BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	
Complainant,	**Docket UE-19____**
v.	**Docket UG-19____**
PUGET SOUND ENERGY,	
Respondent.	

NINTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF

MATTHEW R. MARCELIA

ON BEHALF OF PUGET SOUND ENERGY

JUNE 20, 2019

PSE ◆ PUGET SOUND ENERGY
The Energy To Do Great Things

Finance Platform and Technology Improvement Project (FTIP2)
Corporate Spending Authorization (CSA)
Application Request

Date Submitted:	09/01/2017
Officer Sponsor:	Matt Marcelia
Completed By:	Matt Marcelia, Todd Hanna, Ryan Brodniak, Darya Schmidt
Phase Gate:	Design (close)

I. Project Overview

You may copy/paste this section from the Initiation Proposal form. Be sure to update each section as applicable, noting any changes from the previous request/Gate.

Problem Statement:	SAP's current configuration limits PSE's ability to maximize the software's functionality.
Future Vision:	This is a foundational project and is Phase2 of the work begun in the FTIP1 project. It will lay the foundation for the GTZ roadmap with a reconfiguration of FERC accounting and adding Level 4 WBS elements. In addition, it will enhance and streamline the budgeting, accounting and compliance processes by deploying consolidation functionality and the reconciliation tool; improve resource planning; and adding drill through from BPC to ECC. Additionally the project will simplify user experience, improve system performance, and provide better access to real-time data.
Proposed Solution:	See the Project Objectives and Deliverables section below for the solution summary.
Alternatives Evaluated:	See FTIP Phase 1 Initiation documentation for the alternatives evaluated.
Primary ISP Alignment:	Financial: Meet or beat the five year plan, and maximize long-term value; Processes and Tools: Streamline processes to drive effectiveness and efficiency, and System reliability and integrity; and People: Establish a culture that embraces ownership, innovation and continuous improvement
Type of Project:	**Cost Benefit**
OCM Considerations:	Impacted Users (Internal): ☐< 100 ☒< 500 ☐> 500 Impacted Customers (External): ☒None ☐< 100K Electric or < 1K Gas ☐> 100K Electric or >1K Gas Internal Organizational Impact: ☐1 Dept or less ☒2-5 Dept ☐> 5 Dept / Business Platform / Enterprise
Project Complexity & Duration:	☐Straightforward, well understood ☐ < 6 months ☒Complex and well understood ☐< 12 months ☐Complex and not well articulated ☒> 12 months

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II. Phase Gate Change Summary
Description of changes, including reasons and justification since the last submission / Phase Gate.

Scope:	- Profit Center Accounting has been removed from scope - SAP Fiori has been removed from scope - Closing Cockpit (Automation) has been removed from scope - Executive Reporting has been removed from scope - HP Business Process Modeling is not in-scope - PowerPlan Upgrade has been added to scope to achieve additional testing and OCM efficiencies
Budget:	FTIP2 lifetime budget is $30,781,307
Schedule:	04/17/2017 through 07/31/2018 (previously 01/01/2017 through 03/31/2018)
Risk Profile:	As the program scope and budget have been developed, it has decreased the risks in those areas. The schedule and technology resource risks included in the attached risk register have increased with the need for a clear system environment plan.

III. Key Schedule and Financial Information
You may copy/paste this section from the Initiation Proposal form. Be sure to update each section as applicable.

Proposed Budget Year(s):	2017-2018
Expected In-Service Date:	07/31/2018
Initial Estimate:	Capital: $30,781,307 O&M: $0.00

Cost Estimate Maturity Score:
To determine the Estimate Maturity Score for the project, review the guidelines and complete/update the Project Cost Estimate Classifications Document here: http://pseweb/Organizations/ProjMgt/EnterprisePM/Pages/Cost-Estimates.aspx. Include a link to, or embedded copy of, the project's completed/updated document for reference.

Score:	**Class 1 - Discrete, detailed parts of project**
Cost Estimation Classification Document:	Class 1 estimate

Updated Estimate for Total Project Cost:
Double-click on the table below to edit the values in cells for Phase Name, Contingency %, Capital, OMRC Costs and Total Cash Benefits. Adjust column widths if necessary. Once complete, click outside of the table frame to return to the Word document. Note, if you have issues opening the table, reboot your computer and try again.

Total FTIP Cost, Benefits and Payback – Phase 1 and 2 Together:

	FTIP Phase 1	FTIP Phase 2	Total
Cost	$45,400,000	$30,700,000	$76,100,000
Benefits (annual)	$16,200,000	$620,000	$16,820,000
Payback in Years			**4.5 Years**

The following analysis looks exclusively at FTIP Phase 2:

Phase Name:	Realization	Contingency 10%	7%	
Cost Type	**Capital**	**OMRC**	**Opex**	**Total**
Cost (without contingency)	$ 28,644,263	$ -	$ -	$ 28,644,263
Contingency (auto-calculated)	$ 2,137,044	0	0	$ 2,137,044
Total (auto-calculated)	$ 30,781,307	$ -	$ -	$ 30,781,307
TOTAL ANNUAL CASH BENEFITS	$ 620,000.00	IF APPLICABLE		
PAYBACK IN YEARS (auto-calculated)	49.65	IF APPLICABLE		

Estimated Five Year Allocation: *Enter values in the cells for Capital, OMRC and Opex Costs, as well as Cash O&M Benefits, for years anticipated, up to five years, plus any expected future years.*

Category:	Year 1 (2017)	Year 2 (2018)
Capital (incl. contingency)	$16,708,136	$14,073,171
OMRC	$0.00	$0.00
Opex	$0.00	$0.00
Cash O&M Benefits	$0.00	$0.00

Cash Benefits by Department: *Add/remove rows, as applicable.*

Department Name	Year 1	Year 2	Year 3	Year 4	Year 5
All Departments	$230,000	$230,000	$230,000	$230,000	$230,000
Accounting	$190,000	$190,000	$190,000	$190,000	$190,000
Project Management	$200,000	$200,000	$200,000	$200,000	$200,000
Total	$620,000	$620,000	$620,000	$620,000	$620,000

Ongoing Annual O&M by Department: (e.g., maintenance, FTEs, cloud storage, etc.)
Add/remove rows, as applicable.

Category	Year 1	Year 2	Year 3	Year 4	Year 5
Accounting – Trintech maintenance	$132,000	$136,000	$140,000	$145,000	$149,000

Non-Cash Benefits / Future Cost Avoidance: Stronger SOX compliance by having the FERC Module in place, better governance and adding Consolidations.

Cash on Cash Single Payback: 22.1% for the combine FTIP Projects (2.01% FTIP2 standalone)

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Annual Benefits Detail:

Benefit	Area with the benefit	Benefit owner	hours saved/ month	$ saved (annual)	Notes
BPC Enhancements	CC Managers	All CC managers	1.0	230,400	240 cost centers
	Project Managers	Project Managers	1.0	92,400	70 projects
	Project Managers	Project Managers (larger projects)	1.5	99,000	50 projects
BPC Consolidations	Fin Reporting - prep/ consol the fin stmts	Cazaras	20.0	15,600	
	Fin Reporting - I/C consol and recon	Cazaras	3.0	2,340	
Trintech	GA - Recons	Mata-Cazaras	1 FTE	171,000	Snr Accountant
	EDA - Recons	Chueng	2.0	1,560	
	PA - Recons	Farrall	2.0	1,560	
	FR - Recons	Cazaras	2.0	1,560	
	AP - Recons	Farrell	2.0	1,560	
	Sox and PwC audit support (quarterly)	Accounting managers	16/qtr	4,160	
			Total	621,140	
			Rounded	620,000	

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IV. Project Description and Objectives

Project Description: This project will lay the foundation for the GTZ roadmap with a reconfiguration of FERC accounting and adding Level 4 WBS elements. It will enhance and streamline the budgeting, accounting and compliance processes by deploying consolidation functionality; improve resource planning; and adding drill through from BPC to ECC.

ISP Alignment:

ISP Objectives, Mandatory and/or Corporate Risk	Strategy *Abbreviated ISP strategy descriptions*	Benefit Description *Benefit, measurement and/or scorecard affected*
Financial	☒ Five-Year Strategic Plan ☒ Maximize long-term value ☐ Grow core business ☐ Grow new business	
Customer	☐ Execute the Customer Experience Intent Statement ☐ Recognition of PSE role in community ☐ Customer preparedness & safety ☐ Ideal customer behaviors ☐ Listen & dialogue with customers	Nothing direct, but this project will lay the foundation for a number of GTZ projects that will impact customers.
Process and Tools	☒ Streamline processes to drive effectiveness and efficiency ☒ System reliability and integrity ☐ Safety and security of systems, information and assets ☐ Extract and leverage value from existing technology and assets ☐ Optimize product/service portfolio consistent with long-term strategy	
People	☐ Develop/Retain best employees ☒ Ownership, innovation and continuous improvement	
Safety	☐ Educate and train employees on effective safety and wellness strategies	

Project Objectives and Deliverables: *Add/remove rows, as needed.*

Accounting Workstream Scope

	GA	Business Units	Financial Reporting	Rates	IT	Property Accounting
Natural Accounts (remove FERC from orders)	✓		✓			
FERC Module (incl. Level 4 WBS)	✓		✓	✓		
BPC Budget Retraction to ECC				✓	✓	
Reconciliation Tool (Trintech)	✓					
SAP Classic GL	✓				✓	
Order Strategy and Numbering (incl. LOB)	✓	✓			✓	✓
Holding Company Chart of Accounts/Orders	✓		✓			
I/C (Inter-Company) Accounting Automation	✓		✓			
Holding Co. Functional Area	✓		✓			
Data Governance	✓					✓
Functional Area	✓		✓			
Estimate-based Derivations	✓	✓			✓	✓
PowerPlan Upgrade					✓	✓

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Budget Workstream Scope

	Budget	IT	FR	FP&A	BU
Consolidation			✓		
Labor Supply and Demand Improvements	✓	✓			✓
Drill Through to detail available in ECC (incl. Accruals and Invoices)	✓	✓			✓
Standard Tabs on Spreadsheets (Templates)	✓	✓			✓
Variance Explanation to BPC	✓	✓		✓	✓
BPC Usability Enhancements	✓	✓			✓
Multi-company Planning	✓	✓			

Project Alternatives Assessment: *Add/remove rows, as needed.*
See FTIP Phase 1 Initiation documentation for alternatives evaluated.

Alternative	Pros	Cons	Cost	Duration
Enter Alternative 1.				
Enter Alternative N.				

V. Risk Management

Identify anticipated risks associated with this project. Consider Federal, State, County, Local regulatory requirements, as well as contingencies, exit criteria and strategy. When the project risk register is created, utilize this section to identify critical/top risks and include a link to the risk register for further detail. Add/remove rows as necessary.

| Risk	Likelihood	Impact of Occurrence	How Monitored	Mitigation
Enter Risk 1.	Choose an item.	Choose an item.		
Enter Risk 2.	Choose an item.	Choose an item.		

Risk Register:

SPP_Monthly_Report
_FTIP2.pdf

VI. High Level Schedule

Guidance: *The following is an example of a high level schedule. Timeline detail may be shown on a monthly, quarterly or yearly (etc.) basis, and should reflect major phases and high level milestones.*

Options: *Utilize the below Visio template – OR – insert a similar view (e.g., MS Project/Primavera rollup). If you insert a similar view, delete the below template and instructions below.*

To update the below timeline, double click on the image below and change the dates in the Start and Finish columns. Once you click outside the image, Visio will close. It may take 30 seconds to a minute after you have clicked outside of the image for the bars at right to reflect the revised dates.
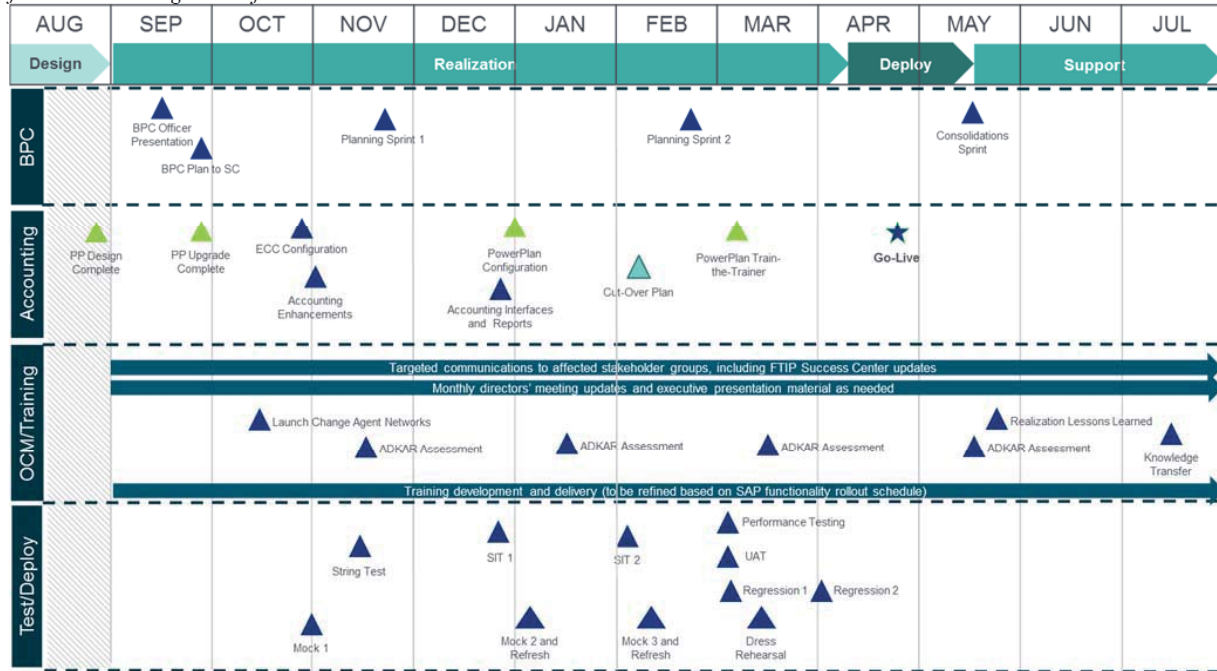
VII.   Supporting Documentation

Options: Insert hyperlink to the documents or embed a copy of a document in the sections below. If you embed a document, remove placeholder rows provided. If you choose to provide hyperlinks, ensure access to the referenced location is setup/provided in advance. Add/remove additional document rows, as needed.

Cost Estimating and Budget:

FTIP Design Gate
Presentation 201709(

Business Needs and Alternatives: See FTIP Phase 1 Initiation documentation for alternatives evaluated.

Benefits Realization Plan:

FTIP Benefits
Realization Plan_v2.5

Project Audit Checklist:

FTIP2 IT Project
Audit.pdf

OCM Sizing Worksheet:

EPP.Sizing
Worksheet.updated 5

VIII.   Original CSA Approvals: *Add/remove rows as applicable.*

I. Prepared By	Title	Role	Date	Signature
Theresa Huizi	Assistant Controller	FTIP Accounting Lead	June 2017	

Approved By	Title	Role	Date	Signature
Matt Marcelia	Dir Controller & Princip Acctng Officer	Sponsor		

Acknowledgements	Title	Role	Date	Signature

*Benefit Owners must be added to the Approved By section during Execution Phase/Gate.

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PSE SPP Monthly Report FTIP2

PSE SPP Delivery Risk Report

Project:	FTIP2									
Date:	8/8/2017									
Assessed by: Tod	Todd Hanna									

				Impact			**Likelihood**		**Risk Score:**	**Notes**
			Risk click here for instructions	Regardless of likelihood, imagine that the risk event has occurred. Enter a score between 1 (low) and 5 (high). Select a justification that is the best fit			Enter a score between 1 (low) and 5 (high)		Low	Comments:
Line	Weight	Risk	Risk description	impact	score	justification	score	description	risk score	Primary driver / Mitigation effort
1	10.0%	Scope	The risk that changes to the project's scope will have a detrimental impact on expected deliverables (benefits)	Operational	3	n/a	2	Unlikely	6	*(Primary driver: blank)* Mitigation: Proposed changes to scope are assessed at a weekly leadership meeting
2	10.0%	Schedule	The risk that unplanned factors cause a delay in the project's planned schedule	Operational	3	inter-dependencies	3	Possible	9	Primary driver: FTIP2 has dependencies with GTZ/IWM and SAP environments to be continually evaluated. Mitigation: FTIP will work with dependent projects to identify common milestones and coordinate at least monthly.
3	10.0%	Budget	The risk that project costs exceed available financial resources, impacting the overall capex and/or o&m budget	Financial	2	lifetime	2	Unlikely	4	
4	10.0%	People resources	The risk that inadequate access to human resources will impact the project's progress	Operational	4	schedule shift	2	Unlikely	8	Primary driver: Design phase resourcing does not appear to be at risk.
5	10.0%	Technology resources	The risk that inadequate access to technology systems and/or environments will impact the project's progress	Operational	4	inter-dependencies	3	Possible	12	Primary driver: FTIP had purchased and installed a SAP landscape in 2015. This landscape had competing demand by other projects. Mitigation: • The FTIP Team has provided guidance on how projects can share the landscape. • FTIP2 is participating in monthly SPP and SAP landscape planning meetings. • The FTIP2 Steering Committee is apprised of this risk at bi-weekly
6	10.0%	Material resources	The risk that issues related to the acquisition of material resources (quantity, quality, timeliness) will impact the project's progress	Operational	1	n/a	1	Extremely unlikely	1	
7	10.0%	Change management	The risk that the level of organizational change impacts employee engagement and performance	Reputation	3	benefits	3	Possible	9	Mitigation: • FTIP2 is completing OCM deliverables during this phase to better assess the impacts.
8	10.0%	Safety	The risk that an event or circumstance related to implementation of the project will impact the safety of an employee, service provider, or the public	Safety	1	employee safety	1	Extremely unlikely	1	
9	10.0%	External stakeholder	The risk that external stakeholders' opposition or concerns will impact the feasibility of the project	Reputation	1	external stakeholder	1	Extremely unlikely	1	
10	10.0%	Regulatory	The risk that regulations (pertaining to environment, zoning, taxation, investment incentives, rate recovery, etc.) will impact the feasibility of the project	Compliance	1	regulatory	1	Extremely unlikely	1	

FTIP Design Gate Presentation 20170901

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FTIP2 Design Gate Completion Approval

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Agenda

	Agenda Item	Type	Speaker
	Safety Minute		Volunteer
1.	Design Gate Status	Informational	Todd Hanna
2.	Gate Deliverables and Decisions	Decision	Todd Hanna
3.	Integrated Program Plan Update	Decision	Todd Hanna
4.	Program Realization Baseline Budget	Decision	Todd Hanna
5.	Business Requirements Summary	Decision	Todd Hanna
6.	SAP Presentation	Informational	Abhishek Bansal
7.	BA and OCM Presentation	Informational	Kyle McNamara, Rachel Mikulec
8.	Realization Program Team	Informational	Todd Hanna
9.	Design Gate Completion Decision	Decision	ESC

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Design Gate Status

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Design Gate Status

Gate approval is requested today to ensure team continuity and begin realization work in all areas possible.

❑ Agreed in 8/24/17 Steering Committee meeting to present current BPC design for gate approval
  – BPC Officer presentation planned 9/13/17
  – Update BPC plan for SC at 9/21/17 meeting

❑ System environment issues are still to be resolved
  – EHP8 decision made on 8/29/17
  – AMI and FTIP2 environment planning for 2018 started 8/31/17
  – Training environment not secured for FTIP2
  – Full FTIP2 schedule is dependent on PSE-level environment plan

❑ FTIP2 CSA costs and benefits to be updated, including Single Order benefits
  – Meeting scheduled for 9/11/17

❑ Financial Services and Budget Team training plan to be completed during Realization

❑ SAP to garner remaining approvals for Functional Specifications by 9/5/17

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Gate Deliverables and Decisions

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Gate Deliverables and Decisions

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Deliverable or Decision	Responsible	Approval	Due Date		Status
Updated Accounting Memo	Property Acct.	Marcelia	5/31/17	🟢	Complete
Program Scope Statement	PMT/ Business Leads	Steering Committee	6/1/17	🟢	In review
Program Charter Updated	Marcelia/Stranik	Steering Committee	6/1/17	🟢	In review
Program Communications Plan	Hanna/OCM/PMT	Steering Committee	6/1/17	🟢	In review
Program Management Plan Updated	Hanna/Marcelia	Steering Committee	6/1/17	🟢	In review
OCM Design deliverables	Mikulec/PMT	Steering Committee	7/28/17	🟢	Complete
Resource Plan for Realization	PMs/Leads/PMT	Steering Committee	8/31/17	🟢	Complete
Integrated Plan updated for Realization -a)	PMs/Leads/PMT	Steering Committee	8/31/17	🟡	In progress
Business Requirements Summary -b)	PMT	Steering Committee	8/31/17	🟢	Complete
Requirements and Traceability Analysis	Griffith/PMT	Marcelia/Stranik	8/31/17	🟢	Complete
Program Budget and Forecast	Hanna/PMT	Steering Committee	8/31/17	🟢	Complete
IT Architecture review	Lekkala/Hanna	PSE IT ARB	8/16/17	🟢	Complete

(a- Presented as milestone plan for gate closure.
(b- For gate, requirements to be summarized for Steering Committee. Requirements Traceability Matrix available for review.

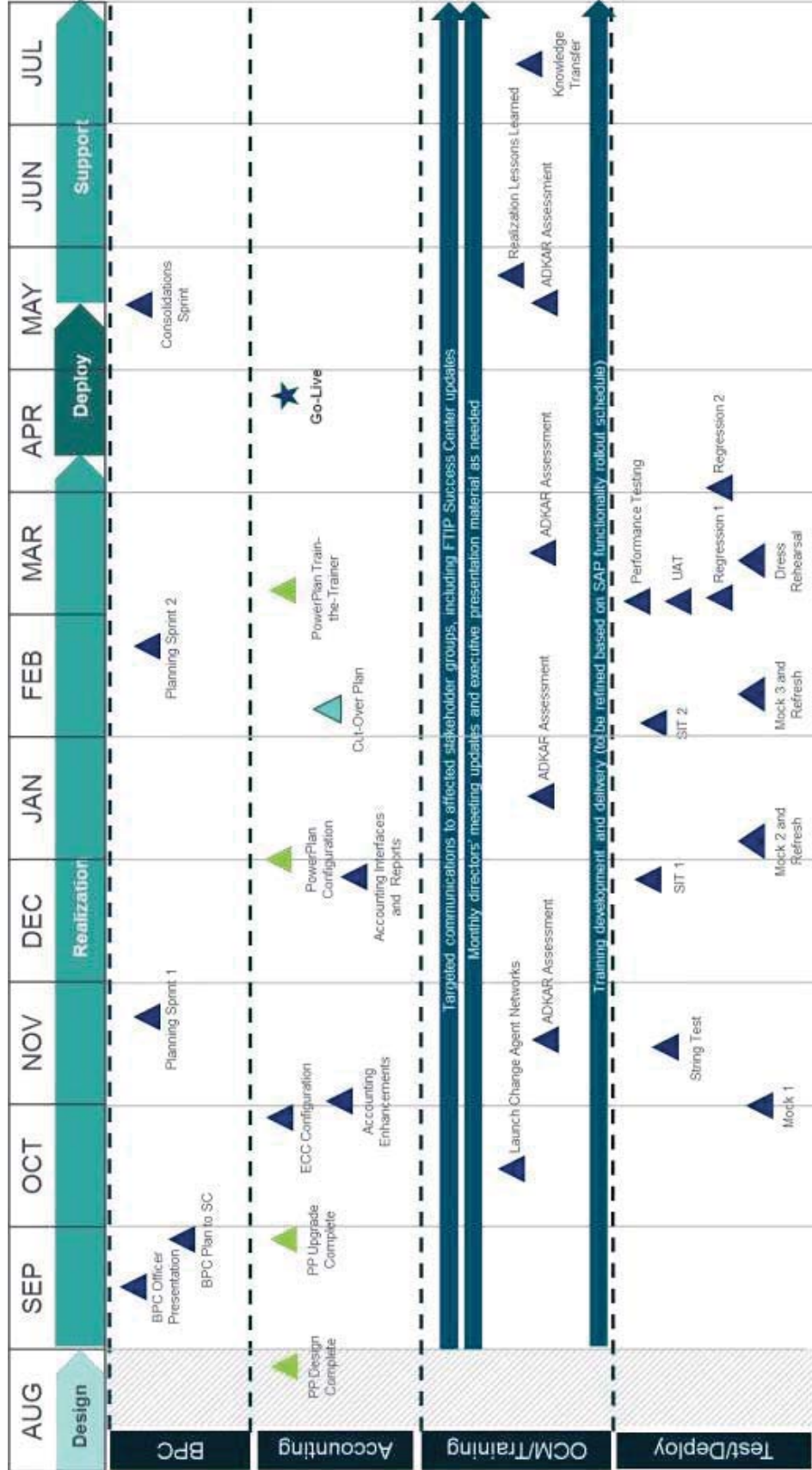financial
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Integrated Program Plan
Update

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FTIP2 Program Timeline

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Timeline phases

AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL
Design	Realization							Deploy	Support		

BPC
- BPC Officer Presentation (SEP)
- BPC Plan to SC (SEP)
- Planning Sprint 1 (NOV)
- Planning Sprint 2 (FEB)
- Consolidations Sprint (MAY)

Accounting
- PP Design Complete (AUG)
- PP Upgrade Complete (SEP)
- ECC Configuration (OCT)
- Accounting Enhancements (NOV)
- PowerPlan Configuration (DEC)
- Accounting Interfaces and Reports (DEC)
- Cut-Over Plan (FEB)
- PowerPlan Train-the-Trainer (MAR)
- Go-Live (APR)

OCM/Training
- Launch Change Agent Networks (OCT)
- ADKAR Assessment (DEC)
- ADKAR Assessment (JAN)
- ADKAR Assessment (FEB)
- ADKAR Assessment (MAR)
- ADKAR Assessment (APR)
- ADKAR Assessment (MAY)
- Realization Lessons Learned (MAY)
- Knowledge Transfer (JUL)
- Targeted communications to affected stakeholder groups, including FTIP Success Center updates
- Monthly directors' meeting updates and executive presentation material as needed

TestDeploy
- Mock 1 (OCT)
- String Test (NOV)
- SIT 1 (DEC)
- Mock 2 and Refresh (JAN)
- SIT 2 (FEB)
- Mock 3 and Refresh (FEB)
- Performance Testing (MAR)
- UAT (MAR)
- Regression 1 (MAR)
- Dress Rehearsal (MAR)
- Regression 2 (APR)
- Training development and delivery (to be refined based on SAP functionality rollout schedule)

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Program Realization Baseline Budget

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Program Cost Summary

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	Amount	
SI Design (SAP) contract	$ 2,606,597	
Biz Advisory Design (KPMG) contract	$ 1,017,750	
OCM Design (KPMG) contract	$ 507,211	
PowerPlan Design contract	$ 669,710	
PMT and Governance (Non-SI)	$ 279,125	
PSE QA	$ 62,160	
Internal Labor	$ 567,998	
PowerPlan Licensing	$ 668,718	
PowerPlan Upgrade Contract	$ 649,000	
Other	$ 245,557	
Initiation, Design and Software	**$ 7,273,826**	**$ -**
SI Realization (SAP) contract		$ 8,537,484
Biz Advisory Realization (KPMG) contract		$ 3,421,693
OCM Realization (KPMG) contract		$ 2,184,156
PowerPlan Realization contract		$ 3,315,009
Trintech Licenses and Services		$ 252,340
PMT and Governance (Non-SI)		$ 1,322,705
PSE QA		$ 263,440
Internal Labor		$ 2,073,610
Execution and Close-out		**$ 21,370,437**
	$ 28,644,263	$ -
Contingency Range		$ 2,137,044
Total Program Cost		**$ 30,781,307**

Program Yearly Summary

		2017		2018		Total
Budget	$	23,949,768	$	4,074,182	$	28,023,950
Outlook	**$**	**15,931,029**	**$**	**12,713,234**	**$**	**28,644,263**
Actuals	$	7,273,826	$	-		
Forecast	$	8,657,203	$	12,713,234		
Variance	**$**	**8,018,739**	**$**	**(8,639,052)**	**$**	**(620,313)**
Contingency	$	754,283	$	1,319,996		

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Business Requirements
Summary

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Accounting Scope Summary

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Responsible Organization	GA	Business Units	Financial Reporting	Rates	IT	Property Accounting
Natural Accounts	✓		✓			
FERC Module (incl. Level 4 WBS)	✓		✓	✓		
BPC Budget Retraction to ECC				✓	✓	
Reconciliation Tool (Trintech)	✓					
SAP Classic GL	✓				✓	
Order Strategy and Numbering (incl. LOB)	✓	✓			✓	✓
Holding Company Chart of Accounts/Orders	✓		✓			
I/C (Inter-Company) Accounting Automation	✓		✓			
Holding Co. Functional Area	✓		✓			
Data Governance			✓			
Functional Area	✓					
Estimate-based Derivations	✓	✓			✓	✓
PowerPlan Upgrade	✓				✓	✓

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Accounting Requirements Counts

Accounting	FTIP1	FTIP2
Functional [a]	14	44
Compliance	5	3
Integration	21	20
Non-Functional	3	3
Reporting	167	235
IT Security	9	10
Conversion	--	13
PowerPlant and Tax (including reports) [b]	--	119
Interface	--	32
Total	**219**	**479**

[a- Requirements for Estimate Based Derivation to be added
[b- Added PowerPlant and Tax counts for FTIP2 only

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Budget Scope Summary

Responsible Organization	Budget	IT	FR	FP&A	BU
Consolidation			✓		
Labor Supply and Demand Reconciliation (Automation)	✓	✓			✓
Drill Through to detail available in ECC (incl. Accruals and Invoices)	✓	✓			✓
Standard Tabs on Spreadsheets (Templates)	✓	✓			✓
Variance Explanation to BPC	✓	✓		✓	✓
BPC Usability Enhancements	✓	✓			✓
Multi-company Planning	✓	✓			

Budget Requirements Counts

	Budget	
	FTIP1	**FTIP2**
Functional	81	36
Compliance	0	0
Integration	0	3
Non-Functional	0	4
Reporting	60	34
IT Security	4	3
Total	**145**	**80**

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SAP Presentation

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SAP Functional Specs Status

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Functional Spec Released for Review

	24-Jul	31-Jul	7-Aug	14-Aug	21-Aug	28-Aug
Weekly Count Released (Planned)	13	9	7	7	5	0
Weekly Count Released (Actual)	13	10	5	7	6	0
Cumulative Planned	13	22	29	36	41	41
Cumulative Actual	13	23	28	35	41	41

Functional Specs Approved

	24-Jul	31-Jul	7-Aug	14-Aug	21-Aug	28-Aug
Weekly Count (Planned)	13	9	7	7	5	0
Weekly Count (Actual)	0	0	0	0	0	29
Cumulative Planned	13	22	29	36	41	41
Cumulative Actual	0	0	0	0	0	29

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BA and OCM Readiness

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BA Status Update & Next Steps

Accomplishments

✓ **All Design Phase Deliverables Complete:**

Process Impact:

- List of processes to be updated for Record to Report (R2R) and Plan to Perform (P2P) processes
- List of business process changes due to project scope
- List of Planning items to be included in standard tabs
- Report list with ownership (RTM)
- Identify if new report is in FTIP 2 scope or should be developed as part of production support (RTM)

Master Data:

- Preparation of desktop procedure templates for master data governance processes
- Updated Master Data governance process
- Coordination of master data work stream Work Order life cycle process documentation with business ownership identified
- Preparation documents for updated master data lists
- Master Data SAP landscape table
- Activities list and timing of activities for Realization phase

Design Review:

- Review of SAP/PowerPlan BPDs and Functional Specifications
- Documentation of identified errors or missing information

Next Steps

Process Impact:

- Conduct focus group workshops
- Create/Update process documentation
- Create/Update desktop procedures
- Review Sarbanes-Oxley controls for changes
- Analyze impacts on other processes

Master Data:

- Support data conversion
- Create/Update master data governance procedures
- Develop data flow diagrams
- Support development of end-to-end test case scenarios
- Develop master data cleansing recommendations
- Perform ad-hoc data analysis
- Provide post go-live support

OCM Status Update & Next Steps

Accomplishments

✓ **All Design Phase Deliverables Complete:**

- Program Key Messages and Talkbook
- Change Characteristics Worksheet
- Change Readiness Assessment
- Change Impact Assessment
- OCM Plan
- Communications Strategy and Plan
- Training Needs Analysis, Strategy, and Plan
- Sponsor Assessment Package
- Resistance Management / Change Agent Network Plan
- Leadership Alignment Assessment
- Coaching Plan
- Leadership Presentation Material
- PSE Board of Directors presentation
- Officers presentation
- Realization and Support schedule in IPP
- Facilitated 15+ focus groups with 40+ end users

- Stakeholder Touchpoint Tracker

Next Steps

- Develop and publish All-PSE FTIP2 "kickoff" communication
- Develop content for September Directors' meeting
- Begin targeted communications to affected stakeholder groups
- Build initial redesign of FTIP2 PSEWeb Success Center
- Launch Change Agent Networks
- Launch Coaching Plans

Realization Program Team

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Leadership Organization

Dan Doyle, Margaret Hopkins
Executive Steering Committee

Todd Crandall (SAP)
Matt Smith (KPMG)
Executive Partners

Matt Marcelia
Sponsoring Director

Theresa Huizi
Accounting Business Lead

Jim Frey
Budget Business Lead

Mike Stranik
Brian Fellon
Jennifer Tada
Troy Hutson
Steering Directors

Jeff Daniels (SAP)
Zoe Thompson (KPMG)
Tom Peterson (KPMG)
Engagement Partners

Randall Jackson (SAP)
Delivery Executive

Jay Marnell (PowerPlan)
Delivery Executive

Todd Hanna
Program Manager

Dan Snyder
IT Technical Lead

Dasha Schmidt
Project Controls

Prashanthi Bodicherla
Test Lead

Yatin Jain
Applications Lead

Kiran Lekkala
PSE IT PM

Abhishek Bansal (SAP)
SAP PM

Navinder Chawla (PowerPlan)
Project Manager

Patty Griffith
Business PM

Kyle McNamara (KPMG)
BA Project Lead

Shekar Jindal (KPMG)
Master Data Lead

Rachel Mikulec
OCM Lead

Arthur Higbee (KPMG)
OCM Co-Lead

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Team Members

PSE

Theresa Huizi	Kathy Chinn
Jim Frey	Denise Burns
Ryan Brodniak	Rachel King
Dan Snyder	Sherri Koens
Rachel Mikulec	Tania Klippert
Brenda Bartell	Holly Lewis
James DiMasso	Rose'y Rohley
Vincent Fong	David Landers
Jerry Gallagher	Matt Wiegand
Pushpinder Singh	Allison Thurman
Todd Ogilvie	Ivan Cazares
Yatin Jain	Michael Marcus
Kieu Ho	Jan Veres
Srinivas Kalmikonda	Adam Lee
Jason Wong	Greg Bellows
Alba Mata-Cazares	Walter Singles
Karen Fulmer	
Linds Fulkerson	

KPMG BA & OCM

Tom Peterson
Zoe Thompson
Kyle McNamara
Arthur Higbee
Martina Ji
Rita Squalli
Ben Eisenberg
Nermin Elgaly
Shekhar Jindal
Cy Whitten

Team Members

SAP

Randal Jackson
Abhishek Bansal
Catrina Falabella
Lourie Louw
Jason Tomlinson
Mark Baselice
Prakash Nimmagadda
Rich Castelino
Jim McManus
Teresa Hane
Rohn Springfield
Davida Cohen
Sundeep Shah
Srikanth Palla
Daniel Sanchez
Kadija Johnson

QA

Prashanthi Bodocherla
Harpreet Gill

PowerPlan

Jay Marnell
Navinder Chawla
Jason Graning
Jason Miller
Mark Allen
Yating Gu
Stephanie Moore
Nathan Shurtleff
Cindy Bone
Michael Owens
Peter Huynh
Ben Gutman

PMT

Todd Hanna
Patty Griffith
Kiran Lekkala
Darya Schmidt

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Program Change Requests

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Program Change Requests

No change requests are pending for the gate closure. The following are to be anticipated during the realization phase:

- Labor Demand and Supply changes to BPC
- IWM Design changes as proposed by the shared governance group

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Design Gate Completion
Decision

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Decision to Begin Realization

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FTIP Benefits Realization Plan v2.5

Financial Transparency and Improvement Program

BENEFITS REALIZATION PLAN

Version 2.5

March 31, 2015

FTIP Benefits Realization Plan

1. Overview

1.1. Purpose

The purpose of the benefits realization plan is to:

- Ensure benefits are clearly identified, defined, and linked to enterprise strategic outcomes
- Drive the process of realizing benefits, including benefit measurement, tracking and recording benefits as they are realized.
- Use the defined, expected benefits as a roadmap for the program, providing a focus for delivering change
- Provide alignment and clear links between the program (its vision and desired benefits) and the strategic objectives of the Company

1.2. Definition of Benefit

Enterprise strategic objectives are achieved through the successful execution of projects and programs. Successful projects achieve their stated objectives and realize their expected business benefits.

Benefits are net positive changes resulting from project outcomes. Benefits result from specific outcomes where accountability can be assigned and measured. Benefits are important to project success as they provide the basis for defining the expected outcomes of a project and for assessing a project's success in meeting its intended results.

Business benefits are derived from business enabled (processes) changes and are often dependent on the implementation of IT components and system enabled changes. However, changes to IT systems and component are not, in and of themselves, benefits. Projects that focus only on system enabled changes fail to deliver strategic outcomes.
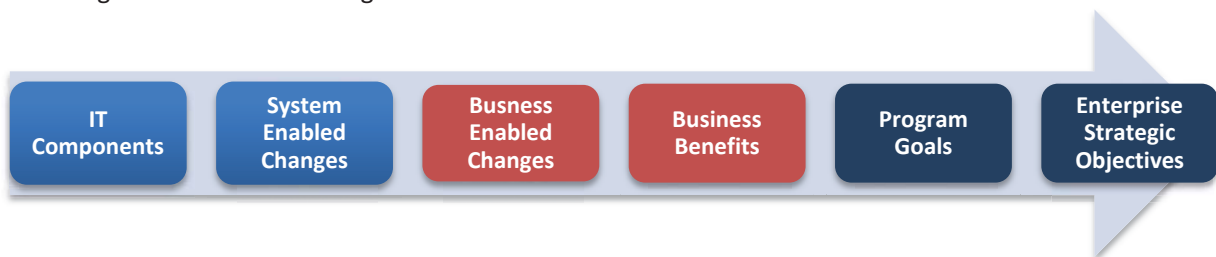
All system and business enabled changes made through a project or program should support a stated benefit. All benefits should lead to the fulfilment of a program goal, which in turn should be clearly linked to the fulfilment of a strategic objective as stated in the ISP. If any element of a project whether it be a system or business enabled change, or IT component cannot be linked directly to a benefit, then that element should be evaluated for whether it is within scope of the program.

Benefits may or may not be tangible, but they must be measurable through the use of metrics that are agreed upon by the Benefits Lead and Benefit Owner.

2. Benefits Realization Approach

There are four phases in the benefits realization process:

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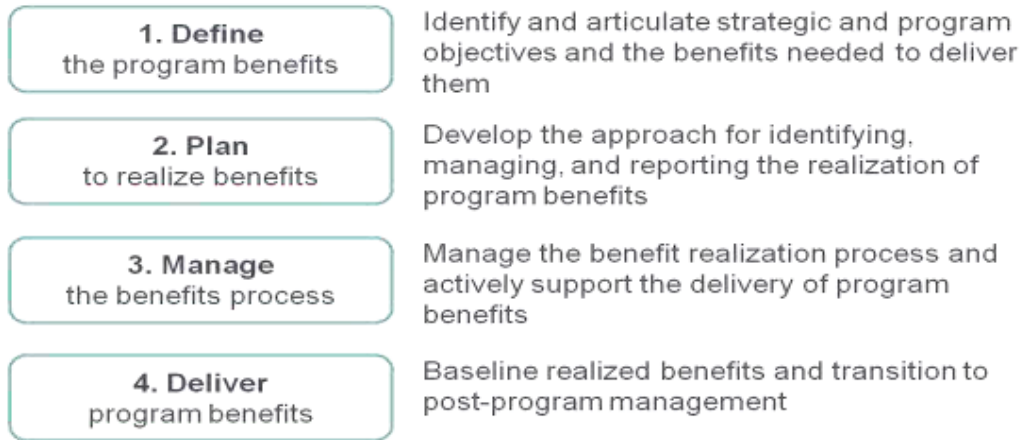
2.1. Define

The focus of the Define phase is to identify and articulate the strategic and program objectives and the benefits needed to deliver them

2.1.1. Objectives

The objectives of the Define phase are to:

- Clearly articulate the program vision and objectives (complete)
- Develop draft benefits realization plan (complete)
- Identify key stakeholders in the benefits realization process
- Perform preliminary benefits mapping and estimate scale of benefits
- Establish a benefits register; begin to identify benefit owners

2.1.2. Key Tasks

Key tasks during the Define phase include:

- Define the business problem that is being solved
  - Articulate the scope and objectives of the program
  - Define business benefits anticipated from the program
- Identify key stakeholders and conduct benefits discovery workshops
  - Define program benefits
  - Conduct initial benefits mapping
  - Link benefits to FTIP program objectives
  - Identify the benefit realization criteria and expected realization timing
  - Identify any potential risks associated with the achievement of the benefits
  - Ensure stakeholder buy-in and benefit ownership
- Develop draft benefits register
- Develop the draft benefits realization plan
  - Align with the OCM Plan
- Attain Executive Sponsor approval

2.2. Plan

The purpose of the Plan phase is to develop the approach for identifying, managing, and reporting the realization of program benefits which will be articulated in the benefits realization plan. The benefits realization plan will provide the line of sight needed by program sponsors to monitor achievement of program outcomes and accountabilities.

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2.2.1. Objectives

The objectives of the Plan phase are:

- Finalize the benefits realization plan
- Define benefit baselines, targets, and metrics
- Prioritize benefits and develop profiles for each program benefit
- Refine the benefits register
- Align business case with program benefits

2.2.2. Key Tasks

- Finalize Benefits Realization Plan
  - Confirm benefit ownership
  - Define benefit realization activities
  - Establish a benefits tracking regime and monitoring mechanisms
  - Align with program OCM plan
- Prioritize benefits and develop profiles for each program benefit
  - Identify the baseline value and target measure for each benefit
  - Identify and confirm timeframes and milestones for achievement of each benefit in consultation with the benefit owners
- Refine and update the Benefits Register
  - Define risk mitigation strategies
  - Consolidate and document the above into the BRP and obtain program sponsor/ owner approval
  - Communicate to and engage stakeholders on the expected benefits of the program
- Develop business case aligned with identified program benefits

2.3. Monitor

The purpose of the Monitor phase is to manage the benefit delivery process and actively support the delivery of the program benefits through monitoring, measurement, and analysis of the status of benefit delivery within the contexts of stated baselines and targets

2.3.1. Objectives

The objectives of the Monitor phase are:

- Monitor the program's progress in realizing benefits
- Monitor benefits realization performance against expectations; take corrective actions where necessary

2.3.2. Key Tasks

Key tasks of the Monitor phase are:

- Update baseline data
- Agree final targets with benefit owners
- Monitor the benefits realization process
  - Facilitate benefits realization review sessions with benefits owners
  - Evaluate whether benefits are meeting their identified targets
  - Identify and address issues that may be inhibiting the realization of benefits

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      o   Summarize the status of program benefits and report to the Delivery Team and Executive Sponsors

2.4. Deliver

The purpose of the Deliver phase is to evaluate achievement of benefits relative to targets, baseline delivered benefits, and transition to post-program benefit management

2.4.1. Objectives

The objectives of the Deliver phase are:

- Measure realized benefits relative to set targets
- Baseline delivered benefits for post-program management
- Document benefits for which realization may come post-implementation
- Transition management of benefits to post-program management

2.4.2. Key Tasks

Key tasks of the Deliver phase are:

- Conduct final assessment of all program benefits
  - Were benefits realized?
  - Were program benefits achieved?
  - Were ISP objectives fulfilled?
- Hold benefits review meeting and review results with key stakeholders
- Perform variance analysis against targets for benefits not fully realized
  - Identify root causes of failure to meet targets
  - Document learnings to inform future processes
- Capture lessons learned from benefits owners and stakeholders
- Handover in-flight and realized benefits to post-program owners
- Validate final benefits register against business case

2. FTIP Objectives

2.1. Enterprise Strategic Objectives

The Financial Transparency and Improvement Program (FTIP) was approved to redesign PSE's budgeting process, tools, accounting structure, reporting, and financial accountabilities. Doing so will allow PSE to fulfil the following Integrated Strategic Plan (ISP) objectives:

- Meet or beat five year plan;
- Maximize long-term value;
- Streamline processes to drive effectiveness and efficiency; and
- Extract and leverage value from existing technology and assets

2.2. FTIP Program Objectives

To achieve its ISP objectives, the FTIP Program will accomplish the following program objectives:

- Better alignment and tracking of the dollars spent to run our business with the work that we do and results we produce, not just accounting requirements (which we will continue to meet)
- Increased transparency and availability of financial information to improve decision making
- Reduced effort spent on budgeting, accounting, and reporting—with more value from it
- Improved ease of use of PSE's Budgeting and Financial systems

2.3. Business Enabled Changes

- Centralized accounting governance and control
- Fact based capital allocation decisions
- Simplified corporate, project and operations account structure and accounting
- Budgeting accountability model and supporting analytics
- Expedited financial consolidation
- Derived FERC accounting
- Rolling quarterly forecasting

3. FTIP Program Benefits

The following are the benefits expected to be realized by the FTIP Program:

3.1. Deliver Project Expected Value

How the benefit will be achieved:
- Increase Efficiency of Accounting and Tax Processes by 0.5%
- Improve O&M forecasting accuracy by 5%
- Reduce Project Contingencies by 2%
- Improve budgeting efficiency by 33% to 50%
- Reduce Construction Overheads by 3-5%

Enterprise Strategic Objectives (ISP) and FTIP Program Objectives fulfilled:
- Meet or beat five year plan
- Maximize long-term value

3.2. Improved budget and forecasting efficiency and effectiveness

How the benefit will be achieved (business enabled changes):
- Simplified corporate, project and operations account structure and accounting
- Budgeting accountability model and supporting analytics
- Expedited financial consolidation
- Rolling quarterly forecasting
- Derived FERC accounting

Enterprise Strategic Objectives (ISP) and FTIP Program Objectives fulfilled:
- Streamline processes to drive effectiveness and efficiency

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- Reduced effort spent on budgeting, accounting, and reporting—with more value from it
- Improved ease of use of PSE's Budgeting and Financial systems

3.3. Improved management focus on the business

How the benefit will be achieved (business enabled changes):
- Simplified corporate, project and operations account structure and accounting
- Budgeting accountability model and supporting analytics
- Expedited financial consolidation
- Rolling quarterly forecasting

Enterprise Strategic Objectives (ISP) and FTIP Program Objectives fulfilled:
- Meet or beat five year plan;
- Maximize long-term value;
- Better alignment and tracking of the dollars spent to run our business with the work that we do and results we produce, not just accounting requirements (which we will continue to meet)
- Increased transparency and availability of financial information to improve decision making

3.4. Improved project prioritization, funding approval, performance visibility, and governance

How the benefit will be achieved (business enabled changes):
- Fact based capital allocation decisions
- Rolling quarterly forecasting
- Capital planning process redesign

Enterprise Strategic Objectives (ISP) and FTIP Program Objectives fulfilled:
- Meet or beat five year plan;
- Maximize long-term value;
- Better alignment and tracking of the dollars spent to run our business with the work that we do and results we produce, not just accounting requirements (which we will continue to meet)
- Increased transparency and availability of financial information to improve decision making

3.5. Improved planning and analytical capabilities

How the benefit will be achieved (business enabled changes):
- Budgeting accountability model and supporting analytics

Enterprise Strategic Objectives (ISP) and FTIP Program Objectives fulfilled:
- Better alignment and tracking of the dollars spent to run our business with the work that we do and results we produce, not just accounting requirements (which we will continue to meet)

- Increased transparency and availability of financial information to improve decision making

3.6. Improve management access to financial information

How the benefit will be achieved (business enabled changes):
- Simplified corporate, project and operations account structure and accounting
- Budgeting accountability model and supporting analytics

Enterprise Strategic Objectives (ISP) and FTIP Program Objectives fulfilled:
- Meet or beat five year plan;
- Maximize long-term value;
- Extract and leverage value from existing technology and assets
- Better alignment and tracking of the dollars spent to run our business with the work that we do and results we produce, not just accounting requirements (which we will continue to meet)
- Increased transparency and availability of financial information to improve decision making
- Reduced effort spent on budgeting, accounting, and reporting—with more value from it
- Improved ease of use of PSE's Budgeting and Financial systems

3.7. Return IT systems to standard configurations and retire legacy systems

How the benefit will be achieved (system enabled changes):
- Return SAP ECC Financials to standard configuration
- Implement SAP BPC on HANA

Enterprise Strategic Objectives (ISP) and FTIP Program Objectives fulfilled:
- Extract and leverage value from existing technology and assets

4. Benefits Tracking

4.1. Benefits Register

The Benefits Register will be used to track and report on all the benefits identified and provide values of the actual measures against the planned values for the reporting period. The benefits register will be maintained by the benefits realization team and placed on the program SharePoint site.

4.2. Benefit Summary

A benefit summary for each program benefit will be developed and maintained which documents the intended outcome, supported strategic objectives, dependencies, targets, metrics, and owners. An example of a benefit summary is included in the appendix.

4.3. Benefits Tracking and Reporting

4.3.1. Tracking

Each benefit owner will meet with the Benefits Lead at an agreed upon frequency to review progress made in achieving the benefits that he/she manage utilizing metrics and targets developed during the Planning Phase of the program.

Metrics will be documented in the benefits register and a variance analysis conducted relative to agreed upon targets. Reasons for variance will be documented in the register and reported on the benefits dashboard.

4.3.2.   Reporting

The Benefits Lead will present the status of benefits realization to the Delivery Team on a monthly basis. The Delivery Team will report the status of benefits realization to the Executive Steering Committee as a component of overall program reporting and at the completion of each stage gate.

4.3.3.   Benefits Dashboard

A dashboard will be developed to provide a simple visual overview of each of the program benefits' progress relative to its baseline and target measures.

4.4. Change Management

Changes to the benefits realization plan or benefits targets will be managed according to the change process in the Program Management Plan. The Benefits Register is a living document and will be updated frequently. Changes to the register will be reported on as part of the reporting process

4.5. Roles and Responsibilities

Executive Sponsors

- Provide program direction and oversight
- Define enterprise strategic objectives
- Approve program benefits

Business Advisor

- Facilitate business process redesign to drive business enabled changes and program benefits
- Ensure alignment of organizational change management efforts with benefits realization

PMO

- Responsible for planning, organization, and controlling actions as they relate to the benefits plan
- Incorporate the benefits plan into program documentation and ensure updates are made to the SharePoint site
- Schedule benefits reviews with the PMO and Delivery Teams as appropriate
- Ensure that benefits are reviewed by the ESC at the end of each phase gate

OCM

- Ensure organizational change management activities support the successful development, execution and adoption of systems and business enabled changes

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Benefits Lead

- Responsible for developing and managing the program benefits realization process
- Measure and monitor progress realizing program benefits and report to the Delivery Team and PMO the status of benefits realization
- Challenge decision-making relative to program benefits. Ensure decisions on scope take into account impact on program benefits
- Ensure the Benefits Register is kept up to date
- Ensure program benefits are aligned with the business case and are updated as required to reflect program changes

Benefits Owners

- Responsible for realizing project benefits
- Identify and map benefits with the Benefits Lead
- Identify suitable benefit measures and targets for assigned benefits
- Work with the Benefits Lead to develop benefits profiles for assigned benefits
- Identify additional benefits as they become available
- Identify risks to benefits and escalate to the Project Lead as required
- Escalate risks to benefits realization to the Delivery Team as appropriate

5. Sustaining Benefits

Successful benefits realization continues beyond the close-out of the project. Post-program benefits management will be the responsibility of the Enterprise Project Management Office (EPMO).

5.1. Benefits Assessment

An assessment of the program's ability to deliver promised benefits will be conducted as part of the close-out phase of the program. Realized benefits will be documented making note of critical success and/or limiting factors.

For each benefit the following questions will be answered and documented:

- Was the benefit realized or will the benefit be realized post-program close?
- If not, what was the reason for not achieving the benefit? (Examples include: unrealistic target, unforseen risk, project change, etc.)
- If so, did the realization of the benefit fulfil program objectives and strategic objectives as anticipated?
- If not, what were the reasons the benefit did not fulfil program goals and objectives?

5.2. Benefits Baseline

Metrics associated with realized benefits will be baselined and included in the enterprise KPI management program.

5.3. Benefits Handover

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Long-term monitoring of benefits is crucial for ensuring that the benefits of changes made through programs continue to be realized after program close. All program or project benefits will be managed by the EMPO for long-term monitoring and evaluation, in particular benefits that have yet to be realized, or which have an expected realization date post-program.

Following the final benefits assessment, the benefits register, summaries, and all other relevant documentation will be provided to the EPMO for management.

Appendix A: Benefit Summaries

1. Improved budget and forecasting efficiency and effectiveness
Owner: Paul Wetherbee
Description: Increase the efficiency and effectiveness of the budget / forecasting process
Start: January 1, 2016   **End:** January 1, 2017
Enterprise Strategic Objectives Supported (ISP): • Streamline processes to drive effectiveness and efficiency
FTIP Program Objectives Supported • Reduced effort spent on budgeting, accounting, and reporting – with more value from it
Business Enabled Changes Required to Realize the Benefit: • Simplified corporate, project and operations account structure and accounting • Budgeting accountability model and supporting analytics • Expedited financial consolidation • Rolling quarterly forecasting • Derived FERC accounting
System Enabled Changes Required to Realize the Benefit: • Deployed SAP Business Planning and Consolidation (BPC) • Upgraded SAP Business Warehouse (BW) • Deployed SAP HANA platform
Assumptions: • BPC module allows for more efficient processes than those currently place
Risks/Issues: • BPC system / Budget process redesign efforts not aligned • User rejection of BPC system and/or new processes

Metric s

1. Budget Process Cycle Time	
Description: Reduce number of days required to prepare the annual budget	
Start date: 5/1/15	**End date**: 10/1/15
Owner: Dave Stickley	**Review frequency**: Annual
Baseline value: 180 days	**Target value**: 45 days

2. Number of budget iterations	
Description:	
Start date:	**End date**:
Owner:	**Review frequency**: Annual
Baseline value:	**Target value**:

3. Forecast process cycle time	
Description:	
Start date:	**End date**:
Owner:	**Review frequency**: Annual
Baseline value:	**Target value**:

2. Improved Accounting Efficiency and Effectiveness	
Owner: Mike Stranik	
Description: Improve the efficiency and effectiveness of accounting processes	
Start:	**End:**
Enterprise Strategic Objectives Supported (ISP): • Streamline processes to drive effectiveness and efficiency	
FTIP Program Objectives Supported • Reduced effort spent on budgeting, accounting, and reporting—with more value from it • Improved ease of use of PSE's Budgeting and Financial systems	
Business Enabled Changes Required to Realize the Benefit: • Centralized accounting governance and control • Simplified corporate, project and operations account structure and accounting • Expedited financial consolidation • Derived FERC accounting	
System Enabled Changes Required to Realize the Benefit: • Reconfigured SAP Enterprise Central Component (ECC) Financials • Deployed SAP HANA platform • Redesigned the SAP Profit Center Accounting (PCA) hierarchy • Redesigned cost centers • Redesigned activity rates • Redesigned work breakdown structure • Deployed FERC accounting	
Assumptions: • ECC on Hana is required to fully realize the intended benefits • Simple Finance is required to realize reporting benefits • TBD	
Risks/Issues: • TBD	

Metrics

1. Financial close process cycle time	
Description: Reduce the number of hours required to perform financial close processes	
Start date:	**End date**:
Owner:	**Review frequency**:

Baseline value:	Target value:

2. Time to prepare and consolidate financial reports	
Description: Balance sheet, income statement, capital structure, EBITDA, ROE	
Start date:	**End date**:
Owner:	**Review frequency**:
Baseline value:	**Target value**:

3. Improved Management Focus on the Business	
Owner: Paul Wetherbee	
Description:	
Start:	**End:**

Enterprise Strategic Objectives Supported (ISP):
• Meet or beat five year plan
• Maximize long-term value

FTIP Program Objectives Supported
• Better alignment and tracking of the dollars spent to run our business with the work that we do and results we produce, not just accounting requirements
• Increased transparency and availability of financial information to improve decision making

Business Enabled Changes Required to Realize the Benefit:
• Simplified corporate, project and operations account structure and accounting
• Budgeting accountability model and supporting analytics
• Expedited financial consolidation
• Rolling quarterly forecasting

System Enabled Changes Required to Realize the Benefit:
• Deployed SAP Business Planning and Consolidation (BPC)
• Upgraded SAP Business Warehouse (BW)
• Redesigned the SAP Profit Center Accounting (PCA) hierarchy
• Redesigned cost centers

Assumptions:
• TBD

Risks/Issues:
• TBD

Metrics

1. Forecast Accuracy	
Description: TBD	
Start date:	**End date**:
Owner:	**Review frequency**:
Baseline value:	**Target value**:

4. Improved Project Prioritization, Funding Approval, And Performance Visibility

Owner: Paul Wetherbee

Description:

Start:	End:

Enterprise Strategic Objectives Supported (ISP):

- Meet or beat five year plan
- Maximize long-term value

FTIP Program Objectives Supported

- Better alignment and tracking of the dollars spent to run our business with the work that we do and results we produce, not just accounting requirements
- Increased transparency and availability of financial information to improve decision making

Business Enabled Changes Required to Realize the Benefit:

- Fact based capital allocation decisions
- Rolling quarterly forecasting
- Capital planning process redesign

System Enabled Changes Required to Realize the Benefit:

- Deployed SAP Business Planning and Consolidation (BPC)
- Upgraded SAP Business Warehouse (BW)
- Redesigned the SAP Profit Center Accounting (PCA) hierarchy
- Redesigned work breakdown structure

Assumptions:

- TBD

Risks/Issues:

- TBD

Metrics

1. Capital Forecast Accuracy

Description: TBD

Start date:	End date:
Owner: Tina Valdez?	Review frequency:
Baseline value:	Target value:

2. Efficiency of Deployed Capital

Description: TBD

Start date:		End date:	
Owner:		Review frequency:	
Baseline value:		Target value:	

3. Percent of Capital Portfolio That Goes Through Governance			
Description: TBD			
Start date:		End date:	
Owner:		Review frequency:	
Baseline value:		Target value:	

4. Percent of Capital Projects Over Budget			
Description: TBD			
Start date:		End date:	
Owner:		Review frequency:	
Baseline value:		Target value:	

5. Improved Planning And Analytical Capabilities	
Owner: Paul Wetherbee	
Description:	
Start:	**End:**

Enterprise Strategic Objectives Supported (ISP):
• Meet or beat five year plan

FTIP Program Objectives Supported
• Better alignment and tracking of the dollars spent to run our business with the work that we do and results we produce, not just accounting requirements
• Increased transparency and availability of financial information to improve decision making

Business Enabled Changes Required to Realize the Benefit:
• Budgeting accountability model and supporting analytics

System Enabled Changes Required to Realize the Benefit:
• Deployed SAP Business Planning and Consolidation (BPC)
• Upgraded SAP Business Warehouse (BW)
• Deployed SAP HANA platform

Assumptions:
• TBD

Risks/Issues:
• TBD

Metrics

1. Year End Budget Variance	
Description: TBD	
Start date:	**End date**:
Owner:	**Review frequency**:
Baseline value:	**Target value**:

2. Monthly Forecast Variance	
Description: TBD	
Start date:	**End date**:
Owner:	**Review frequency**:
Baseline value:	**Target value**:

6. Improved Manager Access to Data
Owner: Paul Wetherbee
Description:
Start: **End:**

Enterprise Strategic Objectives Supported (ISP):

- Meet or beat five year plan
- Maximize long-term value
- Extract and leverage value from existing technology and assets

FTIP Program Objectives Supported

- Better alignment and tracking of the dollars spent to run our business with the work that we do and results we produce, not just accounting requirements
- Increased transparency and availability of financial information to improve decision making
- Reduced effort spent on budgeting, accounting, and reporting—with more value from it
- Improved ease of use of PSE's Budgeting and Financial systems

Business Enabled Changes Required to Realize the Benefit:

- Simplified corporate, project and operations account structure and accounting
- Budgeting accountability model and supporting analytics

System Enabled Changes Required to Realize the Benefit:

- Deployed SAP Business Planning and Consolidation (BPC)
- Upgraded SAP Business Warehouse (BW)
- Deployed SAP HANA platform
- Redesigned the SAP Profit Center Accounting (PCA) hierarchy

Assumptions:

- TBD

Risks/Issues:

- TBD

Metrics

1. Year End Budget Variance	
Description: TBD	
Start date:	**End date**:
Owner:	**Review frequency**:
Baseline value:	**Target value**:

2. Monthly Forecast Variance	
Description: TBD	
Start date:	**End date**:
Owner:	**Review frequency**:
Baseline value:	**Target value**:

3. Manager Time Spent on Budgeting/Forecasting Processes	
Description: TBD	
Start date:	**End date**:
Owner:	**Review frequency**:
Baseline value:	**Target value**:

7. Project Expected Value	
Owner: Paul Wetherbee, Mike Stranik, Matt Marcelia, Doug Loreen	
Description: Achieve program costs savings	
Start:	**End:**
Enterprise Strategic Objectives Supported (ISP): • Meet or beat five year plan • Maximize long-term value	
FTIP Program Objectives Supported • Better alignment and tracking of the dollars spent to run our business with the work that we do and results we produce, not just accounting requirements • Increased transparency and availability of financial information to improve decision making • Reduced effort spent on budgeting, accounting, and reporting—with more value from it • Improved ease of use of PSE's Budgeting and Financial systems	
Business Enabled Changes Required to Realize the Benefit: • Centralized accounting governance and control • Fact based capital allocation decisions • Simplified corporate, project and operations account structure and accounting • Budgeting accountability model and supporting analytics • Expedited financial consolidation • Derived FERC accounting • Rolling quarterly forecasting	
System Enabled Changes Required to Realize the Benefit: • TBD	
Assumptions: • TBD	
Risks/Issues: • TBD	

Metrics

1. Increase Efficiency of Accounting and Tax Processes by 0.5%	
Description: TBD	
Start date:	**End date**:
Owner: Mike Stranik	**Review frequency**:
Baseline value:	**Target value**:

2. Improve O&M forecasting accuracy by 5%	
Description: TBD	
Start date:	**End date**:
Owner: Paul Wetherbee	**Review frequency**:
Baseline value:	**Target value**:

3. Improve budgeting efficiency by 33% to 50%	
Description: TBD	
Start date:	**End date**:
Owner: Paul Wetherbee	**Review frequency**:
Baseline value:	**Target value**:

4. Reduce Construction Overheads by 3-5%	
Description: TBD	
Start date:	**End date**:
Owner: Matt Marcelia	**Review frequency**:
Baseline value:	**Target value**:

FTIP2 IT Project Audit

LARGE PROJECT DELIVERABLE CHECKLIST

Project Name:	FTIP2	Project Manager:		Todd Hanna/Kiran Lekkala/Patty Griffith
Project WBS:	F.10006.03.01.01	Budget Baseline:		
Auditor:	Mikel Milton			

Area	Deliverable	Planning Usage	Planning Complete	Design Usage	Design Complete	Execution Usage	Execution Complete	Closeout Usage	Closeout Complete	Link to Artifact
PM	Check with Chief Architect	Required	YES							FTIP2 Architecture Review Board Sign-Off Design
	CSA	Scope Dependent	YES	Scope Dependent	YES	Scope Dependent				FTIP2 CSA 5.02.17
	Kickoff Presentation	Required	YES							FTIP2 Kick-Off Meeting
	Project Mgmt Plan	Required	YES							FTIP2 Program Management Plan
	Stakeholder Analysis	Required	YES							Requirements documents
	Project Team RACI	Required	YES							FTIP2 Program Management Plan
	BIA Review Meeting Notes Posted	Required	YES							FTIP2 KPMG BA Taxonomy
	Resource Plan	Required	YES							FTIP2 Internal Labor Forecast
	Scope Statement	Required	YES							Financial Transparency Improvement Program 2 Scope Statement
	Security Risk Profile	Required	YES							https://psearcher.puget.com/RSAarcher/default.aspx?requestUrl=...%2fGenericC
	Standard Project Governance Roles – Large	Required	YES							FTIP2 Extended Team Org Chart
	Communication Plan	Required	YES							FTIP2 CommPlan
	Sponsor Meeting	Required	YES							Steering Committee Presentations
	Status Report	Required	YES	Required	YES	Required				Status Reports
	Risk Log	Required	YES	Required	YES	Required				Risk Log
	Decision Log	Required	YES	Required	YES	Required				Decisions Log
	Issue Log	Required	YES	Required	YES	Required				Issues Log
	Monthly Budget Forecast	Required	YES	Required	YES	Required				In BPC
	Project Change Request (PCR) Log	Required	YES	Required	YES	Required				Change Request Log
	Project Schedule	Required	YES	Required	YES	Required				FTIP2 IPP
	Approval to Proceed to Next Phase	Required	YES	Required	YES					ESC approval to begin FTIP2 in Design phase
	Procurement Plan	Scope Dependent	YES	Scope Dependent	YES					FTIP2 Program Management Plan
	Training Materials			Scope Dependent	WIP					
	Go / No-Go Decision									
	Implementation Plan					Scope Dependent				
	Training Plan					Scope Dependent				
	Lessons Learned							Required		
	Project Close Out Checklist							Required		
BA	BA Strategy and Approach	Required	YES	Maintain	YES	Maintain	YES			BA Strategy and Approach
	Requirements Document (All Requirement)	Required	YES	Maintain	YES	Maintain	YES			Requirements documents
	Process Map/Model	Scope Dependent	YES	Scope Dependent	YES	Scope Dependent	YES			BA Strategy and Approach
	Current State Analysis	Scope Dependent	NA	Scope Dependent	NA	Scope Dependent	NA			NA
	Requirements Stakeholder Analysis	Scope Dependent	YES	Scope Dependent	YES	Scope Dependent	YES			Requirements documents
	Use Cases	Scope Dependent	NA	Scope Dependent	NA	Scope Dependent	NA			NA
IT Security & Compliance	IT Security Assessment Report - Preliminary	Required	WIP							Test is currently working on the report
	Security Addendum	Scope Dependent	WIP							is being negotiated on the Trintech agreement.
	Security Vendor Questionnaire	Scope Dependent	YES							Trintech Completed RFP Architecture Questions from PSE
	Technical Feasibility Exception (TFE)			Scope Dependent	NA					There is no TFE (that's for NERC)
	Vulnerability Assessment (Post-Prod)					Scope Dependent				
	Vulnerability Assessment (Pre-Prod)					Scope Dependent				
Architecture	Technical Feasibility Assessment (TFA)	Required	YES	Scope Dependent	YES					FTIP2 Architecture Review Board Sign-Off Design
	Architecture Recommendation and Decision (ARD)	Scope Dependent	YES	Scope Dependent	YES					FTIP2 Architecture Review Board Sign-Off Design
	Integrated Design Document (IDD)			Required	YES					FTIP2 Architecture Review Board Sign-Off Design
	Full ARB signoff	Required	YES	Required	YES					FTIP2 Architecture Review Board Sign-Off Design
QA	QA Plan	Required	YES	Scope Dependent	WIP					Test Strategy
	QA Test Cases									
	Bug Tracking					Scope Dependent				
	QA Reporting					Scope Dependent				
Purchasing	Contracts			Scope Dependent	YES					
	Internal Request for Services (IRS Form)			Scope Dependent	YES					\\corpnas01a\FTIP_Procurement
	Master Service Agreements (MSA)			Scope Dependent	YES					\\corpnas01a\FTIP_Procurement
	Request for Proposal (RFP)			Scope Dependent	YES					\\corpnas01a\FTIP_Procurement
	Selection Matrix			Scope Dependent	YES					\\corpnas01a\FTIP_Procurement
	Statements of Work			Scope Dependent	YES					\\corpnas01a\FTIP_Procurement
Technical	Change Controls					Scope Dependent				\\corpnas01a\FTIP_Procurement
	SAP Instance Refresh Form	Scope Dependent	d to Environmnet Managemnet Team			Scope Dependent				Provided to Environment Management Team
	Data Center Facilities Request (DCFR)					Scope Dependent				
	Network Request (LAN Access Form)					Scope Dependent				
	Server Request					Scope Dependent				
	Support & Maintenance: Help Desk Support Transition					Scope Dependent				
	Support & Maintenance: Monitoring Request					Scope Dependent				
	Support & Maintenance: Patch Management Request					Scope Dependent				
	Support & Maintenance: Security/Access Request					Scope Dependent				
Sponsor	Benefits Plan	Scope Dependent	YES	Scope Dependent	YES	Scope Dependent		Scope Dependent		FTIP2 CSA 5.02.17
OCM	OCM Phase Gate Checklist	Scope Dependent	YES	Scope Dependent	YES	Scope Dependent		Scope Dependent		OCM Documents

EPP.Sizing Worksheet

Organizational Change Management (OCM) Sizing Worksheet

The information on this worksheet will be used to customize your change management strategy.

Submit this worksheet to the OCM Manager for review and validation. In partnership with the Project Manager, the OCM Manager will review the score, assign OCM resources, and update this assessment throughout the project life-cycle.

1. Number of impacted organizations

Internal Department or less	3 Departments			5 or more Departments
1	2	3	4	5
○	○	○	○	⦿

2. Number of impacted employees

Less than 10		500		Over 1,000
1	2	3	4	5
○	○	⦿	○	○

3. Number of impacted external customers

None		50K Electric 1K Gas		> 100K Electric > 1K Gas
1	2	3	4	5
○	⦿	○	○	○

4. Variation in groups that are impacted

All groups impacted the same				Groups experiencing the change differently
1	2	3	4	5
○	⦿	○	○	○

5. Number of system integrations

No system integrations		3 systems		5 or more systems
1	2	3	4	5
○	○	○	○	⦿

6. Impact to Job Function

No change				100% change
1	2	3	4	5
○	○	⦿	○	○

7. Project interdependencies

No interdependencies		2 interdependencies		4 or more interdependencies
1	2	3	4	5
○	○	○	○	⦿

8. Degree of process change

No change				100% change
1	2	3	4	5
○	○	○	⦿	○

OCM Sizing Worksheet

PSE *PUGET SOUND ENERGY*

The information on this worksheet will be used to customize your change management strategy.

Submit this worksheet to the OCM Manager for review and validation. In partnership with the Project Manager, the OCM Manager will review the score, assign OCM resources, and update this assessment throughout the project life-cycle.

9. Impact to organizational structure

No change				100% change
1	2	3	4	5
●	○	○	○	○

10. Impact on staffing levels

No change expected				Significant change expected
1	2	3	4	5
○	●	○	○	○

11. Time frame for change

6 months or less		12 months		Greater than 12 months
1	2	3	4	5
○	○	●	○	○

12. Financial Budget   Capital ●   O&M ○

Under 100K		Less than 2.5M		Greater than 2.5M
1	2	3	4	5
○	○	○	○	●

13. Connection to Business Strategy

0=None		3=Medium		5=High
1	2	3	4	5
○	○	○	○	●

14. Targeted Project/Change Launch Date:

Sum of points for change characteristics assessment (out of 65 total):   **OCM Score**   45

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Departments Impacted by Change (Check all that Apply):

☐ Customer Care	☐ Customer and System Projects
☐ Crop Comm	☐ Gas Operations
☐ Strategic Business Intelligence	☐ Electric Operations
☐ Energy and Renewables	☐ IT
☐ Government Affairs and Policy	☐ Safety
☐ Product Development and Growth	☐ HR
☐ Finance and Budgeting	☐ Corporate Shared Services
☐ Operations	☐ EP&P
☐ Product Delivery	☐ Legal
☐ Engineering	☐ Enterprise Risk and Compliance
☐ Planning	

Additional comments:

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EP&P will reference this OCM Score for capacity planning to maintain a comprehensive view of both strategic projects and the enterprise portfolio.

All SPP projects and large enterprise projects will be reviewed for an OCM resource.

Once you've completed this worksheet send to OCM Manager, Judy.Cocchiarella@pse.com, for review and validation.