Appendix 3
Corporate Shared Service Project Authorization Form

Date Prepared: 7/11/19	Project Title: CTE Supplier Billing DCKT
Company/Companies: CT Electric	Project ID Number: IT19454
Organization: Customer Group	Plant Class/(F.P.Type): Software
Project Initiator: [redacted]	Project Type: Specific
Project Manager: [redacted]	Capital Investment Part of Original Operating Plan? **Y**
Project Sponsor: [redacted]	Transfer of Budgets Request: **N**
Estimated in service date(s): 4Q 2019	Emergency Related Request: **N**
Total Capital Request: $2,184,000 Total Funding Request: $2,184,000	Software Projects Only – Estimated Life of Asset: __X__ 5 years ____ 10 Years ____15 Years

Project Authorization

Project Authorization Forms must be completed for Corporate Shared Services projects totaling $500K or greater in accordance with the Project Authorization Policy and approval levels in the Delegation of Authority Policy (DOA).

If Subsidiary Board approval is required (Corporate Shared Services capital projects > $15M), document the review by Enterprise Risk Management (ERM) and Financial Planning and Analysis (FP&A) (attach email approval).

ERM: _____

FP&A: _____

If this is a Transfer of Budgets Request Vice President of Financial Planning and Analysis approval is required. If the Vice President of Financial Planning and Analysis deems appropriate, additional approvals may also be required (see page 7 of the Project Authorization Policy – Project Approval is not Transferable for further detail):

Date of Approval
VP of FP&A:_____

Other:_____

Documentation/Explanation:_____

Executive Summary

The Connecticut Public Utility Regulatory Authority (PURA) has issued a Decision in Docket 14-07-09RE05 'PURA Investigation into Redesign of the Residential Electric Billing Format'. This Docket was raised in response to a complaint/request raised by a Connecticut State Senator, and outlines specific ordered changes related to the presentation of third party supplier billing information on Connecticut Residential Electric bills.

The decision requires Eversource to validate customer and billing data provided by third party electric suppliers for the purposes of providing accurate and timely notification of supplier rate changes on a customer's energy statement. The availability of more transparent Supply Summary information will enable customers to make educated decisions regarding their choice of energy supplier.

Project Costs Summary

See APS3 and APS8 requirements and consult with Plant Accounting for capital/O&M determination. Use published loaders for benefits, materials, and invoices, maintained by the Director, Budget and Financial Analysis.

Note: Dollar values are in whole dollars:

	2019	2020	2021+	Totals
Capital Additions - Direct	$ 1,270,500	$ 634,500	$ -	$ 1,905,000
Capital Additions - Indirect	254,000	25,000	-	279,000
Removals net of salvage ____%	-	-	-	-
Subtotal Request	1,524,500	659,500	-	2,184,000
O&M	-	-	-	-
Total Request	**$ 1,524,500**	**$ 659,500**	**$ -**	**$ 2,184,000**

Financial Evaluation

Provide the following financial information (provide additional detail if summarized items are significant, additional information is needed or there are unique payment provisions).

Note: Dollar values are in whole dollars:

Direct Capital Costs	2019	2020	2021+	Total
Straight Time Labor	$ 274,500	$ 21,500	$ -	$ 296,000
Overtime	-	-	-	-
Outside Services/Consultants	996,000	249,000	-	1,245,000
Software	-	-	-	-
Hardware	-	-	-	-
Materials	-	-	-	-
Other, including contingency amounts (Describe) Contingency ____%	-	364,000	-	364,000
Total Direct Capital Costs	**$ 1,270,500**	**$ 634,500**	**$ -**	**$ 1,905,000**

Indirect Capital Costs	2019	2020	2021+	Total
Indirects/Overheads (including benefits)	$ 241,000	$ 20,000	$ -	$ 261,000
Capitalized interest or AFUDC , if any	13,000	5,000	-	18,000
Total Indirect Capital Costs	**$ 254,000**	**$ 25,000**	**$ -**	**$ 279,000**
Total Capital Costs	**$ 1,524,500**	**$ 659,500**	**$ -**	**$ 2,184,000**
Total O&M Costs	**$ -**	**$ -**	**$ -**	**$ -**
Total Project Costs	**$ 1,524,500**	**$ 659,500**	**$ -**	**$ 2,184,000**
Vendor software payments (indicate whether or not included in the above)*	$ -	$ -	$ -	$ -

*Accounting for vendor software payments for SaaS/Cloud or other agreements involving the right to use software is to be determined by a separate analysis, which is included in Appendix 3, page 7.

By Company Summary:

Note: Dollar values are in whole dollars:

	Entity 11	Entity 61	Entity 61	Entity 61	Totals
Capital Additions - Direct	$ 1,905,000	$ -	$ -	$ -	$ 1,905,000
Capital Additions - Indirect	279,000	-	-	-	279,000
Removals net of salvage ____%	-	-	-	-	-
Subtotal Request	2,184,000	-	-	-	2,184,000
O&M	-	-	-	-	-
Total Request	**$ 2,184,000**	**$ -**	**$ -**	**$ -**	**$ 2,184,000**

Overall Justification:

Project Need Statement *(Description of Issue)*

On December 19, 2018, PURA issued a decision in response to Docket 14-07-19RE05 'PURA Investigation into Redesign of the Residential Electric Billing Format.' The decision outlines specific changes related to the presentation of supplier related billing information that appears on Connecticut electric residential bills. The decision ensures that third party electric suppliers will provide Eversource with accurate and timely supply summary information which Eversource can present on its bills to keep our customers informed of contract changes and to advise them who to contact if there is a discrepancy.

To assure compliance with Connecticut General Statute §16 245d(a)(2), the Authority, by this decision, strengthens rules to govern the transmittal of this information and establishes detailed monthly reporting requirements to assist in its enforcement efforts.

Such rules will require that:

- The suppliers provide all required Supply Summary Information with each enrollment,
- Enrollments are rejected by the electric distribution companies (EDC's) if such information is not supplied,
- Untimely enrollments, that are not corrected, will be placed on the current Eversource Generation Rate, referred to as Standard Service,
- The Next Cycle Rate must display the applicable future billing month that indicates when the supplier provided billing rate will be effective.

Project Scope

The Decision requires changes associated with the Electronic Data Interchange (EDI) process where customer and billing data is exchanged between third party electric suppliers and Eversource for the purposes of providing accurate and timely notification of supplier rate changes on a customer's energy statement.

The decision requires changes to the Eversource CT Customer System (C2) backend processes to validate that information sent from the suppliers is accurate. In the absence of valid enrollment data, a customer will be returned to standard service supply. Mainframe reporting, also part of system backend processing, will be developed to provide information to PURA for the purposes of determining whether suppliers are compliant with the order.

Eversource and Kubra (Third Party vendor) will make the following changes to Bill Print:

- Modify the Next Cycle Rate field in the Supply Summary section of the customer energy statement to include the effective billing month.
- Modify Supply Summary section to include additional supplier specific messaging.

See Diagram 2 on page 11 for current and future state bill print changes.

The following C2 process changes will be made to support Supplier Enrollment and Rejection:

- Changes to the Billing Rate must be submitted two billing cycles before the start of the consumption period in which that rate will be assessed to allow the EDC'S to display it as the Next Cycle Rate.

- Implement an Enrollment Validation process where C2 will return customers to Standard Service if the enrollment is rejected based on new business logic.
- Implement additional interim and final reporting to assist PURA in evaluating supplier compliance within this order.
- Implement a Communication Plan to notify CT residential customers enrolled with a third party electric supplier of the changes described above.
- Submit revised Electronic Data Exchange (EDE) Guidelines when all EDI process changes have been developed according to this order.

The work will be done in 3 phases. The first phase includes immediate changes to existing reports and the development of new interim reports. The second phase includes Kubra (Eversource Third Party bill printing vendor) bill print changes to display the appropriate month where a supplier billing rate change may occur. The last phase will include the bulk of the C2 coding changes requested in the order including suppliers identifying residential customers under a commercial supplier contract as "Incidental Residential Accounts" (IRA's) and providing all required fields as part of the EDI Enrollment process. Eversource will build validations in C2 to accept or reject supplier provided information. C2 will reject supplier EDI Enrollment Transactions when they are incomplete or inaccurate. If a rejected enrollment is not accurately resubmitted prior to billing, Eversource will return the customer to Eversource's standard generation rate, referred to as Standard Service Supply. All these changes will ensure that customers with third party electric suppliers are notified of billing rate changes in a timely manner.

Project Objectives

This project will ensure that Eversource customers who are enrolled with third party electric suppliers will be notified of supplier provided billing rate changes and the effective month of the change on their monthly energy statement. These notifications will educate customers about future billing rate changes associated with their supplier contract.

Electric Distribution Companies (EDC's) will reject incomplete or inaccurate supplier enrollment requests. Enrollment requests that are not resubmitted and considered complete within the appropriate timeframe will be returned to Standard Service. The Next Cycle Rate must be submitted by suppliers to the EDC's no later than 62 days prior to the start of the consumption period in which that rate will be assessed. Inability to submit the Supply Summary information associated with the renewed contract in a timely manner will also result in the customer being returned to Standard Service.

The goal of these measures will be to make certain that customers who opt to use a third-party supplier for their energy needs will have a better and more predictable billing experience.

Background / Justification

According to the order, in 2015, in response to concerns about the transparency and adequacy of information available to consumers participating in the retail electric supplier market, several statutory provisions were enacted to require reporting of specific information on residential customer electric bills to better enable customers to compare third party electric supplier pricing policies and charges.

In prior decisions implementing this statutory framework, PURA concluded that it is the legal responsibility of retail electric suppliers licensed in the state of Connecticut to ensure compliance by providing timely and accurate information to the EDC's for inclusion on residential customer bills.

In this decision, PURA finds that information needed to comply with Connecticut General Statute §16 245d(a)(2) has not reached the EDC's in a manner that allows competitive supply customers to benefit from the Supply Summary portion of their bills. Review of this matter leads PURA to find that it would benefit the competitive supply market to strengthen the rules governing the transmittal of this information and establish detailed monthly reporting to assist with enforcement efforts.

Business Process and / or Technical Improvements: *Quantitative and qualitative project benefits, including assumptions used to estimate benefits and customer impacts; describe the changes in performance to the business process or technology performance metrics that can be expected as a result of this project*

Future Financial Impacts:

Provide below the estimated future costs that will result from the project:
Note: Dollar values are in whole dollars:

Future Costs	2019	2020	2021	2022+	Total Future Project Costs
Capital	$0	$0	$0	$0	$0
O&M	$0	$50,000	$4,000	$0	$54,000
Other	$0	$0	$0	$0	$0
TOTAL	**$0**	**$50,000**	**$4,000**	**$0**	**$54,000**

Describe the estimated future Capital, O&M (including cloud costs) and/or Other costs noted above:

Per 3/6/19 Consistency Review Meeting, we are assuming there will be a need for continued CSR support after the pilot is completed. We've estimated approximately $50K in future cost associated with increase call handle time for 2020.

What functional area(s) will these future costs be funded in?

CCC	Work Order	Area	Manager
12X	CSTS1H01	Contact Center	[redacted]

A representative from the respective functional area is required to be included as a project approver.

Provide below the estimated financial benefits that will result from the project:
Note: Dollar values are in whole dollars:

Future Benefits	2019	2020	2021	2022+	Total Future Project Benefits
Capital	$0	$0	$0	$0	$0
O&M	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$0
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**

Describe the estimated future Capital, O&M and/or Other benefits noted above: There are no future qualitative benefits for this project.

What functional area(s) will these benefits be reflected in? _____ N/A _____
A representative from the respective functional area is required to be included as a project approver.

What is the project's IRR? ____ N/A_____

What is the project's NPV? ____ N/A_____

What is the project's payback period? ____ N/A_____

Use appropriate discount rate by company and associated corporate models (to be provided by Financial Planning and Analysis). ____ N/A_____

If the above items are not applicable, explain why (e.g., if negative but there are other reasons to proceed).

This is a regulatory project which must be completed per docket 14-07-19RE05 as part of our overall commitment to support our relationship with PURA. Proper and timely notification of supplier provided price changes empower our customers to negotiate better rates or to return to Eversource Standard Service Supply. Implementation of changes required in this order will benefit the competitive supply market by strengthening the rules governing the transmittal of supplier contract information and it establishes detailed monthly reporting to assist PURA with enforcement efforts.

Asset Retirement Obligation (ARO) and/or Environmental Cleanup Costs (Environmental Liabilities): ____ N/A_____

An ARO is a current legal obligation to remove or retire property, plant or equipment at some point in the future. Please refer to APS8 or contact Plant Accounting for further detail.

Is there an ARO associated with this project? If yes, please provide details:

N/A

Are there other environmental cleanup costs associated with this project? If yes, please provide details.

N/A

Alternatives Considered

The final order mandated specific bill print changes to educate customers about the Supply Summary Section of their statement. The standard electronic data interchange (EDI) format was used to transmit data between Eversource and external suppliers. Eversource will use C2 to perform validations of the supplier provided EDI information to ensure accuracy. No other alternatives were considered.

Project Schedule

Describe the project schedule and milestones. Include estimated start and end dates.

Milestone/ Phase Name	Estimated Completion Date		
	Phase 1: Monthly Report Changes, Sync List	Phase 2: Bill Print Changes	Phase 3: EDI, Enrollment Rejection, Return to Standard Service, Reporting
Initiation	Q1 2019	Q1 2019	Q1 2019
Requirement Elicitation	Q1 2019	Q1 2019	Q2 2019
Design/Build	Q1 2019	Q1 2019	Q3 2019
SIT/UAT	Q1 2019	Q2 2019	Q4 2019
Implementation	Q1 2019	Q2 2019	Q4 2019

Regulatory Approvals

Eversource Requested Extension from PURA:

A motion for an extension of time was granted by PURA on 1/24/19 regarding Order #6 which requires bill print changes to update the "Next Cycle Rate" in the Supply Summary section of the bill with the appropriate future billing month.

Details provided by Eversource's legal department in requesting this extension are below:

> "Eversource is currently in the process of making the following extensive changes to its bill design and bill text to accommodate other changes and needs that are independent of the supplier-related issues examined in this Docket. Under these other initiatives that require extensive changes to the bill design and text, Eversource is:
>
> - Transitioning additional complex bill types to its new bill design, which includes large Time of Use customers, energy efficiency loans, unmetered and multiple service accounts.
>
> - Merging existing separate bills for security deposit requests with a customer's metered service bill resulting in all charges appearing on a single bill for the customer.
>
> The above-described initiatives require extensive bill print file design, development, coordination and testing between our Eversource team, our internal IT (TCS) business partners and our external bill composition and print vendor team. At this point in time, both Eversource and our two business partners have completed a significant amount of work and we are currently in the process of conducting our final User Acceptance Test (UAT) phase of the project for these changes which are expected to be completed and implemented in late February 2019. All reasonable efforts are being undertaken to expedite and complete this work as scheduled.
>
> The changes associated with Order No. 6 above involve modifying the same set of bill design and print programs that Eversource is currently testing and readying for implementation in February – and based on the scope and type of work involved – the programming and testing

work required by Order No. 6 cannot be performed simultaneously with the other above-described initiatives."

Additional Regulatory Considerations:

Each directive included within the order clearly states that Eversource will notify PURA when operational. There are also sections of the decision, particularly around reporting and customer communications, where PURA wants to see a proposal from Eversource and therefore be able to provide feedback and guidance regarding the direction the EDC's take in addressing the individual orders.

Risks and Risk Mitigation Plans

Risk	Impact (H/M/L)	Mitigation
If there is a delay on reaching requirement decisions and agreement with PURA, the Retail Energy Supply Association (RESA), Office of the Attorney General (AG), Office of Consumer Counsel (OCC) and Eversource, then the project schedule may be impacted.	H	Setup additional technical meetings with PURA and Electronic Business Transaction (EBT) Working Group, develop a schedule for when decisions are needed, set up recurring working session meetings in advance, etc.
If there is a delay in the coordination of development with the various suppliers, Eversource and Kubra, then the project schedule may be impacted.	M	Establish a clear project schedule that everyone agrees to and monitor progress closely. Communicate status weekly. Have joint project meetings. Begin testing with some key advance suppliers to work out Eversource issues early.
If one or two of the Suppliers are not ready when it is time to go live, then the project schedule may be impacted.	L	Work with suppliers to develop a test approach and timeline. Determine a way to process EDI information without all the suppliers being compliant with agreed upon file changes.
If the customers are confused about the rate change process, what they see on the bill, what their options are etc. then the call center may get more calls than usual after go-live.	H	Establish OCM role to handle this process and oversee impact of changes to customers and call centers, as well as develop training materials.
Discussions are ongoing in W MA regarding Supplier Sales Tax Exemptions which impact the same EDI processes used in supplier billing.	L	Ensure business SME understands that W MA Supplier Sales Tax Exemption and the CT Supplier Docket impact the same section of the system so that every effort can be made to ensure work can be completed during different time periods. Make every effort to complete EDI changes sooner than required to reduce potential impact.

References (*additional supporting documentation*)

[140719RE05-121918 Final Decision]

Diagrams, Attachments, and Images

Authorization Criteria Specific to IT Projects

Describe the applications that are impacted and include information regarding the interfaces and interdependencies related to this IT project (diagrams may be considered to assist in review and approval).

Diagram 1



Diagram 2

	Supply Summary Section of a Customer Bill
Current State	**Supply Information** Supplier Rate: 15.990 ¢/kWh Fixed Term: 6 cycles Expiration: Jun 2019 meter read Next Cycle Rate: 9.729 ¢/kWh Cancellation Fee: $0.00 Standard Service Rate: 10.143 ¢/kWh Term/Expiration: 6 mos until Jun 30, 2019 Your Supplier Charge: $256.32 Standard Service Comparison: $139.24 **Your electric supplier is** NORTH AMERICAN POWER AND GAS L 20 GLOVER AVE NORWALK CT 06850-1219 WWW.NAPOWER.COM/MYACCOUNT 877-572-0442 To return to Standard Service, visit CT's official Rate Board at www.EnergizeCT.com, Eversource.com, or call 1-800-286-2000
Future State	**Supply Information** Supplier Rate: 15.990 ¢/kWh Fixed Term: 6 cycles Expiration: Jun 2019 meter read Mar Cycle Rate: 9.729 ¢/kWh Cancellation Fee: $0.00 Standard Service Rate: 10.143 ¢/kWh Term/Expiration: 6 mos until Jun 30, 2019 Your Supplier Charge: $256.32 Standard Service Comparison: $139.24 **Your electric supplier is** NORTH AMERICAN POWER AND GAS L 20 GLOVER AVE NORWALK CT 06850-1219 WWW.NAPOWER.COM/MYACCOUNT 877-572-0442 Supply Summary information is provided by your supplier. Contact your supplier to verify the accuracy of the information. To return to standard service, visit EnergizeCT.com or contact Eversource at Eversource.com or 800-286-2000.

Assess the fit of this IT project with the overall IT strategy.

This is a regulatory project which must be completed per docket 14-07-19RE05 as part of our overall commitment to support our relationship with PURA. There will be no change to existing IT technologies, platforms, or protocols, etc.

Describe control matters, such as the processes for data migration, change management plan including impacts to business processes, data maintenance controls, whether this IT project will be or impacts a Sarbanes-Oxley critical application, and the business continuity plan.

Detailed project plans for migration of coding changes to existing internal systems will be handled using industry-standard best practices and risk mitigations while ensuring overall system integrity. The Eversource billing systems are Sarbanes-Oxley applications. All Sox applications have standard change management and sign-off protocols.