

UNDERTAKING RESPONSE OF FIVE POINT PARTNERS

Undertaking No. JTC1.2:

To provide information previously provided to Mr. Mees.

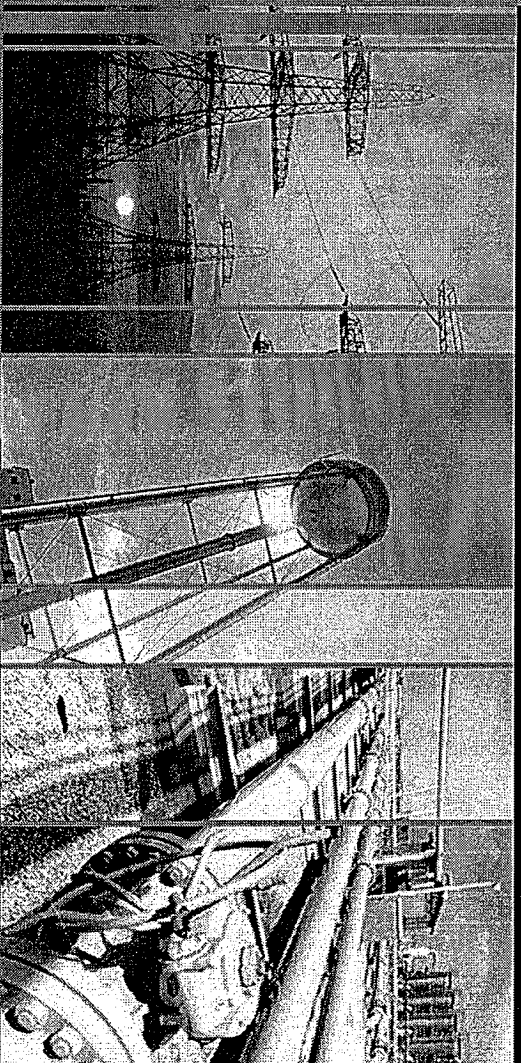
Response:

Please see the attached slide deck dated August 18, 2011.



August 18,
2011

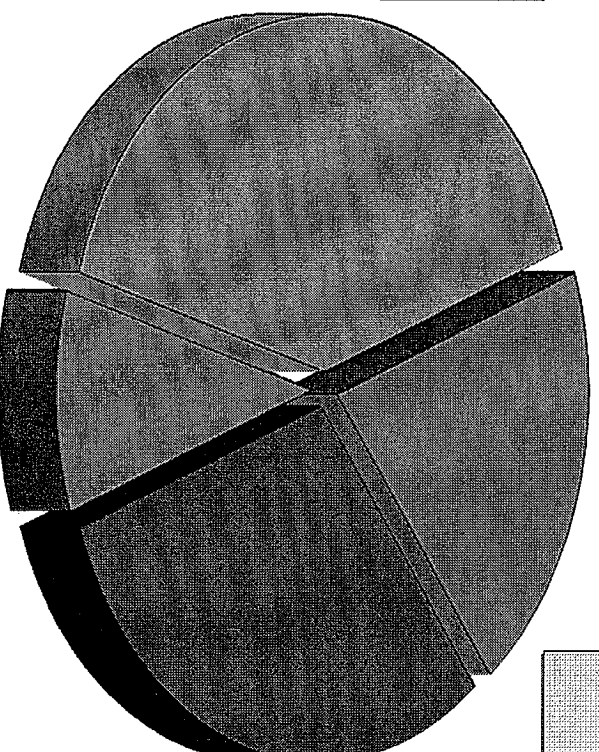
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CIS Project Data

The combined utilities had an average planned go-live timeframe of 21 months. Installation timeframes are higher than last years survey which averaged 18 months.



40% planned for a 21 to 24 mo installation
(last year 30%)

20% planned for a 10 to 16 mo installation
(last year 20%)

30% planned for an 18 to 20 mo installation
(last year 50%)

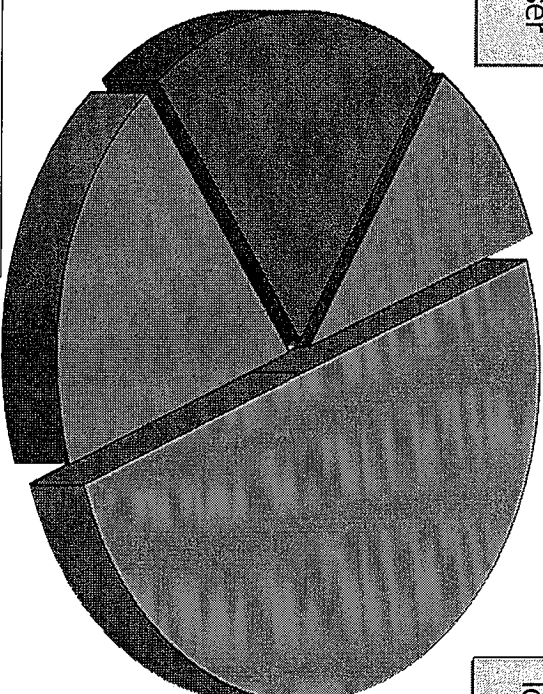
10% planned for a 30+mo installation
(last year 0%)

CIS Project Data

Most implementations are considered successful.

10% considered the installation a D (taken longer, more money, and did not meet user expectations)

50% considered the installation a B (taken longer, more money, but exceeded user expectations)



20% considered the installation a C (taken longer, more money, and only met some user expectations)

20% considered the installation an A (on time, on budget, exceeded user expectations)

Five Point Pricing Guidelines

The following represents Five Point's general pricing guidelines for the installation of a new CIS product solution.

Pricing Category – Per Customer	Min	Max
Vendor Base Installation Costs include: hardware, software, services, expenses and contingency. Note: if two metered services these numbers would be \$40 and \$60.	\$20	\$30
Utility Installation Costs include: payroll, benefits, marketing, project supplies, project room, training room, temporary services, etc.	\$10	\$30
Solution Integrator Costs include: additional services (e.g. PMO, BPA) to implement the base CIS product and/or extended CIS products.	\$15	\$30
Extended CIS Product Costs include: costs associated with software components that extend the capability of the base CIS e.g. bill print, EBPP, BI, CRM.	\$10	\$20
Total Per Customer Price	\$55	\$110

Lessons Learned

- ➔ Beware that some vendors and solution integrators routinely underbid projects or are misleading on RFP responses
- ➔ Deal with funding priorities which in some instances will not allow for an immediate CIS replacement – you have to wait a few years.
- ➔ Understand that today, CIS spending for many utilities lags behind spending on plant environmental retrofits, distribution capital replacement, and AMI initiatives. Again, CIS initiatives are being delayed.
- ➔ A smaller utility needs to seriously consider what it will take in time, money and resources to implement a complex CIS solution.
- ➔ If multiple utilities are involved make sure you have adequate representation from each utility on both the selection and the installation project.

Lessons Learned

- ➔ It is required that you explicitly define your CIS requirements and make sure the implementation specifically addresses these requirements.
- ➔ If your using a consultant, be sure and listen to them – they have done this before – you have not.
- ➔ Make sure stakeholder expectations for the new system are established and they are not expecting more than what is going to be delivered.
- ➔ Need to understand the level of commitment from a time, money, and resource perspective required to implement a new CIS.
- ➔ Plan for a phase 2 effort if you can't fit everything into the phase 1 go-live. Be sure to budget and formally plan for a phase 2.
- ➔ Recognize that the utility may have limited big project experience and must look to the vendor or solution integrator for direction.

Lessons Learned

- Rely on configuration rather than making enhancements to the system.
- If you don't adequately identify project scope in the selection effort – be prepared for scope creep during the installation effort.
- Plan for a significant contingency fund of 10% to 20% of total project dollars – unplanned items will arise.
- Take into consideration the bureaucracy and associated timeframes to process items like process change requests or contract amendments.
- The utility must staff the project to planned levels in order to support project activities and the associated project schedule and go-live date.
- Dedicate experienced utility staff to the project 100% of their time.