

**Exhibit No.:**  
**Issue:** Enterprise Information  
Management System  
**Witness:** Ryan L Hyman  
**Type of Exhibit:** Direct Testimony  
**Sponsoring Party:** Laclede Gas Company  
**Case No.:** GR-2013-0171  
**Date Testimony**  
**Prepared:** December 21, 2012

**LACLEDE GAS COMPANY**

**GR-2013-0171**

**DIRECT TESTIMONY**

**OF**

**RYAN L. HYMAN**

**TABLE OF CONTENTS**

**PURPOSE OF TESTIMONY ..... 2**  
**ORIGINS AND CHARACTERISTICS OF EIMS ..... 2**  
**COST AND QUALITY CONTROL MEASURES ..... 5**  
**CUSTOMER BENEFITS..... 9**

**SCHEDULE RLH-D1 - ENTERPRISE INFORMATION MANAGEMENT  
SYSTEM**

**DIRECT TESTIMONY OF RYAN L. HYMAN**

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- Q. Please state your name and business address.
- A. My name is Ryan L. Hyman and my business address is 720 Olive Street, St. Louis, Missouri 63101.
- Q. What is your present position?
- A. I currently serve as Vice President, Information Technology Services for The Laclede Group, Inc.
- Q. Please state how long you have held your position and briefly describe your responsibilities.
- A. I was appointed to my present position in February 2012. In that position, I am responsible for overseeing the development, performance and security of the Company's information technology services and assets, including the software, hardware, logistical and other elements of that technology. Prior to being appointed to my current position, I was an Assistant Vice President for Information Technology Services, where I performed many of the same functions.
- Q. What was your work experience prior to joining Laclede?
- A. From September 1999 to April 2008, I served as Vice President for Information and Technology Management for SM&P Utility Resources, Inc., a national underground locating firm that had been acquired and subsequently sold by Laclede shortly before my arrival at the Company. While in that position, I had the responsibility of overseeing the development, performance and security of SM&P's information technology assets.

1 Q. What is your educational background?

2 A. I graduated from Purdue University in 1999 with a degree in Computer  
3 Programming Technology.

4 Q. Have you previously filed testimony before this Commission?

5 A. No, I have not.

6 **PURPOSE OF TESTIMONY**

7 Q. What is the purpose of your testimony in this proceeding?

8 A. The purpose of my testimony is to discuss the nature and characteristics of the  
9 new Enterprise-wide Information Management System (“EIMS”) that the  
10 Company is in the process of implementing. I will also explain why we  
11 undertook the project, the process we followed to ensure quality and cost  
12 control, and the benefits that the new system will bring to the Company and its  
13 customers.

14 **ORIGINS AND CHARACTERISTICS OF EIMS**

15 Q. Please describe the general features of the new EIMS system.

16 A. For several years now, Laclede has been intensely involved in the planning,  
17 design, and preliminary implementation of EIMS. As a result of this initiative,  
18 the Company will by the end of this rate case proceeding, and for the first time  
19 in its history, have a fully integrated and comprehensive information  
20 management system. When fully implemented, EIMS will touch more than  
21 80% of all of the Company’s business processes. Among other things, the  
22 system will be capable of providing enhanced accounting tools, cross-  
23 functional communication, data tracking and analyses, and other essential

1 business processes in the areas of customer service, billing and information,  
2 financial performance, supply chain/inventory, human resources and asset  
3 management. In fact, the transformative nature of this undertaking to Laclede  
4 and how it operates is such that the Company and its employees refer to it as  
5 the Company's "newBLUE" project.

6 Q. Can you describe the various components and of EIMS?

7 A. Yes. As set forth in Schedule RLH-D1, EIMS has four major components.  
8 The first is Oracle eBusiness Suite. This system is applicable to accounting,  
9 reporting, payment processing, supply chain functionality, and human capital  
10 management functions. The second component is the PowerPlant system,  
11 which is applicable to fixed asset and tax accounting. The third is the Oracle  
12 Customer Care and Billing System which is applicable to billing, collections  
13 and customer service functions. The fourth component is the IBM Maximo  
14 system applicable to enterprise asset management and work management.

15 Q. What is the current status of the implementation process for these components?

16 A. The Oracle eBusiness Suite and Power Plant systems were brought on line on  
17 October 1, 2012. The IBM Maximo is schedule to be implemented in stages,  
18 beginning in January 2013 and the Oracle Customer Care and Billing System  
19 is schedule to go live in July of 2013.

20 Q. Why did the Company choose to initiate a project of this size, cost and  
21 complexity when it did?

22 A. A significant consideration was the need to ensure that the Company would  
23 continue to have an information management system in place that would be

1           able to support its ability to provide customer service on the kind of reliable  
2           basis that our customers have come to expect. As Commissioners undoubtedly  
3           understand from their own personal experience, technology, software,  
4           applications and other features associated with information management  
5           technology change at an incredibly rapid pace, whether one is looking at a  
6           smartphone or enterprise management system. As a result those vendors that  
7           service and equip such systems, and the schools that train the professionals  
8           required to do the work are, by necessity, always focusing their resources on  
9           supporting the technology as it exists today and is likely to evolve in the future.

10    Q.    Why was this dynamic a factor in the Company's decision to move forward  
11           with the EIMS investment.

12    A.    Because Laclede has typically taken a conservative approach to making large  
13           investments like EIMS only where there is a compelling case to do so, the  
14           Company had maintained and continued to operate a number of its information  
15           management systems for a comparatively long time. In fact, the largest and  
16           oldest of our major information systems -- the Customer Information System  
17           or "CIS" -- is some 25 years old. Due to its age, it had become increasingly  
18           difficult for the reasons previously discussed to find programmers and software  
19           providers with the knowledge and expertise to maintain and, in the event of an  
20           emergency, repair the system. Accordingly, it became ever more obvious that  
21           we needed to move forward with a new information management system and  
22           the Company has now done so. As we undertook to do so, however, it became  
23           equally apparent that installing an integrated, enterprise-wide system was by

1 far the most prudent step to take, particularly in view of the age of our other  
2 information management systems.

3 **COST AND QUALITY CONTROL MEASURES**

4 Q. Did the Company take an equally conservative approach toward ensuring that  
5 that the cost, quality and efficacy of its investment in EIMS would be  
6 prudently managed?

7 A. Yes. In fact, I have never been involved with a technology acquisition project  
8 that has had the level of cost and quality controls that have been employed by  
9 the Company in connection with the EIMS investment. At every stage of the  
10 project, maximum attention has been given to ensuring involvement and  
11 oversight of the project by both senior management as well as the front-line  
12 managers who are most familiar with the functional areas that will be impacted  
13 by the new systems. We have also retained experienced consultants at each  
14 stage of the process to advise the Company on the best and most competitive  
15 ways to acquire and implement the technology, establish and monitor the  
16 progress of the project, including our performance on key cost and quality  
17 metrics, and ensure successful implementation of the system upon its  
18 completion.

19 Q. How did the Company go about the task of involving senior management and  
20 front line employees in the design, construction, and implementation of the  
21 EIMS project?

22 A. From the very beginning of our deliberations on pursuing a new information  
23 management system, we made sure our Board of Directors was thoroughly

1            conversant with our plans for the project, including the need for the system, its  
2            anticipated costs and benefits, and the process that would be followed to bring  
3            the project to a successful conclusion. Eventually, this culminated in Board  
4            approval to proceed with the project in April of 2011. We also formed an  
5            Executive Steering Team comprised of senior officers to interface with the  
6            project on a routine basis and ensure that key decisions were being made on a  
7            timely and informed basis and the performance metrics were being met.

8    Q.    How did the Company involve front-line managers in the design and  
9            construction of the system?

10   A.    Early in the process, we assigned front-line managers for each of the functional  
11            areas that would be impacted by EIMS. Working in tandem with the Steering  
12            Committee and the senior officers responsible for these functional areas, the  
13            front line managers assumed direct responsibility for overseeing the design,  
14            integration and implementation of the components of the new system that were  
15            relevant to the areas they supervised. By creating this structure, it was the  
16            Company's intent to ensure that the EIMS system would be optimally designed  
17            given the specific requirements of the business and our customers and that it  
18            would be implemented in as seamless and efficient way as possible.

19   Q.    You mentioned that the Company engaged outside experts to assist and advise  
20            it throughout the process. Please explain what the Company did in this regard.

21   A.    As I previously indicated the EIMS investment represents the first integrated,  
22            enterprise-wide information management system in the Company's history. In  
23            other words, EIMS was the kind of unprecedented, once-in-a-generation,



1 project that a business is not typically staffed to design and implement on its  
2 own. Accordingly, we recognized from the outset that we needed to retain the  
3 expertise of people who regularly work on such projects so as to ensure that  
4 EIMS would be designed and implemented in a way that was efficient,  
5 effective and consistent with both industry standards and our own needs.

6 Q. What specific steps did the Company take in this regard?

7 A. First, we retained Black and Veatch, an international engineering and  
8 consulting firm, to assist us in the Request for Proposal (“RFP”) process that  
9 was used to select the suite of software applications that would be incorporated  
10 into EIMS as well as in the design and execution of the competitive bidding  
11 process that was employed to select the system integrator. From the  
12 beginning, we made it clear that Black and Veatch would not be eligible to  
13 participate in the bidding process for the system integrator in order to provide  
14 additional assurances that the firm would be providing us with completely  
15 unbiased and objective advice throughout the process.

16 Q. How exhaustive was the process for selecting the software applications that  
17 would be used to build EIMS?

18 A. It was very exhaustive. Over 3,800 functional requirements were set forth in  
19 the RFP. In total, the team evaluating the submissions wrote 356  
20 demonstration scripts to facilitate process. Finally, the evaluation team spent  
21 four consecutive weeks evaluating the bids and making a final selection.

22 Q. Was the competitive bidding process for selecting the system integrator just as  
23 thorough?

1 A. Yes. After spending a significant period of time designing the Request for  
2 Proposal, we submitted the RFP to numerous vendors. Eventually 15  
3 participated in the bidding process, submitting a total of 5 combined bids.  
4 After another exhaustive review process, we selected PriceWaterhouseCoopers  
5 (“PwC”) as the system integrator.

6 Q. What was the purpose of the system integrator?

7 A. The purpose of the system integrator was to match its specialized knowledge  
8 and expertise of the selected software packages with the specific needs and  
9 requirements of the Company’s operational and financial activities, the needs  
10 of the Company’s customers, and the requirements of the external environment  
11 in which we operate. Based on the thorough analysis done by the evaluation  
12 team, and with the informed approval of senior management, the Company  
13 determined that PwC brought an exceptional set of skills and experience to the  
14 task at a favorable price.

15 Q. What kind of process did the Company establish to monitor the progress of the  
16 project once it was underway?

17 A. We recognized from the beginning that once the software packages and system  
18 integrator were selected, there would need to be a rigorous and comprehensive  
19 process in place to ensure that the project was kept on schedule, that the cost  
20 and quality metrics for the project were being achieved, and that any  
21 unforeseen risks or obstacles were addressed and resolved on a timely basis.

22 Q. How did the Company achieve this?

1 A. Among other measures, we established a Project Management Office  
2 (“PMO”), headed up by a senior Laclede manager, to continually evaluate the  
3 progress of the project and how its performance was stacking up compared to  
4 what was initially anticipated. We also retained another firm, Five Points, with  
5 extensive experience in this area to assist in our efforts to monitor the progress  
6 of the project. We also made sure that periodic reports were prepared and sent  
7 to senior management so that they would be kept fully abreast of project  
8 performance and could step in if any major problems needed to be resolved.

9 Q. What were the results of all of these efforts?

10 A. I am happy and relieved to report that as a result of these efforts, EIMS is  
11 currently anticipated to be completed on-time and within its forecasted budget  
12 of around \$65 million.

13 Q. Does that mean that Company’s efforts to manage this project will soon be  
14 completed as well?

15 A. Not at all. We recognize that for the project to be fully successful, we will  
16 need to make sure that EIMS is implemented into our daily operations in a  
17 timely, efficient and effective way. That is precisely why we have gone to  
18 great lengths to establish vendor and employee-led training programs for our  
19 employees, why we have made mastering the various EIMS platforms a part of  
20 incentive compensation for affected employees and why we are constantly  
21 monitoring our progress in this regard as well.

22 **CUSTOMER BENEFITS**

1 Q. What enhancements will EIMS bring to the Company's provision of utility  
2 service?

3 A. As I indicated before, one of the main benefits of the EIMS system is that it  
4 will provide the Company with the ability to continue to provide reliable utility  
5 service, without the risk of potentially significant service disruptions that could  
6 have occurred if we had simply tried to limp along with an aging system that  
7 was increasingly difficult to maintain and operate. In other words, we felt  
8 that, as a practical matter, we were approaching the end of the usefulness of  
9 some of our legacy systems, and that now was a good time to both do a  
10 necessary replacement and obtain the efficiencies inherent in an integrated  
11 system. Once fully implemented in the summer of 2013, EIMS will provide  
12 the Company with additional tools to improve customer care and operate even  
13 more efficiently.

14 Q. What contribution will EIMS make to enhancing customer care?

15 A. For one thing, the Oracle Customer Care and Billing ("CC&B") component of  
16 EIMS will make additional customer support information available to customer  
17 service personnel operating out of the Company's call center – an enhancement  
18 that should lead to greater "first call" resolution for customer inquiries. In the  
19 process, it should also produce greater efficiency through the ability to take  
20 more calls and/or to reduce average speed of answer. EIMS will also provide  
21 the Company with greater flexibility to design and implement more  
22 individualized service offerings for customers with distinct needs, requirements  
23 and operating characteristics. The value of this flexibility to Laclede's

1 customers should be particularly evident when it comes to easier accessibility to  
2 information helping customers to better understand their energy usage and to  
3 benefit from the more efficient use of those energy resources. Similar benefits  
4 should also accrue in the design, implementation and evaluation of the  
5 Company's energy efficiency, affordability and weatherization programs.

6 Q. Can you provide additional examples of the kind of enhanced tools and  
7 capabilities that the CC&B feature of EIMS will provide to call center personnel  
8 and other customer-oriented functions?

9 A. Sure. A good starting list of these enhancements would include the following:

- 10 • Better tracking of customers when they change addresses, because CC&B is  
11 customer based vs. the current premise based system;
- 12 • Ability to tie multiple customers to an account (e.g. roommates);
- 13 • Ability to add secondary persons to an account and send them a copy of the bill;
- 14 • Ability to capture email addresses, providing customers with options for a  
15 preferred method of contact
- 16 • Ability to capture additional telephone numbers, allowing for true computer  
17 telephony integration (screen pops based on incoming telephone number vs.  
18 input of social security number or account number in the IVR)
- 19 • Ability of the Customer Service Representative (CSR) to view consolidated  
20 customer information even when navigating to different screens, thanks to the  
21 "dashboard" feature;
- 22 • Immediate accessibility to information on unauthorized use on the account,  
23 rather than having to consult a separate account;

- 1 • Availability of more customer information per screen;
- 2 • Features “Alerts” to guide CSRs on necessary actions
- 3 • Ability to program scripts to assist CSRs in processing certain types of calls;
- 4 • Greater ability to track a business process from beginning to end (e.g. high bill
- 5 investigations);
- 6 • Option to offer statements and combined billing of accounts
- 7 • Better access to status of refund checks as CC&B will know status throughout
- 8 the life cycle of the refund;
- 9 • Clearer bill detail descriptions;
- 10 • Greater access to real-time status of field activities, which will be updated
- 11 electronically in CC&B;
- 12 • Actual direct visibility to Meter Shop and Construction & Maintenance work;
- 13 • Reduced rejections on EA Eligibility Tapes due to real time field activity
- 14 updates;
- 15 • Ability for CSR to immediately provide a requesting customer with a new bill
- 16 amount on some cancel/rebills, rather than always requiring a callback.
- 17 • Instant loan pay-off calculations available at all times;
- 18 • One-stop for CSR to start/stop/suspend Easy Pay;
- 19 • Improved integration between systems and elimination of many internal
- 20 databases allowing for better visibility of account/premise activity;
- 21 • Ability to respond faster to requests for information (e.g. list of contractors for
- 22 E-Wise and Insulation programs) via favorite links exist on the dashboard;

- 1 • Ability to more quickly confirm receipt of payment, thanks to real-time  
2 interfaces with some payment vendors;
- 3 • Ability to separate collection treatment paths and stop billing for specific  
4 services while continuing to bill for others (e.g. Gas Service, Deposit  
5 Assessment, Service Charges, etc.);
- 6 • Automated depository of action items, known as “To-dos” and visible to all; and
- 7 • Ease of creating reports and analytics without requiring Information Technology  
8 Services support.

9 Q. Will EIMS also allow the Company to operate more efficiently over the long-  
10 term?

11 A. Yes. EIMS should also benefit customers over the long-term by enabling the  
12 Company to operate more efficiently across a wide spectrum of business  
13 functions. Among other things, it will help to streamline and automate business  
14 processes and provide management with easy access to operational metrics for  
15 use in making timely and efficient management decisions. It will also provide  
16 for more robust time and labor tracking, reporting and financial analysis and  
17 enhance our ability to conduct spend analysis in support of strategic sourcing.  
18 All of these enhancements will help to eliminate work duplication in the  
19 gathering, reporting and evaluation of data and improve our ability to coordinate  
20 field operations in an even more efficient and systematic manner.

21 Q. Will EIMS also provide the Company with additional ways to enhance the safety  
22 of its system?

1 A. Yes. Its features will also enhance the Company's ability to centralize, more  
2 rapidly access and more robustly analyze and track safety-related infrastructure  
3 data and records as well as compliance requirements. In short, the introduction  
4 of these new information management tools will do for Laclede what the  
5 expanded use of such technology has done for countless other businesses –  
6 enable the Company to ultimately provide its customers with higher quality  
7 utility service in a more efficient manner.

8 Q. Does this conclude your direct testimony?

9 A. Yes, it does.



# **ENTERPRISE INFORMATION MANAGEMENT SYSTEM**

Amounts capitalized to implement the EIMS will include both internal and external costs (including consulting costs) to design, configure, test and implement this enterprise software in accordance with GAAP.

- Oracle Enterprise Business Systems – core system functionality including accounting, reporting, payment processing and supply chain functionality (calendar Q4 2012 targeted implementation)
- PowerPlant – a utility-focused suite of applications supporting fixed asset and tax accounting (Q4 target)
- Oracle Customer Care and Billing – supporting all customer-facing functionality including billing, collections, and customer service functions (Q3 2013 target)
- IBM Maximo - Enterprise asset management and workflow system (two phased implementation targeted for Q1 and Q3 2013)

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Laclede Gas Company's Filing of )  
Revised Tariffs to Increase its Annual Revenues ) Case No. GR-2013-0171  
For Natural Gas Service )

A F F I D A V I T

STATE OF MISSOURI )  
) SS.  
CITY OF ST. LOUIS )


Ryan L. Hyman, of lawful age, being first duly sworn, deposes and states:


1. My name is Ryan L. Hyman. My business address is 720 Olive Street, St. Louis, Missouri 63101; and I am Vice President, Information Technology Services of Laclede Gas Company.

2. Attached hereto and made a part hereof for all purposes is my direct testimony, on behalf of Laclede Gas Company.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Ryan L. Hyman

Subscribed and sworn to before me this <sup></sup> 12 day of December, 2012.

  
\_\_\_\_\_  
Notary Public

