



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF: ) GPA Docket 14-01  
)  
The Application of Guam Power )  
Authority for Approval of ) **ORDER**  
Implementation of its Customer )  
Information System (CIS). )  
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**INTRODUCTION**

1. This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Petition of Guam Power Authority [“GPA”] for contract review and approval of Implementation of its Customer Information System (CIS).<sup>1</sup>

**BACKGROUND**

2. GPA has cited a number of reasons to replace its current CIS: the inability of the present billing system to timely process bills; GPA Audit Report deficiencies for the last four years indicating the absence of an audit trail for changes to the meter reading database; inability of the CIS to take full advantage of the features of the Smart Grid Program; and the 12 year age of the current CIS software, which has outlived its ordinary lifespan.<sup>2</sup>
3. GPA previously purchased the Customer Care & Billing [CC&B] software and “Enterprise One.” GPA then issued a Request for Proposals for implementation services for CC&B. GPA selected WiPro Technologies as the most responsive vendor out of four submissions. WiPro is a Diamond level partner of the Oracle Corporation.<sup>3</sup>
4. After substantial negotiation between GPA and WiPro, the parties have agreed to a total fixed price contract.<sup>4</sup>
5. The total contract price for which GPA seeks approval is \$2,710,000 for fixed price implementation services with the Oracle Customer Care & Billing Customer Information System Software.<sup>5</sup> GPA believes that the CC&B software will be fully

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<sup>1</sup> GPA Letter Petition for Contract Review requesting Approval of Contract for Implementation of Customer Information System (CIS), GPA Docket 14-01, filed October 14, 2013.

<sup>2</sup> Id. at pgs. 1-2.

<sup>3</sup> Id. at pgs. 2-3.

<sup>4</sup> Id. at p. 5.

<sup>5</sup> Id. at p. 10.

implemented within 12-18 months of contract signing.<sup>6</sup> On October 8, 2013, the Guam Consolidated Commission on Utilities authorized GPA to enter into such fixed price contract.<sup>7</sup>

6. At the request of PUC Counsel, PUC Consultant Slater, Nakamura & Co. LLC submitted its Report on the review of Proposed Contract with WiPro Technologies.<sup>8</sup>
7. The Slater, Nakamura Report found that the cost for deployment seems higher than the cost for similar water and power agencies. In its opinion, GPA should develop a risk mitigation strategy before project commencement.<sup>9</sup>
8. Slater, Nakamura estimates that the total cost of implementation for both GPA and GWA for the CC&B software will be \$6.520M.<sup>10</sup> However, as no funding source for the GWA CC&B project has been identified, GWA will need to file a separate petition to address its software implementation costs.
9. Based upon its investigation, Slater, Nakamura recommends that the Commission approve the proposed contract, but subject to certain further conditions. It recommends as follows:
  - (1) GPA should consider changing the level of funds retention from 5% to 10%.
  - (2) GPA should consider funding post deployment support for six months after go-live.
  - (3) GPA should develop a risk mitigation strategy for each of the areas listed in Section 4 Table 6 of its Report (i.e., insufficient project staffing; no post deployment support from the systems integrator; use of an inexperienced Project Manager; need to perform report creation, interfaces and data conversion; and responsibility for hardware).<sup>11</sup>

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<sup>6</sup> Id. at p. 5; Phone Conference between GPA Counsel and PUC Counsel on November 22, 2013 indicating that 12 month completion could be feasible].

<sup>7</sup> Guam Consolidated Commission on Utilities Resolution No. 2013-51, adopted October 8, 2013.

<sup>8</sup> Slater, Nakamura & Co. LLC, Report on the Review of the Proposed Contract with WiPro Technologies, GPA Docket 14-01, dated November 20, 2013.

<sup>9</sup> Id. at p. 1.

<sup>10</sup> Id. at p. 6.

<sup>11</sup> Id. at p. 14

### DETERMINATIONS

10. GPA has presented a compelling justification to implement its new CC&B software [CIS] with WiPro Technologies. Its current software is outdated, renders GPA subject to audit deficiencies, and does not enable GPA to take full advantage of the Smart Grid Project.
11. GPA has engaged in a reasoned negotiation process with WiPro for the implementation of its new customer care and billing software.
12. While the price may be somewhat high for the system, GPA has attempted to limit some of its risk with a fixed price contract. However, it is apparent that there is a high probability of cost overruns and other risks in the implementation process.
13. GPA should be required to implement the recommendations of Slater, Nakamura regarding retention of funds, post deployment support, and risk mitigation strategy.
14. Previously, with regard to the Cathay Bank Loan, PUC authorized GPA to drawdown \$3M in excess bond funds, subject to the prior approval of the Commission. A contingency reserve account was established.<sup>12</sup>
15. It is appropriate, in this Docket, to authorize GPA to drawdown the amount requested for implementation of the CC&B software from said contingency reserve account. Use of such funds will not result in any additional ratepayer impact.
16. This software implementation has potential customer benefits in the offering of the e-portal program and more customer access to energy data. The new software includes provision of e-bills to customers, ability to store net metering data, communications with customers via email alerts and SMS, and other benefits of the Smart Grid Project.<sup>13</sup>

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<sup>12</sup> PUC Order, GPA Docket 10-01 [GPA Request to Drawdown \$6M] issued August 30, 2010.

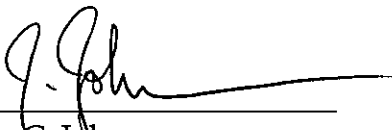
<sup>13</sup> GPA Letter Petition for Contract Review requesting Approval of Contract for Implementation of Customer Information System (CIS), GPA Docket 14-01, filed October 14, 2013, at p. 4.

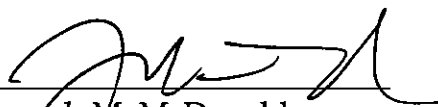
### ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Petition of GPA, the Report of Slater, Nakamura & Co., LLC, and the record herein, for good cause shown and on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission HEREBY ORDERS that:

1. The PUC hereby grants approval of GPA's application to enter into a contract with WiPro Technologies in the amount of \$2,710,000 for fixed price implementation services for the Oracle Customer Care & Billing Customer Information System Software.
2. GPA is further authorized to utilize, for such purposes, the contingency reserve excess bond funds established by the PUC in GPA Docket 10-01.
3. However, such approval is subject to GPA's compliance with the three conditions suggested by Slater, Nakamura as set forth in paragraph 9 above.
4. Within 30 days of the issuance of this Order, GPA shall report to the PUC its compliance with said conditions or, if compliance with any such condition is not feasible, why such compliance is not feasible.
5. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

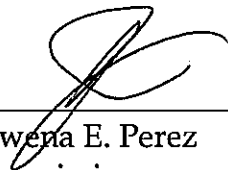
Dated this 26<sup>th</sup> day of November, 2013.

  
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Jeffrey C. Johnson  
Chairman

  
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Joseph M. McDonald  
Commissioner

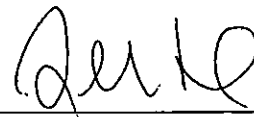
Order  
GPA Implementation of  
Customer Information System  
GPA Docket 14-01  
November 26, 2013

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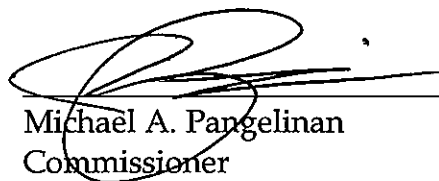
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Rowena E. Perez  
Commissioner



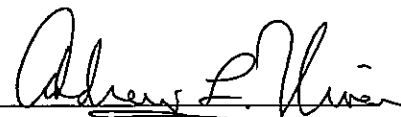
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Peter Montinola  
Commissioner



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Michael A. Pangelinan  
Commissioner



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Andrew L. Niven  
Commissioner



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Filomena M. Cantoria  
Commissioner