-style-type: none"> <li>Review and approval of specifications by Liberty IT and Business Units before development commences</li> <li>Contingency in budget to accommodate changes.</li> <li>Additional resources</li> </ul>

			<p>and/or overtime, if timeline to be maintained.</p> <ul style="list-style-type: none"><li>• Set contingency implementation dates</li><li>• Request extension from ICC</li><li>•</li></ul>
Vendor Code Quality /Delivery dates	High	<ul style="list-style-type: none"><li>• Impact to schedule and cost if higher than anticipated volume/severity of defects and/or delays in code delivery dates</li></ul>	<ul style="list-style-type: none"><li>• Review unit testing scope and results from vendor prior to delivery of code</li><li>• Set contingency implementation dates and budget</li><li>• Request extension from ICC</li></ul>

## 4. Financial Analysis

### 4.1. *Financial Impacts*

#### **Total Project costs - Budget view**

The approved Head office CAPEX budget is \$2 million US.

The head office and region capital costs will be associated with different work orders.

Approximately \$700 K spend will occur in 2015 and \$1.3 million spend in 2016 (these values include region overhead and contingency at 25% of labour costs)

**Breakdown of total costs for scope of implementation. Figures, with the exception of Cogsdale costs and Web, are rounded to the nearest \$25K CDN. Cogsdale costs are based in the cost of approved quotes; Web was estimated at \$15K. Cost in US dollars determined assuming 25% for currency conversion.**

Category	Dollars	Comments			
<b>Software</b>					
Cogsdale	\$0				
ITRON FCS					
IVR					
Web					
FISERV					
	\$0				
<b>Infrastructure</b>					
Phones					
Hardware	\$ 50,000.00				
	\$ 50,000.00				
<b>Internal Resource</b>					
IT	\$ 400,000.00				
Head office business	\$ 200,000.00				
Region	\$ 75,000.00				
	\$ 675,000.00				
<b>External Resource</b>					
Cogsdale	\$ 283,675.00				
Dimension Data	\$ -	no items identified for IVR update			
FISERV	\$ 50,000.00	no quote available at this time - used estimate of one region per budget and SPA			
ITRON					
WEB	\$ 15,000.00				
	\$ 348,675.00				
<b>Other</b>					
Contingency/Training Delivery	\$ 175,000.00	Contingency 131K, Travel = 22k, Training delivery includes travel and region cl			
	\$ 175,000.00				
<b>Total</b>	<b>\$ 1,248,675.00</b>	CAD dollars	<b>With Overhead</b>	<b>\$ 2,497,350.00</b>	
<b>Split across 2015, 2016</b>					
2015	\$ 431,357.00	CAD dollars			
2016	\$ 817,318.00	CAD dollars			
	\$ 1,248,675.00				
<b>Total</b>	<b>\$ 998,940.00</b>	US dollars	<b>With Overhead</b>	<b>\$ 1,997,880.00</b>	
<b>Split across 2015, 2016</b>					
2015	\$ 345,085.00	US dollars		\$ 690,171.00	
2016	\$ 653,855.00	US dollars		\$ 1,307,709.00	
	\$ 998,940.00				

## 5. Assumptions

1. The priority of this implementation will not change in light of other projects that may be identified.
2. Liberty Budget and Spa project will be implemented and stabilized before December 31 2015.

## Appendix A

### Approved Quotes from Cogsdale

No	Regulatory Requirement	Page (Code)	Page (SOW)	Quote ID	Item	Total Cost
1	280.40 c) 1) 2) 280.210 e)	15 62	34 72	4249	Configurable Deposit Calculation Amounts	\$24,100
3	280.50 e) 2) 280.70 a) 280.70 c) 1) 2) 3) 4)	23 26	39 41	4251	Location Based Due Dates	\$28,375
5	280.130 r)	45	62	4253 B	Reoccurring Disconnection Exemption Option B	\$20,253
6	280.125 c) 1) 280.20 280.160 i) 1) 280.160 i) 2)	38 6-7 53	29 59	4254	SPA Types and Defaults	\$24,955
7	280.35 f)	14	56	4255	Transfer AR Debit and Credit Default Comment	\$6,065
8	280.120 d)	35	23	4256	Transfer SPA	\$52,515
9	280.120 d) 280.50 c) 1) G) 280.50 c) 1) H) 280.50 c) 5) F) G) 280.50 c) 5) F) G) 280.50 c) 8) 280.120 e) 1) C) 280.160 i) 1) 280.160 i) 2)	35 20 22	23 57 58	4257	Bill Export Updates	\$50,845
11	280.60 c) 1)	24	45	4259	Grace Days on Deposit ID Late Payments Count	\$10,340
12	280.40 a) b) 1) 2) A) B) C) D) E) F) G) H) I)	14-15	34	4260	Deposit Request Crystal Report Template	\$6,573
13	See below:			4261	Three Scripts	\$15,163

13	280.70 b) 1) 2) 3)	26	41	4261 - 1	Import reminder notes	\$9,078
13	280.60 d) 6)	25	46	4261 - 3	Modify penalty assigned to state government locations	\$6,085
17	280.125 b) 1) 2)	38	27	4289	SPA Down Payment	\$40,078
18	280.40 i) 1) 280.40 i) 2)	17 18	36 38	4290	Prevent Deposit Refund if Past Due Balance Exists	\$16,405
19	280.130 m) 280.65 a) b)	44 26	30 48	4292	Special Handling Message – Add Penalty Exempt and Disconnect Exempt	\$17,260
21	280.65 a) b) 280.20	26 6	48 51	4294	EAP Creating Low Income Messages	\$11,275

**\$324,200.00****\$97,260.00****\$226,940.00**

## Declined Quotes from Cogsdale

No	Regulatory Requirement	Page (Code)	Page (SOW)	Quote ID	Item	Total Cost
2	280.30 i) 1) 2) 3)	12	13	4250	Rejected Application SO Required Field	\$7,855
4	280.30 f) 6) 280.30 i) 1) 2) 3) 280.35 a) b) 280.70 b) 1) 2) 3) 280.210 f)	11 12 13-14 26 62	12 13 20 41 72	4252	FileNexus Integration Update	\$21,108
5	280.130 r)	45	62	4253 A	Reoccurring Disconnection Exemption Option A	\$8,710
10	280.180 h)	58	69	4258	Winter Termination Report 280-138	\$23,325
13	280.130 r)	45	63	4261 - 2	Import disconnect exemptions	\$9,078
14	See below:			4262	Nine Illinois SmartLists	\$20,025
14	280.40 e) 1) A) B) 2)	16	35	4262 - 1	Current customers who meet criteria for requesting additional deposit	\$2,391
14	280.40 i) 1)	17	36	4262 - 2	Open deposit refunds on Small Business accounts	\$1,857

14	280.40 i) 2)	18	38	4262 - 3	Open deposit refunds on Residential customers, compared to monthly average bill	\$1,857
14	280.70 b) 1) 2) 3)	26	41	4262 - 4	Customer who have paid late twice in 12 months, and not received a collection notice	\$2,819
14	280.70 e)	27	43	4262 - 5	Customers who paid late 4 times in 12 months, and on preferred due date	\$1,857
14	280.220 g)	63-64	50	4262 - 6	Document Exemptions	\$1,857
14	280.65 c) 280.20	26 6	49 51	4262 - 7	Low Income Messages	\$1,857
14	280.180 b) 3)	55-56	64	4262 - 8	Former Customers and 33 1/3% of billed services within date range	\$3,246
14	280.110 d)	33	54	4263 - 9	Budgets Cancelled with Credit Account Balance	\$2,284
15	280.30 k) 1) 2) 3) 4) 5) 280.210 g)	13 62	19 72	4263	Rejected Applications Report	\$6,533
16	280.100 e) 3)	32	22	4288	Calculate Penalties on Overdue SPA Installments	\$15,510
20	280.100 e) 2)	32	21	4293	Cancelled SPA Report	\$11,623

Please see *Cogsdale Liberty Illinois ICC 280 Statement of Work\_3.0 and Liberty Addendum to Illinois SoW* for additional details on the above quotes.