

**Exh. MAB-6
Dockets UE-220066, UG-220067,
UG-210918
Witness: Molly A. Brewer**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-220066, UG-220067,
UG-210918 (consolidated)**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Order Authorizing Deferred
Accounting Treatment for Puget Sound
Energy's Share of Costs Associated with
the Tacoma LNG Facility**

EXHIBIT TO TESTIMONY OF

MOLLY A. BREWER

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE Response to UTC Staff Data Request No. 251

July 28, 2022

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-220066 & UG-220067
Puget Sound Energy
2022 General Rate Case**

WUTC STAFF DATA REQUEST NO. 251:

REQUESTED BY: Hanna Navarro

Re: Capital Planning

Please provide documents related to the planning and/or implementation of the enterprise portfolio and project management (EPPM) tool being developed in the corporate planning process.

Response:

Attached as Attachment A to Puget Sound Energy's ("PSE") Response to WUTC Staff Data Request No. 251, please find the Request for Proposal ("RFP") that was issued related to the Enterprise Portfolio and Project Management ("EPPM") tool.

Attached as Attachment B to PSE's Response to WUTC Staff Data Request No. 251, please find the Corporate Spending Authorization for the EPPM tool.

Attached as Attachment C to PSE's Response to WUTC Staff Data Request No. 251, please find the Project Scope Statement.

**ATTACHMENTS A-C to PSE's Response
to
WUTC Staff Data Request No. 251**

Enterprise PPM Tool
Initiation to Planning Gate
Corporate Spending Authorization (CSA)

Before starting: Contact the Capital Budget team (CSA-TeamMail@pse.com) for any clarification needed and review the [CSA Standard](#) when completing this template.

The sections provided expand / are not limited to one row. **Ensure you provide adequate information and back-up documentation to support your business case.** If a section or item is not applicable, enter N/A; if unknown, enter TBD. The **gray** fields are provided as prompts; do not leave these fields with instructions visible.

Date Submitted:	4/30/2021
Officer Sponsor:	Kazi Hasan, Margaret Hopkins, Dan Koch
Project Director:	Suzanne Tamayo, Roque Bamba, Josh Kensok
Responsible Cost Center:	1439

I. Project Overview

Update each section with high level information as applicable, noting any changes from the previous request/Gate.

Business Need:	<p>Enterprise Project Portfolio Management (EPPM) is an integrated approach to strategically prioritizing, managing and measuring interdependent processes, assets and performance across programs, projects and products to ensure prudent investment decisions.</p> <p>Puget Sound Energy (PSE) currently leverages multiple tools to manage the effort of each Project Management Office (PMO), financial teams and planning teams and does not have a consolidated view of the enterprise portfolio. Processes can be manual and inconsistent and do not provide clear mapping to enterprise portfolio strategy or tracking to enterprise portfolio performance.</p> <p>With the aggressive mandates and timelines of state and federal clean energy legislation, the shift to multiyear rate making and the pivotal role PMOs play in the delivery of solutions, the need for an enterprise tool to enable key financial business processes is crucial to meet integrated reporting needs and manage PSE's increasingly timeline-driven, performance-based portfolio.</p>
Proposed Solution:	<p>The proposed solution intends to leverage existing PSE toolsets to maximize their value in support of key financial business processes and achieve business objectives that include an integrated view of the enterprise portfolio that will enable multiyear expense planning, to include in-service timing, benefits realization, and scenario analysis. Through integration and increased transparency, this solution will also help identify risks and opportunities earlier in the project lifecycle in order to meet overall corporate objectives and multiyear rate requirements.</p> <p>A phased approach will be used to deliver EPPM. In 2022, we will establish a foundation aligned with prioritized capital planning and governance processes and develop a roadmap to drive increased maturity including completion of additional capabilities to be executed in 2023 and beyond .</p>

Project Outcome/Results:

The EPPM tool will enhance and enable:

- Demand Visibility
 - Capture business-requested investment opportunities;
 - Support scenario analysis based on funding levels;
- Prioritization Framework
 - Provide (via data-driven algorithm) prioritization recommendations;
 - Deliver a common process and decision-making framework based on a transparent scoring methodology;
- Strategic Alignment
 - Establish a solid foundation in support of the PSE 2030 initiative that allows for a dynamic approach to balancing the portfolio;
- Transparent Reporting
 - Provide leadership with visibility into portfolio performance including overall trends related to schedule and budget;
 - Provide leadership with visibility into portfolio demand pipeline;
 - Support data-driven insights in support of multi-year rate making processes and commission requirements by prioritizing the strategic value of PSE’s investments;
 - Provide an integrated view of enterprise portfolio efforts and performance that fosters interdisciplinary leadership alignment;
 - Demonstrate how business strategy drives and shapes the enterprise portfolio;
- Integration, Standardization and Automation
 - Enhance process and practice standardization, including compliance reporting;
 - Improve operational efficiencies through increased automation and integration between toolsets;

OCM, Process & Training Impact:

N/A Low Impact Medium Impact Significant Impact

OCM, Process and Training impacts anticipated for aligned PMO, Finance, and Regulatory resources. This tool will be in support of a significant shift in the company’s planning culture and processes.

Primary ISP Alignment:

Processes & Operations [ISP strategy descriptions](#)

Portfolio Description:

Risk Mitigation [Capital Allocation Definitions](#)

Project Complexity:

Straightforward and well understood Complex and well understood Complex and not well articulated

II. Key Schedule and Financial Information

Expected Start Date If Funded:	01/2022
Expected In-Service Date (2022 scope):	12/31/2022

High-Level Schedule Enter Expected # of Years and Months

Duration (2022 scope)*				
Planning	Design	Execution	Total Project	Anticipated Closeout date

4.22 months	2.2 months	4.44 months	11 months	12/2022
--------------------	-------------------	--------------------	------------------	----------------

*Additional work will be needed beyond 2022 to reach the proposed solution and project outcomes. 2022 will lay the foundation on which we will build future capabilities.

Initial Estimated Funding % by Phase as of 04/26/2021: Enter values to include both O&M and Capital in the cells below for percentage of funding to be used in each phase of the project.

Initiation	Planning	Design	Execution	Closeout
2%	12%	29%	54%	3%

Initial Grand Total Estimate (contingency included and in \$000s): Contingency Standard	Capital: \$2,053,006	OMRC/Project O&M: \$41,085 (Not including O&M Tail)
--	-----------------------------	---

Estimated Five Year Allocation: Enter values in the cells below for years anticipated, up to five years, plus any expected future years. Change "Year 1, Year 2, etc. to the relevant years for this project. Ongoing O&M begins after project close-out.

Category:	Year 0 2021	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026	Total
Capital (contingency included)*	\$0	\$2,053,006	\$0	\$0	\$0	\$0	\$2,053,006
OMRC / Project O&M	\$0	\$41,085	\$0	\$0	\$0	\$0	\$41,085

*Current project estimate is based on using Ecosys. Investigation into other tools may yield a better alternative, which will solidify needed budget.

III. Ongoing Benefits

Summary Benefits (see Benefits realization plan for details):	<p>SOFT BENEFITS:</p> <p>Support multiyear rate planning and reporting.</p> <p>Empirically support prioritization of portfolio investments.</p> <p>Directly support strategic planning and decision-making.</p> <p>Improve program and project pipeline and demand visibility to enhance decision-making of corporate governance committees and align portfolio to overall business strategy and priorities.</p> <p>Provide work efficiencies including distinct, simplified and standardized input processes for portfolio management stakeholders including those with sponsorship and reporting roles.</p> <p>Significant reduction in manual processes related to 5 year budget planning, multi-year rate plan support, governance document tracking, what if analysis, budget mitigation/prioritization efforts and forecasting.</p> <p>Support the achievement of future Project Practices Center of Excellence Roadmap capabilities including enhanced portfolio performance, modeling, risk-based analysis and a maturity target of predictable/measured.</p>
--	--

Category:	Year 1	Year 2	Year 3	Year 4	Year 5	Total
-----------	--------	--------	--------	--------	--------	-------

	2022	2023	2024	2025	2026	
Ongoing O&M (to be funded by business)	\$0	\$0	\$0	\$0	\$0	\$0
Ongoing O&M (requesting \$'s)*	\$0	\$282,445	\$284,419	\$286,453	\$288,548	\$1,141,865
Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Net impact (= Benefits – O&M)	\$0	(\$282,445)	(\$284,419)	(\$286,453)	(\$288,548)	(\$1,141,865)
* Payback in Years	N/A					

* Net increase in EcoSys recurring license costs; also includes ongoing support from a future Portfolio Manager hire. Vendor selection through the RFP processes may alter ongoing costs.

IV. Risk Management Summary

Identify high level risk categories expected for the project. Consider Project Dependency, Project Timing and Resourcing, as well as Regulatory Risk.

Summary of high level risks sentence:	<p>Primary risks and mitigations include:</p> <ol style="list-style-type: none"> 1. Scope - Solution customization to meet perceived needs will be mitigated with a configuration-only/out of the box approach. 2. Schedule - Enterprise-wide tool adoption by portfolio support personnel will be mitigated through OCM and Training. 3. Budget – Vendor selection and toolset architecture that may increase costs will be mitigated through a competitive bidding process.
--	--

V. Phase Gate Change Summary

Use this section for changes from: **Planning to Design, Design to Execution or Execution to Closeout** phases. To have a history of the changes at each phase gate change, **copy/paste the table below above the previous table.**

Phase:	Initiating to Planning
Scope:	None – Initial submission
Budget:	None – Initial submission
Schedule:	None – Initial submission
Benefits:	None – Initial submission







Prepared by:	Lara Ringness, Kevin Chen
---------------------	---------------------------

VI. CSA Approvals

Add/remove rows as needed in the table below. Email approval is acceptable. To maintain a history of the changes at each phase gate change, **copy/paste the table below above the previous table.** Send to the

Capital Budget team at CSA-TeamMail@pse.com. For a project in the Strategic Project Portfolio (SPP) review the [Escalation Criteria](#) for appropriate escalation and approvals.

For guidance on approval authority levels, follow [CTM-07 Invoice Payment Approval Exhibit I Invoice/Payment Approval Chart](#)

Project Phase	Initiation to Planning			
Approved By	Title	Role	Date	Signature
Roque Bamba	Dir Project Delivery	*Director Sponsor	3/11/2022	 Roque Bamba_ EPPM Initiation-to-P
Suzanne Tamayo	Dir IT Shared Services	*Director Sponsor	3/11/2022	 Suzanne Tamayo_PPM Initiati
Josh Kensok	Dir Financial Planning & Budgeting	*Director Sponsor	3/11/2022	 Josh Kensok_EPPM Initiation-to-Plannir
Dan Koch	VP Operations	Executive Sponsor	3/28/2022	 Dan Koch_EPPM Initiation-to-Plannir
Margaret Hopkins	Sr VP & Chief Information Officer	Executive Sponsor	3/21/2022	 RE_Margaret_Hopki ns_Approval_PCRs a
Kazi Hasan	Sr VP & Chief Financial Officer	Executive Sponsor	3/28/2022	 Kazi Hasan_EPPM Initiation-to-Plannir

*Director Sponsor attests that all considered documentation has been approved.

Please direct any questions to either:

1. The Capital Budget team at CSA-TeamMail@pse.com, or
2. The Enterprise Project and Performance Project Practices team at EPP-ProjectPracticesTeam@pse.com