

Attachment 3

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-150204

DOCKET NO. UG-150205

EXHIBIT NO. ____ (JMK-7)

JAMES M. KENSOK

REPRESENTING AVISTA CORPORATION

INITIATION PROJECT CHARTER

1. General Project Information

Project Name:	CSS Replacement Market Analysis – CSS Replacement Initiation Phase
Project Sponsors:	Jim Kensok, Don Kopczynski, Roger Woodworth
Steering Committee:	Christy Burmeister-Smith, Jim Kensok, Don Kopczynski, Kelly Norwood, Jason Thackston, Roger Woodworth,
Project Manager:	Jana Leaf (oversight by Pat Dever and Vicki Weber)

2. Accounting

Type	Mark One
Capital Project	
O&M Project	X

3. Project Definition

What is the product or service?	Work with internal stakeholders and external consultants to review the current options for Commercial off the Shelf software replacement for our legacy Customer Service System with an eye towards replacement of our Work Management System and Electric and Gas Meter Application.
Who benefits? How?	Avista will benefit from Initial Phase by learning what options are available to meet our current and future business needs. Avista and its customers will also benefit by replacing legacy mainframe system that is obsolete (20 year-old technology) and has limited functionality to meet our future customer needs. Software development resources are becoming more difficult to secure (COBOL, CICS, Small Talk), thereby increasing the risk associated with operating & maintaining this system as a core Customer Service and Billing System of our business.
We will consider an abbreviated process if we are able to select an existing platform strategy. This process could change steps 3 – 5.	<p>Deliverables:</p> <ol style="list-style-type: none"> 1. Hire consultant(s) to assist in: <ol style="list-style-type: none"> a. Developing business and technology requirements b. Evaluating alternative commercial packages c. Conducting evaluation criteria workshops d. Examining optionality for segmenting customers e. Evaluating data mining tools 2. Business case for replacing CSS 3. Completed and issued RFP: purchase of an application and integration/implementation services 4. Completed software demonstration workshops 5. Vendor selected for: application, integration and implementation 6. Comprehensive Project Charter for the replacement of CSS 7. Preliminary project budget and plan for approval by Steering Committee

4. Resources Information

Estimated Resource Time Required for Scenario Analysis

Which group(s) and/or individuals will be involved in this project?

Role (e.g. Developer, Analyst, Network Engineer)	Company, Department or Team	Hours needed
Analyst / PM	Customer Service	360 (40 hrs X 9 Scenarios)
Analyst / PM	Operations	120 (40 hrs X 3 Scenarios)
Analyst / PM	Rates	40 (40 hrs X 1 Scenarios)
Analyst / PM	Meter Shop	40 (40 hrs X 1 Scenarios)
Analyst / PM	Collections	40 (40 hrs X 1 Scenarios)
Analyst / PM	Billing and Payments	40 (40 hrs X 1 Scenarios)
Analyst / PM	Finance/Accounting	40(40 hrs X 1 Scenarios)
Analyst / PM	Enterprise Technology	160 (16 hrs X 10 Scenarios)

5. Project Details

Proposed Start date:	2/1/2011	Proposed end date:	12/31/2011
Enter anticipated project implementation cost: (with comments where appropriate)			
Cost of labor (existing staff)	\$33,600	840 hrs X 40 – Avista staff from various areas of the company	
Cost of labor (new staff or contract)	\$20,000	Architecture/Platform/Integration review	
Cost of Hardware	\$0	No hardware purchase within Phase 1	
Cost of Software	\$0	No software purchase within Phase 1	
Other Costs	\$300,000	External consultants and site visits;	
Total Cost:	\$353,600		
Enter total post-implementation costs			
Estimated Cost (Maint.)	\$0	Over # of years:	Na
Estimated Cost (Other)	\$0	Over # of years:	Na
Major Known Risks (including significant Assumptions)			
Avista resource availability Other competing projects such as Smart Grid and Performance Excellence			
Constraints (List any conditions that may limit the project team's options with respect to resources, personnel, or schedule (e.g., predetermined budget or project end date, limit on number of staff that may be assigned to the project)).			
O&M funding in 2011			

5. Sign-off

	Name	Signature	Date
VP / Controller	Christy Burmeister-Smith		
VP / CIO	Jim Kensok		
VP Operations	Don Kopczynski		
VP Regulatory	Kelly Norwood		
VP Finance	Jason Thackston		
VP Energy Solutions	Roger Woodworth		

6. Notes or Additional Information

Typical Scenarios Types
1) Search & Navigation
2) Customer History
3) New Premise Development
4) New Residential Service
5) Rate Definition & Management
6) Meter Management & MDM
7) Billing & Payments
8) Workflow: High Bill Complaint
9) Severance & Collections
10) Technology Requirements

Planning Timeline – Note: Updated timeline will be provided by the Consultant we partner with for the initial phase.

2011											
Typical Timeline Key Tasks	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Develop business and technology requirements	■	■	■	■	■						
Evaluate alternative commercial packages				■	■						
Conduct evaluation criteria workshops				■	■						
Business case for replacing CSS					■						
Complete and issued RFP: purchase of an application and integration/implementation services					■						
Complete software demonstration workshops						■					
Vendor selected for: application, integration and implementation							■	■			
Comprehensive Project Charter for the replacement of CSS									■		
Preliminary project budget and plan for approval by Steering Committee										■	■