

**Project Name:** Enterprise Portfolio & Project Management (PPM) – IT39

**Description:** Multinet Gas (MG) requires a robust and integrated enterprise solution to manage the development and monitoring of their long and short term CAPEX and OPEX programs of work. This includes supporting the development of future Pricing Reviews (GAAR) across Asset Management, Customer Services and IT.

An Enterprise Portfolio & Project Management (EPPM) project was proposed and approved by the Australian Energy Regulator (AER) for United Energy (UE) as part of the recent Electricity Distribution Pricing Review (EDPR).

This project will leverage the EPPM tool-set implemented for UE under the EDPR project and provide similar integrated capability for MG.

The proposed EPPM tool-set is required to;

- Develop and rank initiatives for submission to the AER
- Monitor performance of the works programs
- Align capital and operational spending with strategic intent
- Provide effective stage and gate control for projects
- Implement auditable planning and budgeting processes
- Provide early identification of opportunities, bottlenecks, and risks.

**Strategic Alignment:** This project allows MG to improve core business capability and supports the following key strategic themes:

1. Maintain systems to industry standard to avoid increased risk of disruption to customers and to retain levels of efficiency
2. Improve asset planning and management through improved data quality and reporting; and
3. Ensure readiness to meet regulatory requirements – the processes that the current platform provides hampers MG's ability to achieve regulatory compliance for GAAR submissions and RIN reporting.

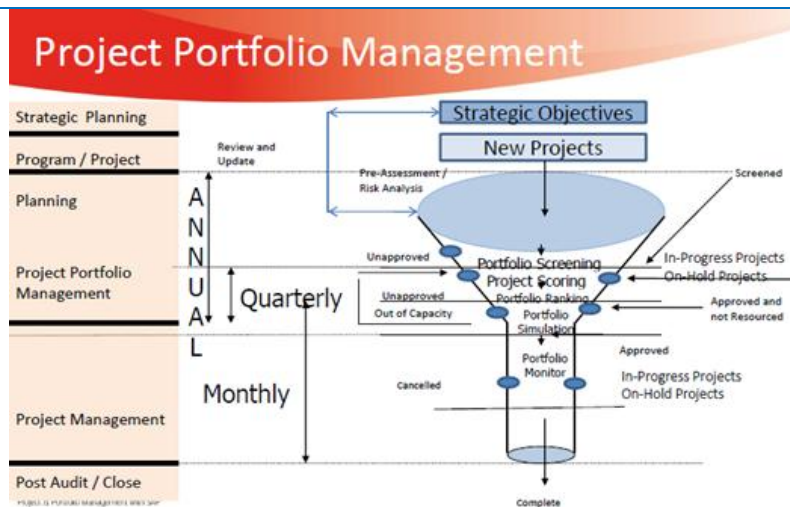
The capital expenditure for this project is justified as it is:

- Prudent and efficient in line with accepted good industry practice: and
- Necessary to maintain the integrity of MG's services.

**Options:** All credible options have been assessed. The options considered include:

1. Do Nothing – Continue to use uncontrolled spreadsheets with no integration to the existing Investment Management & Projects Modules in MG's core SAP enterprise system.
2. **Implement a PPM tool** that integrates tightly with the SAP environment to register opportunities, develop and adjust works program, understand bench marks, project status and actuals cost vs. budget.

**Rationale:** Implementing a Portfolio and Project Management tool-set will support the initiation of ideas through a score card and ranking regime into future works programs and then monitor budget and cost through to close-out.



It will also support the rolling GAAR life cycle, enabling the 5 year AER submission to be enhanced by a seamless rolling process of initiation and justification which includes the provision of evidence of delivery and/or variations.

Additional benefits include:

- A single integrated solution for project and portfolio management across all business functions.
- Improved efficiency using dashboards and comprehensive benchmarking against key performance indicators to help MG ensure that projects are completed as planned.

Project estimates include implementation of a tool specific to the particular requirements of Asset Management, as well as extension across the business of the existing EPM tool.

The Do Nothing option is not preferred as it continues current uncontrolled and non-integrated practices with consequent business risks.

<b>Timing:</b>	2018
<b>Cost:</b>	\$1.39m
	No significant impact on ongoing IT operating cost is expected.