

# Gas Business Enablement Program

Cases 17-E-0238 and 17-G-0239

## **GAS BUSINESS ENABLEMENT PROGRAM STATUS REPORT FOR QUARTER ENDED September 30, 2019**

BY:

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PREPARED FOR:  
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**nationalgrid**

# GBE Program Report for Quarter Ended September 30, 2019

## I. Introduction

Niagara Mohawk Power Corporation d/b/a National Grid (“Niagara Mohawk” or the “Company”) submits its quarterly report on the Gas Business Enablement (“GBE”) Program for the quarter ended September 30, 2019 (“Q2 FY20”) in compliance with Section IV.7.8.4 of the Joint Proposal adopted by the New York Public Service Commission (“PSC” or the “Commission”) in its Order issued March 15, 2018 in Cases 17-E-0238 and 17-G-0239.<sup>1</sup>

The GBE Program is a comprehensive business transformational program focused on strengthening and improving the performance of National Grid’s US gas business with regards to managing assets, delivering work, and serving customers. Specifically, the GBE Program will replace a number of aged computer systems, support continuous improvement in gas safety performance including the implementation of American Petroleum Institute Recommended Practice 1173, facilitate more effective and efficient delivery of the overall work plan, and progress the satisfaction of evolving customer expectations.

The GBE Program will implement the following capabilities:

- an industry-standard enterprise asset and work management platform;
- a scheduling platform to support optimized scheduling, work bundling, and routing of work;
- a Geographic Information System (“GIS”) with accurate foundation maps and conversion of gas service records and sketches, available with offline mobile functionality;
- a field mobility solution with base capabilities that include views of work assignment, electronic work packages, capture of work status and completion data, and capabilities to initiate work, attach pictures, and view legacy maps;
- a standardized asset investment planning management platform for project routing and approval, with the ability to forecast costs, integrated with the finance system;
- an Asset Risk Management tool to perform asset condition assessment and risk ranking/prioritization of asset replacement;
- a new call center “front end” solution to allow the creation and visibility of field work;
- integrated platforms to provide employees a consolidated view of relevant customer and work information to support enhanced delivery of customer service; and
- customer self-service features providing greater access to information and enhancements to the ways customers interact with the Company.

The GBE Program also includes a comprehensive approach to change management to support delivery of the anticipated benefits associated with the Program’s newly implemented capabilities.

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<sup>1</sup> Cases 17-E-0238 and 17-G-0239, *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Electric and Gas Service, “Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans”* (issued and effective March 15, 2018).

GBE Program investments are shared investments across National Grid's operating companies, implemented and owned by National Grid USA Service Company, Inc. ("Service Company") and allocated to the benefiting US operating companies, including Niagara Mohawk. The total Service Company costs of the GBE Program for capital expenses and project operating expenses relating to the capital investment (excluding run the business ("RTB") costs) for the period FY18-FY23 were projected to be \$515.5 million.<sup>2</sup> GBE Program capital expenses are allocated to benefitting US operating companies in the form of an annual Service Company rent expense once the investments are in-service. The Service Company rent expense includes a return on the capital investment (net of deferred taxes) plus booked depreciation expense. GBE Program operating expenses are allocated to benefitting US operating companies as they are incurred.

## **II. Overall Program Status**

The GBE Program made good progress against the roadmap, delivering five releases in Rhode Island during the period of April 2018 to July 2019. Development and deployment preparations including change management and business readiness activities for the next major releases to Niagara Mohawk and KeySpan Gas East Corporation d/b/a National Grid ("KEDLI") also continued. The releases originally planned for Niagara Mohawk and KEDLI in Fall 2019 are now planned for Spring 2020, as discussed in more detail below.

The Program is approximately 1.5 percent underspent compared to the FY20 budget through the quarter ended September 30, 2019, primarily due to timing differences including the timing of payment to System Integrators. The GBE Program remains focused on delivering its scope of work within the five-year roadmap timeline. However, with the adjustment to the release dates for Niagara Mohawk and KEDLI, the GBE Program is currently undergoing a review of the roadmap for all remaining releases as well as the corresponding budget forecast.

### **A. Q2 FY20 Major Activities**

During this quarter, the GBE Program focused on delivery of the fourth major release (PA2.3) in July 2019 to Rhode Island, as well as the preparations for the following major releases: PA3.1 to Niagara Mohawk in September 2019 and PA3.2 to KEDLI in November 2019. The July PA2.3 release delivered a minimum viable product ("MVP") solution for leak management, the new and expanded CMS solution that enables both gas and electric capabilities for Rhode Island and electric capabilities for the Massachusetts electric distribution operating companies, the new Salesforce customer relationship management solution in the Customer Contact Center, the Salesforce field mobile application, and further enhancements to those functionalities. In Q2 FY20, Upstate New

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<sup>2</sup> The \$515.5 million cost projection was the amount identified in National Grid's downstate New York gas rate cases. See Case 19-G-0309, *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of the Brooklyn Union Gas Company d/b/a National Grid NY for Gas Service*, and Case 19-G-0310, *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of KeySpan Gas East Corp. d/b/a National Grid for Gas Service*, Rebuttal Testimony of Christopher J. Connolly, p. 4 of 11. This amount does not include \$20 million National Grid incurred in FY17 to support the Strategic Assessment Phase of GBE. More recently, National Grid has revised estimated GBE Program costs to approximately \$596 million to reflect cost increases related to vendor change orders, legacy interfaces, scope increases and timeline shifts. This estimate is preliminary and has not been presented in any cost recovery proceeding to date.

York stakeholders were actively engaged through several key activities, including 13 business readiness/governance touchpoints with activities to engage stakeholders at the Director, Steering Group, and Vice President levels and 23 training sessions that were held for directors, engineers, managers, and dispatchers in the Asset Management Office (“AMO”). These trainings included lunch and learn series, quick tip series, informal training, *etc.* In addition, to ensure the business is ready when the solutions go live, National Grid conducted five upskilling sessions for supervisors, customer service representatives, and AMO, two testing sessions for the Meter Set Model and the Analytical Model, five supply chain check-ins and pilot meetings, and one deployment activity for the Resource Availability Management enhancements for directors, engineers, and managers.

With the conclusion of the July release, the GBE Program has focused on the activities and preparations for the PA3.1 deployment to Niagara Mohawk. The Program made significant progress toward preparing the solution and the business for go-live and improving the solution through a series of “dot releases”; however, a high number of work-arounds remained. Following the release of PA2.3 in Rhode Island, the gas business experienced some performance degradation in field operations and the call centers, which were attributed to cumulative impacts of certain work-arounds (pending defect resolution) and solution design in several areas. The Program and business worked collaboratively to address these issues and deploy enhancements. Because of the issues identified in connection with the July 2019 Rhode Island release and the size, scope, complexity, and geographic dispersion of New York operations, it was decided that deployment of the PA3.1 release to Niagara Mohawk warranted more time to address work-arounds and make additional solution enhancements. In addition, it was determined that the regulatory reporting solution would not address all New York requirements. Therefore, in early September 2019, the PA3.1 release to Niagara Mohawk was delayed from September to October 2019, and in late October 2019, it was decided to further defer the PA3.1 release (as well as the KEDLI PA3.2 release) to April 2020. Although significant progress had been made to retire work-arounds, close regulatory reporting gaps, and deliver solution enhancements, it was determined that additional progress was needed to ensure regulatory requirements and customer expectations could be met.

The decision to defer the PA3.1 and PA3.2 releases has a cascading impact on other remaining planned releases due to timeline compression. To ensure success in delivering the remaining releases, the Program is currently undergoing a review of the roadmap for all remaining releases. The current view of the roadmap is shown in Attachment 2 with those releases still in re-planning outlined in red. In the meantime, the Company plans to continue delivering small releases that include both solution fixes prioritized with business input and enhancements to address remaining defects.

## **B. Implementation Plans for Niagara Mohawk**

The first major deployment of the GBE solution for Niagara Mohawk is now planned for Spring 2020. It will include deployment of iPads to complete field work for CMS and Corrosion departments enabling offline completion of work, access to maps, relevant documentation and customer history, turn-by-turn directions, and video chat with supervisors. Additionally, iPads also will be deployed to Field Operations allowing access to view maps in GIS application.

Supporting software will be ESRI ArcGIS PRO and Lemur mobile GIS application allowing full access to view maps offline (*i.e.*, not connected to Wi-Fi or cellular) and Salesforce FSL for mobile work management. A new user-friendly call center “front end” solution through Salesforce Service Cloud to access, create, update and initiate customer orders and have visibility to field orders and progress also will be deployed. In addition, the GBE Program will implement scheduling and dispatch tools through Salesforce FSL including auto-schedule and dispatch of orders to workers based on availability and location and Workforce Time and Attendance to manage resource availability for planning and scheduling activities. The enterprise asset management solution will be deployed through IBM Maximo for asset management and DNV-GL Synergi Pipeline for asset risk modeling. I&R functionality is planned to be delivered in Spring 2020 following the Niagara Mohawk PA3.1 release.

The second major release for Niagara Mohawk will be confirmed as part of the re-planning efforts described above. Capabilities from the first release will be expanded to include Maintenance and Construction (“M&C”) work with additional field mobile iPad functionality to complete leak repair orders and construction work (including transmission traceability); call center expansion to include M&C visibility and customer notifications; and resource management and dispatch for M&C work as well as customer self-service for appointments, order status, and reminders via customers’ preferred communications channels. Enhanced engineering and planning capabilities will support estimates of construction projects, bundling of work, auto-generation of orders, and visibility of customer interaction history for proactive customer communications.

The final set of program-driven enhancement releases for Niagara Mohawk, previously planned for the Q2 or Q3 of FY21 timeframe, will be determined during the re-planning efforts. These releases will support electronic processing of as-builts and allow access to construction as-builts on mobile devices (including offline in the field), fully optimize workforce scheduling and resource planning, allow graphic work design to be completed via GIS, enable long-term material forecasting and advanced analytics for asset risk management, and provide further enhancements based on user and customer feedback.

Importantly, each of the aforementioned major releases at Niagara Mohawk will incorporate the extended and improved user experience and functionality derived from previous releases in Rhode Island and Massachusetts. Following the PA3.1 release in Spring 2020, Niagara Mohawk will benefit from the enhancements deployed in subsequent major releases to other jurisdictions as well as periodic “mini” releases of enhancements and defect resolutions between the major releases.

### **III. Overview of Budgets to Actual Spending**

The GBE Program spend (total Service Company capital and project operating costs) for Q2 FY20 was \$87.975 million compared to a budget of \$89.323 million. The difference is primarily due to increased spend on legacy interfaces driven by unanticipated complexities of the legacy interfaces when the initial estimate was developed.

Attachment 1, Schedule 1 shows how each of the GBE cost centers for reporting purposes aligns with the GBE Program investments included in Appendix 5, Schedule 19 and Appendix 6,

Schedule 17 in the Joint Proposal. Attachment 1, Schedule 2 provides the GBE Program FY20 budget versus actual results with explanations for variances exceeding 10 percent. Attachment 1, Schedule 3 also provides the FY20 GBE Program capital spend allocable to Niagara Mohawk based on the allocations shown in Attachment 1, Schedule 5. Attachment 1, Schedule 3, reflects capital spending for FY20 only and does not reflect actual rent expense charged to Niagara Mohawk through the Service Company. Cumulative capital investment, once placed in service, will be charged as rent expense to Niagara Mohawk through the Service Company. Attachment 1, Schedule 4 shows the cumulative Service Company total capital and project operating cost spend from GBE Program inception through FY20.

With the updates described above, the Program is facing upward cost pressure and is currently evaluating the budget forecast corresponding to the ongoing review of the roadmap to ensure success in delivering the remaining releases. At this time, the Company's best estimate of the updated budget forecast for the GBE Program is presented in Attachment 3. The cost increase is driven mainly by vendor change orders, increased complexities with legacy interfaces, scope increases and timeline shifts.

#### **IV. Conclusion**

National Grid has made good progress with the previous four major releases and one small release impacting more than 1,100 employees in all regions including 161 in Niagara Mohawk. The GBE Program also has made some necessary adjustments to the Program roadmap and has been focusing on preparations including testing, business engagement, and readiness activities for the next major releases to Niagara Mohawk and KEDLI in Spring 2020. The Program is currently undergoing a review of the roadmap for all remaining releases and of the corresponding budget estimate. In the meantime, the Program will continue to incorporate lessons learned into future deployments, effectively manage risks and controls, and provide timely updates on program status to ensure transparency and deliver long-term success.

## GAS BUSINESS ENABLEMENT

GBE COST CENTER MAPPING TO INVESTMENT NAME IN APPENDIX 5, SCHEDULE19 OF THE JOINT PROPOSAL ADOPTED IN CASE 17-G-0239

Investment Name (As filed in NMPC Rate Case)	Program (As filed in NMPC Rate Case)	GBE Cost Center Reporting	GBE Cost Center #
Risk Management (Tx Mains & Dx Mains)	GBE- Asset Management	Processes & Business Requirements	4386
AM Program Leadership-1	GBE- Asset Management	Processes & Business Requirements	4386
Enhancements	GBE- Asset Management	Processes & Business Requirements	4386
Additional IM Modules	GBE- Asset Management	Processes & Business Requirements Information Services	4386 4387
AM Program Leadership-2	GBE- Asset Management	Processes & Business Requirements	4386
Data Remediation, GIS Upgrade/ Migration & GIS Mobility	GBE- Asset Management	Processes & Business Requirements	4386
EAM-FIN Integration	GBE- Asset Management	Processes & Business Requirements	4386
Integrity Management Integrations	GBE- Asset Management	Processes & Business Requirements	4386
AM Program Leadership-3	GBE- Asset Management	Processes & Business Requirements	4386
Design (GWD), Estimating (CU), & Mobility	GBE- Asset Management	Processes & Business Requirements	4386
Asset Analytics Integration	GBE- Asset Management	Processes & Business Requirements	4386
GIS (GWD/CU) - PPM Integration	GBE- Asset Management	Processes & Business Requirements	4386
GIS-EAM Integration	GBE- Asset Management	Processes & Business Requirements Information Services	4386 4387
AM Program Leadership-4	GBE- Asset Management	Processes & Business Requirements	4386
Use Case No.1 - Asset Risk	GBE- Asset Management	Processes & Business Requirements	4386
Complex Design (CAD) & Estimating (ESW)	GBE- Asset Management	Processes & Business Requirements Information Services	4386 4387
Program Learning Management-1	GBE- Business Enablement	Business, Design, Readiness,& Deployment	4388
Program Transformational Change Office-1	GBE- Business Enablement	Business, Design, Readiness,& Deployment	4388
Program Business Sustainment-1	GBE- Business Enablement	Business, Design, Readiness,& Deployment	4388
Program Learning Management-2	GBE- Business Enablement	Business, Design, Readiness,& Deployment	4388
Program Transformational Change Office -2	GBE- Business Enablement	Business, Design, Readiness,& Deployment Information Services	4386 4387
Program Learning Management-3	GBE- Business Enablement	Business, Design, Readiness,& Deployment	4388
Program Transformational Change Office-3	GBE- Business Enablement	Business, Design, Readiness,& Deployment	4388
Program Business Sustainment-2	GBE- Business Enablement	Business, Design, Readiness,& Deployment	4388
Program Learning Management-4	GBE- Business Enablement	Business, Design, Readiness,& Deployment	4388
Program Transformational Change Office-4	GBE- Business Enablement	Business, Design, Readiness,& Deployment	4388
Customer Experience Program Leadership-1	GBE- Customer Engagement	Processes & Business Requirements	4386
CxT Portal & Channel Management	GBE- Customer Engagement	Processes & Business Requirements	4386
Customer Interaction - First Release	GBE- Customer Engagement	Processes & Business Requirements	4386
Employee Support Interaction - First Release	GBE- Customer Engagement	Processes & Business Requirements	4386
Customer Experience Program Leadership-2	GBE- Customer Engagement	Processes & Business Requirements	4386
CRM / Contact Center	GBE- Customer Engagement	Processes & Business Requirements	4386
Large Commercial & Landlord Interaction	GBE- Customer Engagement	Processes & Business Requirements	4386
Employee Support Interaction - Second Release	GBE- Customer Engagement	Processes & Business Requirements	4386
Customer Interaction - Second Release	GBE- Customer Engagement	Processes & Business Requirements	4386
Customer Experience Program Leadership-3	GBE- Customer Engagement	Processes & Business Requirements	4386
Data Management Implementation (Quality & Cleansing)	GBE- Data Management	Processes & Business Requirements	4386
Data Management & Governance Program Leadership-1	GBE- Data Management	Processes & Business Requirements	4386
Enable the Data Archive Process	GBE- Data Management	Processes & Business Requirements Information Services	4386 4387
Data Management & Governance Program Leadership-2	GBE- Data Management	Processes & Business Requirements	4386
Data Management & Governance Program Leadership-3	GBE- Data Management	Processes & Business Requirements	4386
PowerPlan Architecture Enhancements	GBE- Information Services Enabling	Information Services	4387
Comprehensive Integration Services (Enhancements)	GBE- Information Services Enabling	Information Services	4387
Application (Environment) Infrastructure	GBE- Information Services Enabling	Information Services	4387
Development Operations & BPA Enablement-1	GBE- Information Services Enabling	Information Services	4387

## GAS BUSINESS ENABLEMENT

GBE COST CENTER MAPPING TO INVESTMENT NAME IN APPENDIX 5, SCHEDULE19 OF THE JOINT PROPOSAL ADOPTED IN CASE 17-G-0239

Investment Name (As filed in NMPC Rate Case)	Program (As filed in NMPC Rate Case)	GBE Cost Center Reporting	GBE Cost Center #
SAP and Application Integration Development- Release 1-1	GBE- Information Services Enabling	Information Services	4387
Mobility CoE & End-User Computing-1	GBE- Information Services Enabling	Information Services	4387
Operations/System Monitoring	GBE- Information Services Enabling	Information Services	4387
Development Operations & BPA Enablement-2	GBE- Information Services Enabling	Information Services	4387
SAP and Application Integration Development- Release 1-2	GBE- Information Services Enabling	Information Services	4387
SAP and Application Integration Development- Release 2-1	GBE- Information Services Enabling	Information Services	4387
Mobility CoE & End-User Computing-2	GBE- Information Services Enabling	Information Services	4387
Development Operations & BPA Enablement-3	GBE- Information Services Enabling	Information Services	4387
SAP and Application Integration Development- Release 1-3	GBE- Information Services Enabling	Information Services	4387
SAP and Application Integration Development- Release 2-2	GBE- Information Services Enabling	Information Services	4387
SAP and Application Integration Development- Release 3-1	GBE- Information Services Enabling	Information Services	4387
Mobility CoE & End-User Computing-3	GBE- Information Services Enabling	Information Services	4387
Test Automation Implementation	GBE- Information Services Enabling	Information Services	4387
Development Operations & BPA Enablement-4	GBE- Information Services Enabling	Information Services	4387
SAP and Application Integration Development- Release 1-4	GBE- Information Services Enabling	Information Services	4387
SAP and Application Integration Development- Release 3-2	GBE- Information Services Enabling	Information Services	4387
Mobility CoE & End-User Computing-4	GBE- Information Services Enabling	Information Services	4387
Portfolio Management Leadership-1	GBE- Portfolio Office	Portfolio Management	4389
Solution Architects & Agile Coaches-1	GBE- Portfolio Office	Portfolio Management	4389
Portfolio Management Leadership-2	GBE- Portfolio Office	Portfolio Management	4389
Solution Architects & Agile Coaches-2	GBE- Portfolio Office	Portfolio Management	4389
Portfolio Management Leadership-3	GBE- Portfolio Office	Portfolio Management	4389
Solution Architects & Agile Coaches-3	GBE- Portfolio Office	Portfolio Management	4389
Portfolio Management Leadership-4	GBE- Portfolio Office	Portfolio Management	4389
Regulatory/ Compliance	GBE- Regulatory and Compliance	Business, Design, Readiness,& Deployment Information Services	4388 4387
Supply Chain Program Leadership	GBE- Supply Chain	Processes & Business Requirements	4386
Supply Chain Program Leadership	GBE- Supply Chain	Processes & Business Requirements	4386
Business Architecture Design	GBE- Work Management	Business, Design, Readiness,& Deployment	4388
WMFE Program Leadership-1	GBE- Work Management	Processes & Business Requirements	4386
Corrosion and I&R Work	GBE- Work Management	Processes & Business Requirements Information Services	4386 4387
CU Governance & Library - process	GBE- Work Management	Processes & Business Requirements	4386
WMFE Program Leadership-2	GBE- Work Management	Processes & Business Requirements	4386
Company Driven Work: Collections and non-Appointment Offs - Gas	GBE- Work Management	Processes & Business Requirements Information Services	4386 4387
Company Driven Work: Collections and non-Appointment Offs- Electric	GBE- Work Management	Processes & Business Requirements Information Services	4386 4387
Customer, Leak Investigation & Inspections - Gas	GBE- Work Management	Processes & Business Requirements Information Services	4386 4387
Customer, Leak Investigation & Inspections - Electric	GBE- Work Management	Processes & Business Requirements Information Services	4386 4387
WMFE Program Leadership-3	GBE- Work Management	Processes & Business Requirements	4386
PowerPlan Integration & Enhancements	GBE- Work Management	Processes & Business Requirements Information Services	4386 4387
Construction Work & Leak Repair	GBE- Work Management	Processes & Business Requirements Information Services	4386 4387
WMFE Program Leadership-4	GBE- Work Management	Processes & Business Requirements	4386
Work Forecasting & Planning - solution	GBE- Work Management	Processes & Business Requirements	4386
Core Projects & Program Management	GBE- Work Management	Processes & Business Requirements	4386
WMFE Optimization	GBE- Work Management	Processes & Business Requirements	4386

**TOTAL SERVICE COMPANY SPEND BY COST CENTER - Q2 FY2020**  
**GAS BUSINESS ENABLEMENT**

**CAPEX - TOTAL SERVICE COMPANY SPEND**

								ANNUAL FY20- TOTAL SERVICE COMPANY SPEND	
GBE - COST CENTER DESCRIPTION	GBE - COST CENTER #	Q2 FY20 CUMULATIVE BUDGET	Q2 FY20 CUMULATIVE ACTUALS	Q2 FY20 VARIANCE \$	Q2 FY20 VARIANCE %	Variance Explanation <sup>(1)</sup>		FY20 ANNUAL BUDGET	CUMULATIVE FY20 SPEND
Processes & Business Requirements	4386	34,559,323	32,448,233	2,111,091	3.25%			64,678,042	32,448,233
Information Services	4387	20,521,189	29,603,831	(9,082,643)	-14.00%	Primarily driven by increased spend on legacy interfaces due to unanticipated complexities of the legacy interfaces when the initial estimate was developed.		40,565,353	29,603,831
Business Design, Readiness & Deployment	4388	6,891,564	4,855,520	2,036,044	3.14%			13,711,963	4,855,520
Portfolio Management	4389	2,904,656	3,438,173	(533,517)	-0.82%			5,371,110	3,438,173
<b>TOTAL GBE - CAPEX</b>		<b>\$64,876,732</b>	<b>\$70,345,757</b>	<b>(\$5,469,025)</b>	<b>-8.43%</b>			<b>\$124,326,467</b>	<b>\$70,345,757</b>
<b>TOTAL GBE SPEND - TOTEX</b>		<b>\$89,323,295</b>	<b>\$87,974,555</b>	<b>\$1,348,740</b>	<b>1.51%</b>			<b>\$169,864,874</b>	<b>\$87,974,555</b>

<sup>(1)</sup> Comments only for variance above threshold +/- 10%

**NIAGARA MOHAWK POWER CORPORATION ALLOCATED SPEND BY CATEGORY - Q2 FY2020**  
**GAS BUSINESS ENABLEMENT**

CAPEX

GBE - COST CENTER DESCRIPTION	GBE - COST CENTER #	CUMULATIVE Q2 FY20			ANNUAL FY20	
		Q2 FY20 CUMULATIVE BUDGET	Q2 FY20 CUMULATIVE ACTUALS	Q2 FY20 VARIANCE \$	FY20 ANNUAL BUDGET	CUMULATIVE FY20 SPEND
Processes & Business Requirements	4386	8,366,219	8,468,371	(102,152)	15,295,031	8,468,371
Information Services	4387	3,474,237	5,011,929	(1,537,691)	6,867,714	5,011,929
Business Design, Readiness & Deployment	4388	1,166,742	822,039	344,702	2,321,435	822,039
Portfolio Management	4389	491,758	582,083	(90,324)	909,329	582,083
<b>TOTAL GBE - CAPEX</b>		<b>\$13,498,956</b>	<b>\$14,884,422</b>	<b>(\$1,385,466)</b>	<b>\$25,393,510</b>	<b>\$14,884,422</b>
<b>TOTAL GBE SPEND - TOTEX</b>		<b>\$18,396,378</b>	<b>\$18,245,492</b>	<b>\$150,886</b>	<b>\$33,981,274</b>	<b>\$18,245,492</b>

**Note:** Amount reflects Capital Spending for Cumulative FY20 only and does not reflect actual rent expense charged to Niagara Mohawk Power Corp. through the Service Company. Cumulative Capital Spend, once placed in service, will be charged as rent expense through the Service Company.

**CUMULATIVE SPEND SUMMARY  
TOTAL SPEND BY FISCAL YEAR  
GAS BUSINESS ENABLEMENT**

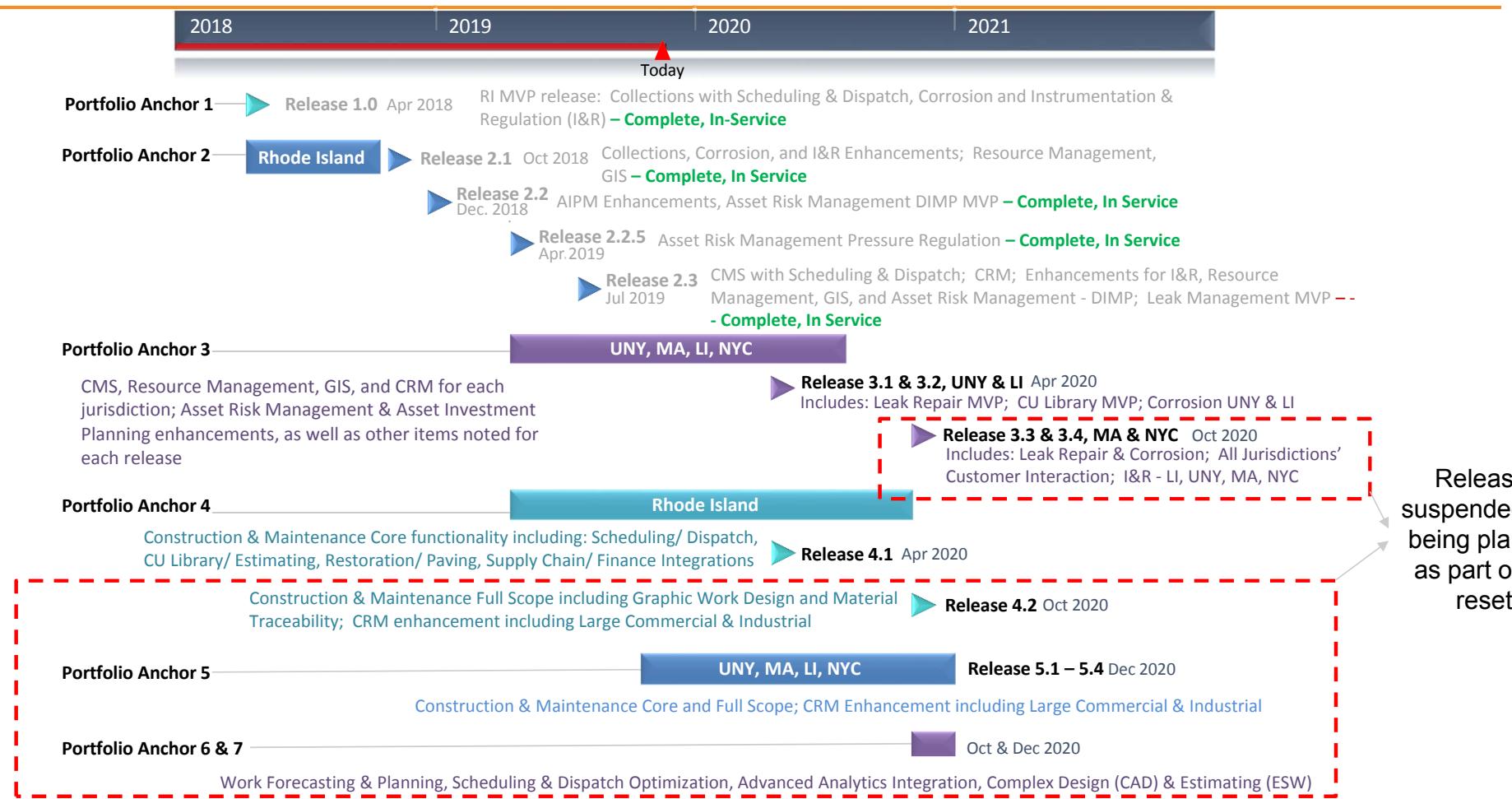
<b>FISCAL YEAR</b>	<b>TOTAL SPEND</b>
FY17	\$ 20,053,275
FY18	80,656,758
FY19	170,983,156
CUMULATIVE FY20 - Q2 FY20	87,974,555
<b>GBE - TOTAL CUMULATIVE SPEND</b>	<b>\$ 359,667,744</b>

## Allocations used for Gas Business Enablement Program GAS BUSINESS ENABLEMENT

GBE Cost Center	Module	Order Description	ALLOCATOR
4389	Powerplan	GBE P1-P3 PowerPlan	G-012
4386	SC	5110S-GBE-C210 Supply Chain	C-210
4386	WM (Maximo)	5110S-GBE-C210 P1-P3 Work Manage	C-210
4386	AM	5110S-GBE-C210 P1-P3 Asset Manage	C-210
4386	WM (SDM)	5110S-GBE-C175 P1-P3 Sched/Disp/Mob	C-175
4386	DM	5110S-GBE-C210 Data Management	C-210
4386	AM (GIS)	5110S-GBE-C210 GIS	C-210
4386	CE	5110S-GBE-C175 Customer Engagement	C-175
4389	PO	5110S-GBE-C210 Portfolio Office.	C-210
4388	OM	5110S-GBE-C210 Operating Model	C-210
4388	CMO (BECM)	5110S-GBE-C210 Change Mgmt Office	C-210
4387	IS Enabling	5110S-GBE-C210 IS Enabling	C-210
4387	IS Legacy	5110S-GBE-C210 AM Legacy Interfaces	C-210
4387	Software	5110S-GBE-C210 Software	C-210
4387	Hardware	5110S-GBE-C316 Hardware	C-316

SAP Alloc. Code	Description	Allocation Basis	NMPC - ELEC	NMPC - GAS	NMPC - TRANS	NMPC Total	ALL OTHER CO's	TOTAL
C-316	Narragansett Gas Co.	Direct Charge	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%
C-175	All Retail Companies	C - Number of Customers via Count of Meters Installed	23.24%	8.67%	0.00%	31.91%	68.05%	100.00%
C-210	All Gas Retail Companies	C - Number of Customers via Count of Meters Installed	0.00%	16.95%	0.00%	16.95%	83.07%	100.00%
G-012	All Companies	G - General Allocator, 3-Point Allocation - Net Margin, Net Plant, and Net O&N	15.59%	4.53%	5.54%	25.66%	74.34%	100.00%

## GBE Roadmap - Current



**GBE \$M Updated Forecast**

<b>Totex</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>Total</b>
Asset Management	\$7.0	\$25.6	\$13.6	\$12.4	\$58.7
Business Enablement	\$11.1	\$15.6	\$21.5	\$20.1	\$68.3
Customer Engagement	\$7.2	\$12.9	\$19.7	\$7.5	\$47.3
Data Management	\$1.5	\$8.3	\$7.2	\$6.4	\$23.4
Information Services Enabling and Integration	\$17.2	\$43.5	\$73.7	\$36.7	\$171.0
Portfolio Office, Regulatory and Compliance	\$12.5	\$16.9	\$13.3	\$11.2	\$53.9
Supply Chain	\$0.9	\$6.2	\$2.6	\$0.4	\$10.1
Work Management	\$22.0	\$34.8	\$29.5	\$21.8	\$108.1
AFUDC	\$1.2	\$7.1	\$12.1	\$7.7	\$28.1
<b>Total</b>	<b>\$80.6</b>	<b>\$171.0</b>	<b>\$193.2</b>	<b>\$124.2</b>	<b>\$569.0</b>

Capex	\$53.8	\$129.6	\$159.2	\$98.9	\$441.4
Opex	\$26.9	\$41.4	\$34.1	\$25.2	\$127.6
<b>Totex</b>	<b>\$80.7</b>	<b>\$171.0</b>	<b>\$193.2</b>	<b>\$124.1</b>	<b>\$569.0</b>

**Capex by entity**

KEDNY 31.33%	\$16.9	\$40.6	\$49.9	\$31.0	\$138.3
KEDLI 14.51%	\$7.8	\$18.8	\$23.1	\$14.3	\$64.0

**Opex by entity**

KEDNY 33.70%	\$9.1	\$14.0	\$11.5	\$8.5	\$43.0
KEDLI 15.64%	\$4.2	\$6.5	\$5.3	\$3.9	\$20.0

**Difference between \$515.4m (per Response to DPS-970, Question 3) and the updated forecast of \$569m:**

<b>Category</b>	<b>Amount</b>	<b>Comments</b>
PWC Change Orders	\$25.0	Shift in timeline and additional scope items.
Other IS ( IBM & Wipro)	\$17.0	Shift in timeline and additional scope items.
Testers	\$2.0	Shift in timeline.
NG Labor	\$1.0	Shift in timeline.
Training Contractors	\$2.0	Additional trainers to manage number of users and solution adoption.
AFUDC	\$7.0	Result of increased capex.
<b>Total</b>	<b>\$54.0</b>	