

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF: ) GPA Docket 14-01  
)  
The Application of Guam Power )  
Authority and Guam Waterworks ) PUC COUNSEL REPORT  
Authority to Approve a One-Year )  
Extension of the Contract with Wipro )  
Technologies for the Implementation of )  
the Customer Care & Billing (CC&B)  
Software Package.

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] and the Guam Waterworks Authority ["GWA"] to extend the Wipro Technologies Contract for implementation of the Customer Care & Billing ["CC&B"] software package for one year.<sup>1</sup>
2. If approved, the contract extension for Wipro Technologies would commence on September 7, 2015 and end on September 6, 2016.<sup>2</sup>

BACKGROUND

3. On November 26, 2013, the PUC approved GPA's application to enter into a contract with Wipro Technologies for fixed price implementation services for the Oracle Customer Care & Billing Customer Information System Software.<sup>3</sup>
4. At that time, the justification offered for implementing a new Customer Information System was that the old billing system could not timely process bills and resulted in deficiencies in the GPA audit report. The new system would enable GPA to take full advantage of the features of the Smart Grid Program.<sup>4</sup>

<sup>1</sup> GPA & GWA Petition for Contract Review (Application of GPA & GWA to Approve the One-Year Extension of the Contract of Wipro Technologies for Implementation of the Customer Care & Billing (CC&B) Software Package), GPA Docket 14-01, filed September 4, 2015.

<sup>2</sup> Wipro Ltd., CC&B Extended Support [Change Request for GPA Software Implementation Services Proposal No.: CR-GPA-018-CC&B Application Support], attached to Petition, GPA Docket 14-01, dated July 23, 2015.

<sup>3</sup> PUC Order, GPA Docket 14-01, dated November 26, 2013.

<sup>4</sup> Id at p. 1.

5. On December 30, 2013, the PUC approved GWA's application to expend funds to Wipro Technologies for fixed price implementation services for the Oracle Customer Care & Billing Customer Information System Software.<sup>5</sup>
6. To date, the PUC has authorized GPA to expend up to the total amount of \$3,340,000 for completion of the CC&B software implementation.<sup>6</sup>
7. GPA and GWA have jointly determined that "additional task orders for Wipro are necessary to complete the implementation of the CC&B software package in the amount of \$250,000 for GPA and \$250,000 for GWA, which exceeds the 20% threshold of the additional amounts approved by PUC."<sup>7</sup> The PUC also previously authorized GWA to expend up to \$1,166,765.00 on its CC&B Implementation Contract with Wipro.<sup>8</sup>
8. On August 25, 2015, the Guam Consolidated Commission on Utilities, in Resolution No. 2015-40, authorized GPA and GWA to extend the CC&B Implementation Contract with Wipro for an additional 12 months.<sup>9</sup> The CCU found that an additional 12 months extension for the Wipro contract is necessary "to provide required support to properly manage and maintain the CC&B application, its integrated applications and Database".<sup>10</sup>
9. This extension was determined to be necessary to ensure the continued operations of the system; during the 12 month period, GPA and GWA will identify, plan and secure training required to develop in-house personnel skill sets and knowledge to manage and maintain the system.<sup>11</sup>

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<sup>5</sup> PUC Order, GPA Docket 14-01, dated December 30, 2013 at p. 3.

<sup>6</sup> PUC Order, GPA Docket 14-01, dated December 1, 2014 at p. 4.

<sup>7</sup> GPA and GWA Petition for Contract Review (Application of GPA & GWA to Approve the One-Year Extension of the Contract Wipro Technologies for Implementation of the Customer Care & Billing (CC&B) Software Package), GPA Docket 14-01, filed September 4, 2015, at p. 1.

<sup>8</sup> PUC Order, GPA Docket 14-01, dated January 29, 2015, at p. 2.

<sup>9</sup> Guam Consolidated Commission on Utilities Resolution No. 2015-40, Authorizing the Guam Power Authority and Guam Waterworks Authority to Extend the CC&B Application Support for an Additional 12 Months, dated August 25, 2015.

<sup>10</sup> Id at p. 1.

<sup>11</sup> Id.

### ANALYSIS

10. As pointed out in Wipro's Change Request, the reliable functioning and availability of Oracle Customer Care & Billing at GPA/GWA requires "a strong support team to address a number of ongoing needs of the users of this key application; with CC&B becoming the single most important application for critical functions like Billing and Customer Care, it is imperative that the application is available and performs as expected".<sup>12</sup>
11. Wipro's extended presence would provide both GPA and GWA additional time "to scale up on the new application and the enterprise architecture".<sup>13</sup>
12. It does make sense for GPA and GWA to have additional support from Wipro on the CC&B Implementation for an additional year to fully iron out issues regarding implementation of the system.
13. However, the issue is raised as to how long GPA and GWA will intend to continue the services of Wipro. At what point will GPA/GWA personnel be able to fully under-take responsibility for the continued implementation and functioning of CC&B?
14. To explore the issues raised herein, the PUC Counsel issued Requests for Information to GPA and GWA on September 12, 2015. GPA submitted Responses to the Requests for Information on September 14, 2015. The Requests for Information and the GPA/GWA Responses are attached hereto as Exhibit "1" and "2" respectively.
15. The Responses show that both GPA and GWA have exceeded the amount of approved expenditures by the PUC. The PUC has authorized GPA to expend up to \$3,340,000; however, GPA's "actual expenses" to date for Wipro services are \$3,878,414.30 (an excess of \$538,000).

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<sup>12</sup> Wipro Ltd., CC&B Extended Support [Change Request for GPA Software Implementation Services Proposal No.: CR-GPA-018-CC&B Application Support], dated July 23, 2015, id at p. 3.

<sup>13</sup> Id.

16. PUC authorized GWA to expend up to \$1,166,765.00 by the PUC; however, GWA's "actual expenses" to date for Wipro services (paid by GPA) are \$1,470,747.23 (an excess of nearly \$304,000).
17. In reviewing the terms of the initial contract amounts approved for both GPA and GWA, it appears that both utilities have exceeded the amounts authorized by PUC as well as the 20% excess contingency authorized by paragraph 10 of Contract Review Protocol.
18. GPA and GWA intend to pay \$250,000 each for the one year contract extension with Wipro from base rate revenues.<sup>14</sup>
19. There is a possibility of further extension(s) of the Wipro contract for six months or longer. There will likely be a need for further expenditures by GPA/GWA under the Wipro Contract. The transfer of knowledge between Wipro and utility employees is continuing. At the end of the one year extension, GPA and GWA should have a better idea of whether further extension is required.<sup>15</sup>
20. The CC&B contract with Wipro will greatly exceed the amounts originally contemplated by the time it is completed; additional expenditures will be required in the future. However, for the reasons previously indicated, the extension of the Wipro contract for GPA and GWA is justified.

#### RECOMMENDATION

21. Counsel recommends that the PUC authorize GPA and GWA to each expend \$250,000.00 to extend the Contract with Wipro Technologies for continued services on the Customer Care & Billing Software Implementation Contract for an additional year.
22. GPA and GWA should be authorized to enter into one year contract extensions with Wipro in which it would provide services until September 6, 2016, in accordance with the Wipro Ltd. Change Request attached to the Petition.

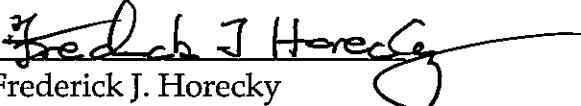
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<sup>14</sup> GPA Response to PUC Requests for Information, filed September 14, 2015, par. 3, Exhibit "2" hereto.

<sup>15</sup> Id., par. 7.

23. However, Counsel is concerned with the fact that the authorized expense levels for both GPA and GWA have exceeded PUC authorizations.
24. GPA and GWA must undertake all possible efforts to ensure that Wipro transfers the necessary skills and operational capacity to utility employees.
25. GPA should be authorized to expend up to \$3,878,414.30 for the Wipro Contract for CC&B Software Implementation.
26. GWA should be authorized to expend up to \$1,470,747.23 for the Wipro Contract for CC&B Software Implementation.
27. GPA/GWA must seek approval from the PUC before any additional expenses for the Wipro contract will be authorized or justified.
28. A Proposed Order is submitted herewith for the consideration of the Commissioners.

Dated this 15th day of September, 2015.

  
Frederick J. Horecky  
PUC Legal Counsel

## REQUESTS FOR INFORMATION

Please respond to the following requests for information:

1. The PUC authorized GWA to expend the total amount on Customer Care & Billing in the amount of \$1,166,765.00. What is the total amount that GWA has expended to date on CC&B?
2. The PUC authorized GPA to expend the total amount on Customer Care & Billing in the amount of \$3,340,000.00. What is the total amount that GPA has expended to date on CC&B?
3. In this petition, an additional \$250K is requested for both GPA and GWA (Total: \$500,000) to complete the implementation of CC&B software's package over the next year. Identify the source of funds for both utilities (i.e. \$250K GPA/ \$250K GWA).
4. PUC authorized \$3M from excess bond funds (i.e Cathay Bank) for CC&B [PUC Order, November 26, 2013]. Have those funds been fully expended? If not, what amount remains?
5. Would GPA please provide a spread sheet indicating expenditure of \$3M from the excess bond funds (i.e Cathay Bank Loan).
6. Would GPA and GWA each please provide a spread sheet indicating total CC&B expenditures to date and the purpose of each expenditure?
7. The present request would provide for CC&B after services by Wipro for another year. Do we expect that GPA or GWA will later again request funding for a second year after the current expenditures are exhausted, and possibly for additional years after that?
8. At what time (when) will GPA & GWA employees be able to themselves handle the CC&B implementation and administration duties?

## REQUESTS FOR INFORMATION

Please respond to the following requests for information:

1. The PUC authorized GWA to expend the total amount on Customer Care & Billing in the amount of \$1,166,765.00. What is the total amount that GWA has expended to date on CC&B?

GPA Response: Please see attached file GPA Expenditures for CC&B Project.xls

2. The PUC authorized GPA to expend the total amount on Customer Care & Billing in the amount of \$3,340,000.00. What is the total amount that GPA has expended to date on CC&B?

GPA Response: Please see attached file GWA Expenditures for CC&B Project.xls

3. In this petition, an additional \$250K is requested for both GPA and GWA (Total: \$500,000) to complete the implementation of CC&B software's package over the next year. Identify the source of funds for both utilities (i.e. \$250K GPA/ \$250K GWA).

GPA Response: Funding from base rate revenues

GWA Response: Pending

4. PUC authorized \$3M from excess bond funds (i.e Cathay Bank) for CC&B [PUC Order, November 26, 2013]. Have those funds been fully expended? If not, what amount remains?

GPA Response: Yes

5. Would GPA please provide a spread sheet indicating expenditure of \$3M from the excess bond funds (i.e Cathay Bank Loan).

GPA Response: Please see attached file GPA Funding Source for CC&B Project.xls

6. Would GPA and GWA each please provide a spread sheet indicating total CC&B expenditures to date and the purpose of each expenditure?

GPA Response: Please see response to No.1 & 2 above.

7. The present request would provide for CC&B after services by Wipro for another year. Do we expect that GPA or GWA will later again request funding for a second year after the current expenditures are exhausted, and possibly for additional years after that?

GPA/GWA Response: GPA/GWA is working together to develop the resources required to manage and maintain the CC&B system . It is our goal to take over the system within the specified time and is hard to predict whether or not we will require a second year until we assess the level of knowledge obtained towards the end of the first year.

- First year support is to provides exposure and knowledge transfer of CC&B Application, Functionality and Business process
- Create and Identify critical Support Milestones
- Develop/Train Helpdesk Management:
- Help end users grasp and understand workflow, shortcuts and provide documentation for future support and change management
- Identify bench marks
- Ensure applications meets or betters bench established
- Monitor applications to ensure operability
- Develop/Train resources to support Basic Maintenance and Customization:
- Provide ease of operations and workflow without introducing code that will impact other application features and/or functions
- Test/Development Environment Management to ensure everything is thoroughly tested before code is mitigated to Production
- Patch Management & upgrade
- Integration of CC&B with other application

If milestones have not been reached, estimated 6 months extension maybe required

8. At what time (when) will GPA & GWA employees be able to themselves handle the CC&B implementation and administration duties?

GPA/GWA response: There shouldn't be any implementation duties. It's Operational, Administration (Database and Operational) and minor development. Measurement of skillsets shall be identified by milestones accomplished and completed.



**GUAM POWER AUTHORITY**

**Analysis of Funding Source**

FUNDING SOURCE	REFERENCE	DESCRIPTION	PUC APPROVAL	GPA ACTUAL EXPENSES
2010 Excess Bond Funds			\$ 3,000,000.00	\$ 3,000,000.00
2015 Revenue Funds			\$ -	\$ 762,772.00
<b>Total Funding Requirement</b>			<b>\$ 3,000,000.00</b>	<b>\$ 3,762,772.00</b>
		<b>Contract Breakdown</b>		
	INV 0092374058	Kick-off of Design Document ( 10% of the PO amount less retainer fee)	\$ 237,150.00	\$ 237,150.00
	INV 0092380040	Process Blue Print and Design (Phase 2 - 25% of the PO amount)	\$ 592,875.00	\$ 592,875.00
	INV 0092390196	Configuration and Build (25% of the PO amount)	\$ 592,875.00	\$ 592,875.00
	INV 0092417659	System Testing (15% of the PO amount)	\$ 355,725.00	\$ 355,725.00
	INV 0092433265	Product Integration and Load Testing (5% of the PO amount)	\$ 118,575.00	\$ 118,575.00
	INV 0092441164	UAT Sign-off (5% of the PO amount)	\$ 118,575.00	\$ 118,575.00
	INV 0092441165	Go Live ( 5% of the PO amount)	\$ 118,575.00	\$ 118,575.00
	INV 0971004712	Post Implementation Support (10%)	\$ 237,150.00	\$ 237,150.00
	INV 0971004712	10% Retention Support	\$ 263,500.00	\$ 263,500.00
<b>Original PO</b>		<b>Total Contract Price</b>	<b>\$ 2,635,000.00</b>	<b>\$ 2,635,000.00</b>
		<b>B. GPA CHANGE REQUESTS</b>		
	CR-GPA-001	Loading data from MDMS to CC&B (Zero cost)	\$ -	\$ -
	CR-GPA-002	CC&B infrastructure support Resource Requests	\$ 130,000.00	\$ 130,000.00
	CR-GPA-003	Bank Of Guam -Payments (GPA)	\$ 5,000.00	\$ 5,000.00
	CR-GPA-004	First Extension - November to January 2015 (GPA+GWA)	\$ 370,000.00	\$ 370,000.00
	CR-GPA-005	GPA SME (GPA)	\$ 100,000.00	\$ 80,000.00
	CR-GPA-005	GPA SME (Travel and Expense)		\$ 12,224.00
	CR-GPA-006	Application Support (GPA)	\$ 100,000.00	\$ 235,000.00
	CR-GPA-007	Assistance for Report development (Crystal)		\$ 15,750.00
	CR-GPA-008	MVRS Upload & Download Changes (Zero Cost)	\$ -	\$ -
	CR-GPA-009	Second Extension - Jan to March (GPA + GWA) GPA to shoulder GWA Costs		\$ 262,000.00
	CR-GPA-010	<Duplicate Number by Error - Please ignore >	\$ -	\$ -
	CR-GPA-011	SME Extension - May (GPA)		\$ 20,000.00
	CR-GPA-012	JDE Work Order Changes (GPA)		\$ 19,400.00
	CR-GPA-013	Changes to AP/GL interface (Zero Cost)		\$ -
	CR-GPA-014	Payment Upload (CAP-UP) Portal		\$ 2,075.00
	CR-GPA-015	Auto-Pay functionality on WSS		\$ 4,130.00
	CR-GPA-016	Move-Out functionality on WSS	\$ -	\$ -
	CR-GPA-017	Change to Pre-Paid functionality (Zero Cost)	\$ -	\$ -
	Various Invoices	Travel Expenses and Long Term Stay		\$ 87,835.30
<b>Additional Amount</b>		<b>Total Change Requests</b>	<b>\$ 705,000.00</b>	<b>\$ 1,243,414.30</b>
<b>Total Project Costs</b>			<b>\$ 3,340,000.00</b>	<b>\$ 3,878,414.30</b>
<b>For PUC and CCU Approval</b>				<b>\$ (115,642.30)</b>

**GUAM POWER AUTHORITY**  
**Breakdown of Expenditures**

REFERENCE	DESCRIPTION	GPA ACTUAL EXPENSES
<b>Contract Milestone</b>		
INV 0092374058	Kick-off of Design Document ( 10% of the PO amount less retainer fee)	\$ 237,150.00
INV 0092380040	Process Blue Print and Design (Phase 2 - 25% of the PO amount)	\$ 592,875.00
INV 0092390196	Configuration and Build (25% of the PO amount)	\$ 592,875.00
INV 0092417659	System Testing (15% of the PO amount)	\$ 355,725.00
INV 0092433265	Product Integration and Load Testing (5% of the PO amount)	\$ 118,575.00
INV 0092441164	UAT Sign-off (5% of the PO amount)	\$ 118,575.00
INV 0092441165	Go Live ( 5% of the PO amount)	\$ 118,575.00
INV 0971004712	Post Implementation Support (10%)	\$ 237,150.00
INV 0971004712	10% Retention Support	\$ 263,500.00
	<b>Total Contract Price</b>	<b>\$ 2,635,000.00</b>
<b>B. GPA CHANGE REQUESTS</b>		
CR-GPA-001	Loading data from MDMS to CC&B (Zero cost)	\$ -
CR-GPA-002	CC&B infrastructure support Resource Requests	\$ 130,000.00
CR-GPA-003	Bank Of Guam -Payments (GPA)	\$ 5,000.00
CR-GPA-004	First Extension - November to January 2015 (GPA+GWA)	\$ 370,000.00
CR-GPA-005	GPA SME (GPA)	\$ 80,000.00
CR-GPA-005	GPA SME (Travel and Expense)	\$ 12,224.00
CR-GPA-006	Application Support (GPA)	\$ 235,000.00
CR-GPA-007	Assistance for Report development (Crystal)	\$ 15,750.00
CR-GPA-008	MVRS Upload & Download Changes (Zero Cost)	\$ -
CR-GPA-009	Second Extension - Jan to March (GPA + GWA) GPA to shoulder GWA Costs	\$ 262,000.00
CR-GPA-010	<Duplicate Number by Error - Please ignore >	\$ -
CR-GPA-011	SME Extension - May (GPA)	\$ 20,000.00
CR-GPA-012	JDE Work Order Changes (GPA)	\$ 19,400.00
CR-GPA-013	Changes to AP/GL interface (Zero Cost)	\$ -
CR-GPA-014	Payment Upload (CAP-UP) Portal	\$ 2,075.00
CR-GPA-015	Auto-Pay functionality on WSS	\$ 4,130.00
CR-GPA-016	Move-Out functionality on WSS	\$ -
CR-GPA-017	Change to Pre-Paid functionality (Zero Cost)	\$ -
Various Invoices	Travel Expenses and Long Term Stay	\$ 87,835.30
	<b>Total Change Requests</b>	<b>\$ 1,243,414.30</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 3,878,414.30</b>

**GUAM WATERWORKS**  
**Breakdown of Expenditures**

REFERENCE	DESCRIPTION	GPA ACTUAL EXPENSES
<b>Contract Milestone</b>		
INV 0092374058	Kick-off of Design Document ( 10% of the PO amount less retainer fee)	\$ 78,300.00
INV 0092380040	Process Blue Print and Design (Phase 2 - 25% of the PO amount)	\$ 195,750.00
INV 0092390196	Configuration and Build (25% of the PO amount)	\$ 195,750.00
INV 0092417659	System Testing (15% of the PO amount)	\$ 117,450.00
INV 0092433265	Product Integration and Load Testing (5% of the PO amount)	\$ 39,150.00
INV 0092441164	UAT Sign-off (5% of the PO amount)	\$ 39,150.00
INV 0092441165	Go Live ( 5% of the PO amount)	\$ 39,150.00
INV 0971004712	Post Implementation Support (10%)	\$ 78,300.00
INV 0971004712	10% Retention Support	\$ 87,000.00
	<b>Total Contract Price</b>	<b>\$ 870,000.00</b>
<b>B. GPA CHANGE REQUESTS</b>		
CR-GPA-001	Loading data from MDMS to CC&B (Zero cost)	\$ -
CR-GPA-002	CC&B infrastructure support Resource Requests	\$ -
CR-GPA-003	Bank Of Guam -Payments (GPA)	\$ -
CR-GPA-004	First Extension - November to January 2015 (GPA+GWA)	\$ 155,000.00
CR-GPA-005	GPA SME (GPA)	\$ -
CR-GPA-005	GPA SME (Travel and Expense)	
CR-GPA-006	Application Support (GPA)	\$ 235,000.00
CR-GPA-007	Assistance for Report development (Crystal)	\$ -
CR-GPA-008	MVRS Upload & Download Changes (Zero Cost)	\$ -
CR-GPA-009	Second Extension - Jan to March (GPA + GWA) GPA to shoulder GWA Costs	\$ -
CR-GPA-010	<Duplicate Number by Error - Please ignore >	\$ -
CR-GPA-011	SME Extension - May (GPA)	\$ -
CR-GPA-012	JDE Work Order Changes (GPA)	\$ -
CR-GPA-013	Changes to AP/GL interface (Zero Cost)	
CR-GPA-014	Payment Upload (CAP-UP) Portal	\$ 2,075.00
CR-GPA-015	Auto-Pay functionality on WSS	\$ -
CR-GPA-016	Move-Out functionality on WSS	\$ -
CR-GPA-017	Change to Pre-Paid functionality (Zero Cost)	\$ -
GWA CR 001	Customized Payment Portal (POS)	\$ 42,128.00
GWA CR 002	Suppress all charges except service charge when customer is billed 2 full consecutive periods using estimated reading due to predefined skip codes	
GWA CR 003	Letter need to be sent to customer when bill is estimated due to specific (predefined) skip codes	\$ 9,582.56
GWA CR 004	System should automatically cancel and rebill estimated bills when it is followed by actual reading in subsequent month	
GWA CR 005	CC&B SME Consulting service	\$ 90,000.00
	CC&B SME Consulting service - Travel & Expenses	\$ 13,217.89
GWA CR 006	Reporting Solution (NEVER Approved)	
GWA CR 007	Assistance for Crystal Report development	\$ 12,250.00
GWA CR 008	Portal for Meter Exchange (ZERO Cost)	\$ -
GWA CR 009	Payment Portal Changes (Not approved ) - \$6,224	
GWA CR 010	Changes to Meter Vendor File (ZERO Cost change)	\$ -
Various Invoices	Travel Expenses and Long Term Stay	\$ 41,493.78
	<b>Total Change Requests</b>	<b>\$ 600,747.23</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 1,470,747.23</b>