



Lease Solutions Project Update

November 10, 2015

Current Status:

Regulatory: The leasing filing will be presented at the WUTC Open Meeting this Friday, November 13th. Despite continued engagement and attempts to go above-and-beyond in providing requested and supporting information, both Staff and Public Counsel are proposing that the Commission suspend the filing. In making their recommendations they cite “policy” concerns related to whether leasing should be a regulated service. We believe that the Commission will indeed suspend the tariff at the Open Meeting.

While a recommendation to suspend is not what PSE hoped for, the team is pivoting its strategy. We will work on demonstrating how leasing is a key element of a customer focused “Energy Company of the Future” and why regulation to support this utility evolution is vital.

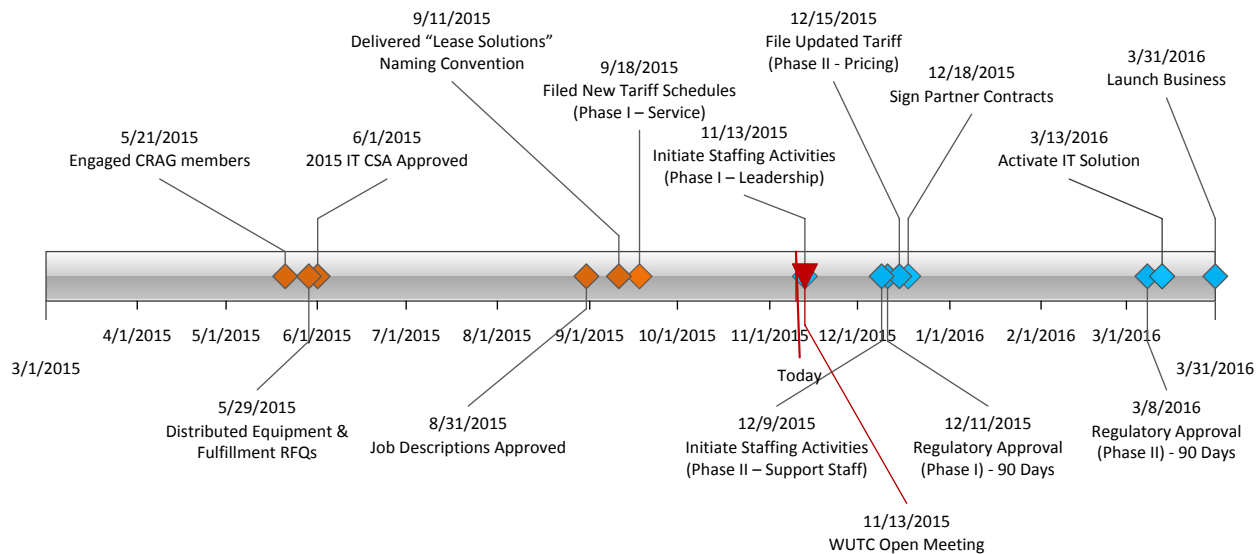
The regulatory team believes that a fully adjudicated process following suspension would likely add 4-6 months to our roll-out schedule. However this is only a preliminary estimate.

IT Infrastructure: A new IT project manager has taken over the leasing project (an outside consultant) and his initial feedback regarding the IT project team is that it is working extremely well together. Despite the anticipated regulatory setback described above, IT work will continue to move forward. This will help keep us positioned for a successful future launch, as well as supporting additional functionality for our existing hot water heating leasing program.

The team has reviewed and approved SAP functional specifications for the leasing quotation module, which has triggered initial prototyping of SAP development in a Sandbox environment. Sprint activities have commenced for the customer web component and the team continues to focus on grooming user stories and wire frames to prioritize development activities. The team has also defined UX updates to PSE.com, a web navigation strategy and is currently drafting web content for Lease Solutions customer intake pages.



Overall Project Schedule: This is the existing project schedule which will be revised pending the outcome of the Open Meeting this Friday.



Project Risks and Mitigation

Risks	Mitigation Strategy
Regulatory Approval	<ul style="list-style-type: none"> • Work with Regulatory team to address identified issues • Maintain stakeholder engagement
Information Technology	<ul style="list-style-type: none"> • Conduct thorough planning to identify and manage scope and surface system dependencies • Establish dedicated resources (people) where feasible
Resources	<ul style="list-style-type: none"> • Closely manage costs until Regulatory process complete • Recruit interim project members and leverage SMEs

Work Stream Upcoming Key Milestones: All work streams and milestones will be adjusted and reported pending the outcome of the Open Meeting this Friday.