

**EXH. CLW-9
DOCKETS UE-22 ___/UG-22 ___
2022 PSE GENERAL RATE CASE
WITNESS: CAROL L. WALLACE**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-22 ___
Docket UG-22 ___**

**EIGHTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

CAROL L. WALLACE

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 31, 2022

Cash Payment Transformation
Seeking Initiation Funding
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:	5/13/2020
Officer Sponsor:	Margaret Hopkins (IT), Andy Wappler (Business)
Project Director:	Carol Wallace
Responsible Cost Center:	5362

I. Project Overview

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

Business Need: Currently PSE is in partnership with Fiserv CheckFreePay for walk-in payments. Customers are looking to PSE to continue to improve payment options for cash and check. To improve the customer experience there are two foundational elements PSE is seeking to improve: 1) increase the number of in person payment locations or improve service territory coverage supporting customer payments; and 2) improve the convenience, process and posting for customers paying in person by cash or check.

In 2019 PSE closed its business offices for customers to make walk-in payments. PSE is in partnership with Fiserve CheckFreePay for walk-in payments that also posts a real-time memo in SAP. PSE is looking for a new vendor that will enhance the customer experience by including a real-time posting to SAP. The customers will then be able to access their current balance via the PSE website (PSE.com), mobile application, Interactive Voice Response (IVR), and Visual IVR (VIVR). This eliminates the need for customers to confirm with a PSE agent the payment confirmation number in the event they are paying on a past due balance. In addition, customers who currently wait for a field representative to come to the door to make a payment need improved cash and check payment options which support near real-time posting.

Cash Payment

Customers who are needing to pay in cash either by choice or because they do not have a bank account – referred to as unbanked or underbanked customers, need additional options within PSE’s service territory to make payments which post to their accounts in near real time. This will enable all PSE customers, including those who are income eligible/low income, in densely populated or rural areas, those who use public transportation, who have disabilities or who may need to have a face to face interaction, to make a cash payment at locations that are easily accessible for no fee.

With remote connect/disconnect capabilities now, this also provides a real time payment post that will cancel any dunning activity immediately when a

cash payment is made. This project advances our efforts to support PSE's underserved and vulnerable communities.

Digital Check Payment

Customers are looking to PSE to provide an option where they are able to write a physical check, but receive immediate posting of their payment. Currently the only way for a customer to have a written physical check is to mail it in via USPS which may take 1 – 2 business days for PSE to receive and then post to their account. An internal audit performed in the Customer and System projects group identified physical checks accepted in the field as a risk to PSE and to our customers, and can result in lost revenue.

Proposed Solution:

Engage a walk-in payment vendor that provides the ability for customers to pay at a checkout counter and offers real-time posting via a paystation which is simple and easy. The posting through this paystation will create a real-time service to send their payment to PSE to post to SAP in real-time. The customers and call center agents will be able to verify a payment and a reduced balance on PSE.com, mobile application, IVR, VIVR. In addition, there is a desire to enable the customer to submit a physically written check payment via the PSE Mobile Application or through Web Responsive via tablets or iPads.

Identify a walk-in payment vendor via an RFP that has the functionality to allow the customer to pay at a checkout counter within specified retailers based on vendor selection. (The customer's payment should post to SAP in real-time which will then simultaneously display a reduced balance for the customer on PSE, IVR and SAP.) This will also address the anticipated need for additional payment locations due to the reduction in field visits due to remote connect disconnect due to dunning.

The RFP will result in the development and deployment of a real-time payment posting solution for third-party payment locations for our customers reducing customer contacts related to this payment method.

The scope of this CSA includes:

Cash Payment

- Evaluate Previous RFP responses for inline payment options for third-party payment locations
- Evaluate and recommend expenditures for kiosk payment options for third-party payment locations
- Select and implement additional payment options for payment locations OR further define and demo from RFP responses for cash payment options

Digital Check Payment

- Take a picture of a check to pay PSE via our mobile application or website.

Project Outcome/Results:

OCM, Process & Training Impact:

N/A Low Impact Medium Impact Significant Impact

Impacts to people may include awareness of new payment locations and options
 Process improvement opportunities will be evaluated during Planning
 Operational training may be needed for agents to advise customers on their options.

Primary ISP Alignment:	Customer	ISP strategy descriptions
ISP Strategy Description:	Customer - Ideal customer behavior	
Portfolio Description:	Strategic	Capital Allocation Definitions
Project Complexity:	<input type="radio"/> Straightforward and well understood	<input checked="" type="radio"/> Complex and well understood <input type="radio"/> Complex and not well articulated

II. Key Schedule and Financial Information

Expected Start Date If Funded:	01/2023
Expected In-Service Date:	12/1/2023

High-Level Schedule *Enter Expected # of Years and Months*

Duration				
Planning	Design	Execution	Total Project	Anticipated Closeout date
3 months	4 months	2 months	9 months	02/2024

Initial Estimated Funding % by Phase as of 04/30/2020: 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.

Note: BTS's conceptual estimates are not estimated by phase, therefore we do not have the data that enables phase breakdowns. If desired, percentages could be: 0% for Initiation, 25% for Planning, 30% for Design, 40% for Execution, and 5% for Closeout.

Initiation	Planning	Design	Execution	Closeout
0%	33%	40%	22%	5%

Initial Grand Total Estimate (contingency included and in \$000s): Contingency Standard	Capital: \$4,658,345	OMRC/Project O&M: \$247,650 (Not including O&M Tail)
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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 1	Year 2	Year 3	Year 4	Year 5	Total
Capital (contingency included)	\$4,658,345	\$	\$	\$	\$	\$4,658,345
OMRC / Project O&M	\$247,650	\$	\$	\$	\$	\$247,650

III. Ongoing Benefits

Summary Benefits (Worksheet is not required / optional for Initiation CSA):	<p>Benefits we are anticipating include a potential reduction in mailed in check payments and associated reduction in check processing.</p> <p>Customer satisfaction will improve with customers who are in need of this payment channel. Moreover, PSE's Energy Assistance eligible community will benefit from more payment location options and an easier payment/posting process have additional ways to pay.</p> <p>This tool is expected to also be utilized by internal field employee's where customers have existing accounts and these payments will be applied through the digital check process.</p> <p>Benefits related to call and bad debt reduction will be investigated during the Planning Phase.</p>
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Category:	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Ongoing O&M (to be funded by business)	\$	\$	\$	\$	\$	\$
Ongoing O&M (requesting \$'s) – Corporate Cost Center to be created	\$	\$240,938	\$254,063	\$267,032	\$283,618	\$1,045,651
Benefits	\$	\$	\$	\$	\$	\$
Net impact (= Benefits – O&M)	\$	\$	\$	\$	\$	\$
* Payback in Years	Years = Total Costs / Annual Cash Benefits					

* Enter positive amount or Not Applicable

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>The anticipated risks are resources learning and engaging with potential two new vendors and the integration of new software. As there may be a need to have the same resources engaged with two different integration processes.</p> <p>Possible risk associated with project timing as with potentially two new vendors, who may or may not be able to meet timelines.</p> <p>Possible risk that the digital check payment functionality may not be offered by preferred walk-in payment vendor offering; and therefore, could increase the cost of service for this scope. The feasibility of the cost and solution will be evaluated during the planning phase. The estimate assumes same vendor and implementation teams.</p>
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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:	N/A – Initial submission
Budget:	N/A – Initial submission
Schedule:	N/A – Initial submission
Benefits:	N/A – Initial submission

Prepared by:	Kristina McClenahan
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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 Funding			
Approved By	Title	Role	Date	Signature
Carol Wallace	Dir Customer Solutions	Director Sponsor	04/30/2020	Decision #167
Josh Jacobs	Dir Business Integration	Director Sponsor	05/01/2020	Decision #167
Steve King	Dir Controller & Princip Acctng Officer	Other Key Director	04/24/2020	Decision #167
Greg Zeller	Dir Customer Care	Other Key Director	05/01/2020	Decision #167
Brian Fellon	Dir IT Application Services	Other Key Director	04/24/2020	Decision #167
Margaret Hopkins	Sr VP & Chief Information Officer	Executive Sponsor	05/12/2020	Decision #167
Andy Wappler	VP Customer Ops & Communications	Executive Sponsor	05/04/2020	Decision #167

*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