



- Arizona's largest and longest-serving electricity utility
- Serves nearly 1.2 million customers in 11 of the state's 15 counties
- Headquartered in Phoenix
- Principal subsidiary of Pinnacle West Capital Corp.

## TMG Consulting Provides End-to-End Oversight of IT Initiatives at APS

### ABOUT ARIZONA PUBLIC SERVICE

In 1886, five years after the gunfight at the OK Corral in Tombstone, and 26 years before Arizona became a state, the Phoenix Illuminating Gas and Electric Company began providing energy services to the new town of Phoenix. In the early 20th century, the utility was called Pacific Gas and Electric, and was part of the massive American Power and Light system shortly thereafter. In 1952, this now large company became known as Arizona Public Service (APS). APS has been providing electric service for 130 years and currently provides industry-standard reliability and service quality to a broad footprint of 1.2 million customers across Arizona. It is influential to the area and to other electric utilities, and prides itself on its community service. APS operates the largest nuclear power plant in the United States and supplies power to much of the region. The company intends to hold its leadership position well into the future.

### APS PURSUES CHANGES TO MEET FUTURE DEMANDS; PARTNERS WITH TMG ON CIS MODERNIZATION PROGRAM

APS realizes that to develop the sustainable electric services delivery model of the future, big changes are needed in all areas of the business. The company has embarked on several major technical initiatives from Advanced Distribution Management Systems (ADMS) to a state of the art Asset Management System to innovative electricity marketing and trading programs to full Advanced Metering deployment. Key among these new systems is the replacement of its obsolete CIS platform.

Large, stable, expertly managed utilities like APS do not take on the implementation of a major customer system casually. This decision was carefully considered over the course of several years. The utility's leadership team cautiously and thoughtfully planned the effort and its funding, and has had an active role in all areas of oversight and guidance.

With such a major undertaking on its hands, APS sought out a partnership early on with TMG Consulting to ensure proper oversight for the project. From the early days of planning and vendor selection, TMG has been a reliable and valuable partner. According to APS' Chief Information Officer Bryan Kearney: "Our CIS modernization program is the largest information technology undertaking in APS history. Due to its criticality to our future business we knew it was important to engage a partner early to assist in requirements analysis, vendor evaluation, contract review and project quality assurance. TMG has professionally served in that trusted advisory role."

### BENCHMARKING EFFORTS LEAD TO SUCCESSFUL MILESTONES

The effort to define and construct a world-class CIS was approached in typical APS style: measured and precise. Benchmarking of other utilities—both on their project structure and on their selection of partners and methodologies—gave the company leadership a confident view of the true industry best practices. APS' learning from its peers has been directly incorporated into every aspect of the project, and now, at its half-way point, the project performance mirrors the competent preparation work.

TMG was first engaged by APS to help select one or more vendors to work with APS to implement the new CIS software. APS had already chosen the Oracle Customer Care and Billing (CC&B) application and it wanted to ensure that the partners that it chose would deliver great value at competitive prices. In six short months, the TMG team worked with APS resources to draft business requirements, put together a Request for Proposals (RFP), and evaluate the proposals received so that APS could choose the best offer. APS received proposals from five large competing vendors, chose three proposals to investigate deeply and finally decided on the joint Infosys and Ernst & Young proposal. In addition, TMG was able to help APS with negotiating the contracts with the successful bidders in a surprisingly short amount of time.

“The selection of the Systems Integrator (SI) must be congruent with the capabilities, style and values of the utility; every aspect of the project will go smoother if a great selection is made at the beginning,” said Jim Hendershot, senior consultant, TMG Consulting, and the quality assurance manager on the APS project. “We were able to advise APS on how to best select the SI that is the most complete fit for their scenario, and that proper pairing has been reflected in the rate of success thus far.”

APS has deployed an extremely effective Project Management Office (PMO) who has managed the work with these high-power partners with tight methodologies and sound planning discipline, and has overseen all partner overlap and duplication. In fact, through 15 months to date, not a single milestone or critical project plan date has been missed. This is largely due to the close cooperation of the partners and the APS project members, all of whom are deeply vested in the project’s success. In addition, the executives of APS, the SI partners and Oracle have been engaged and helpful. As a unified group, they have endorsed the “Change the process, not the product” guiding principle in a real way, practically eliminating modifications to the Oracle base code.

Extensive business and IT readiness activities are now underway while the build and unit testing of the total solution is simultaneously underway and, again, the lessons learned in the discussions with other utilities and guidance from TMG is moving the project in the right direction. “We made many decisions during the planning and ultimate execution of this program that are contributing to our success so far,” said APS Vice President of Customer Service and Chief Customer Officer Stacy Derstine. “One of those decisions was to partner with TMG to provide quality assurance throughout the program. Their insights, and expertise have been invaluable and we look forward to a continued partnership through and beyond go-live.”

The APS CIS modernization project, known in short as CiNERGY, is on track for a March 2017 go-live.

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#### **ABOUT TMG CONSULTING**

[TMG Consulting](#), a firm that offers advisory, client-side and research services to connect utilities with people and technologies to best achieve business goals, has delivered more than 400 projects for more than 250 utilities since 1992. It has an astute awareness of the factors driving the industry in new directions and the expertise and creativity to position utilities for ongoing, not point-in-time success.

Explore [TMG’s website](#) to learn more and connect by emailing [info@tmgconsulting.com](mailto:info@tmgconsulting.com).

