

TEXAS PROJECT DELIVERY FRAMEWORK  
**BUSINESS CASE**



**Railroad Commission of Texas**  
**Gas Services Online Filing Project**

VERSION: 1.5

REVISION DATE: February 14, 2013

*Approval of the Business Case indicates an understanding of the purpose and content described in this deliverable. Approval of the Business Case constitutes approval of the business case analysis results and hereby certifies the overall accuracy, viability, and defensibility of the content and estimates. By signing this deliverable, each individual agrees the proposed business solution has been analyzed effectively as described herein.*

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## Section 1. Executive Summary

For a standard Business Case, complete this section *after* completing all other sections.

### 1.1 Issue

*Briefly describe the business issue that the recommended project would solve without describing how the problem will be addressed. Include a brief statement of any mandates that require processes and/or services not currently in place.*

The business issues are:

- A. The existing electronic Tariff filing system is inefficient and is built using an architecture that does not allow integration with newer web-based applications at the Commission. The Gas Services Division needs a new, more efficient, user friendly online tariff filing system.
- B. Operators can not file mandated reports electronically. Many of the more technically advanced gas utilities ask each year when will they be able to file online instead of the paper format. Each year the Gas Services Division receives approximately 9,000 pages of documents.
- C. Tax payments and their associated annual filings are difficult to reconcile. Gas Services needs a system that allows for online filing of the quarterly Gas Utility Tax Reports (Form GUA 7.351) and the corresponding tax payment.
  - Each tax report is a two-page form. Each gas utility files four (4) quarterly tax reports per year along with any amendments necessary. There are approximately 186 gas utilities currently with the responsibility of filing a gas utility tax report.

### 1.2 Anticipated Outcomes

*Describe the anticipated outcomes of implementing a project that specifically addresses the business issue. The description should include answers to questions such as “What are we aiming for?” and “What are the expected benefits to business operations?”*

Anticipated outcomes are:

- A. This project will allow the Gas Services Division to move in the direction of considerably less paper to handle, maintain, and eventually scan for archiving.
- B. This project will reduce a considerable amount of labor in the current data entry phase of the in-house processing of the Annual Reports.
- C. This project will provide quicker availability of data to the public and Industry.

- D. This project will reduce a considerable amount of labor in the current data entry phase of the in-house processing of the Gas Utility Tax Reports.
- E. This project will reduce the amount of paper and postage required during our initial quarterly mass mail-out of the blank Gas Utility Tax Reports.
  - o Allow for the online filing of the three types of (gas utility) Annual Reports.
  - o Develop the electronic storage and retrieval location for any reports filed online.
- F. This project will simplify and improve accuracy of the Tariff filing and review process.

### 1.3 Recommendation

*Describe the project that is being recommended to achieve the anticipated business outcomes by summarizing the approach for how the project will address the business issue. Identify the stakeholders/customers involved in determining whether the desired results are achievable by implementing the project.*

The foundation of this project will be business analysis. This will determine process efficiency and a more robust system architecture to ensure that internal business functions and external customer requests can be met without impacting system performance and efficiency. New internal permitting and external filing services not currently offered within existing systems will be made available based on the results of the foundational business analysis. In addition, the system will be built using current technology and software versions.

The approach that will be used for this project is an iterative development process. This means developing a system through repeated cycles (iterative) and in smaller portions at a time (incremental), allowing software developers to take advantage of what was learned during development of earlier parts or versions of the system.

The RRC Software Development Life Cycle is comprised of the following phases:

- Project Organization
- Current Process Analysis
- Re-engineered Process Development
- Software Requirements Analysis
- Software Design and Development
- System Testing and Evaluation
- User Acceptance
- User Training
- User Acceptance
- Product Release Management
- Deployment – Software /Business

The desired project will achieve the following desired results:

- A. A user-friendly online process of completing, submitting, and amending the (Gathering, Transmission, or Distribution) Annual Reports required to be filed by all investor-owned gas utilities in Texas.
- B. A user-friendly online process of completing, submitting and paying the quarterly Gas Utility Tax Report.
- C. An internal RRC System where 'accepted' electronic filings will be available for statistical summaries and reports.
- D. Allow the public to view the 'Annual Report' forms at the Commission web site.
- E. Replace the current Tariff filing process with a web-based interface. Improved user functionality will achieve the following desired outcomes:
  - simplify and improve accuracy of Tariff filing process;
  - simplify and improve accuracy of Tariff review process;
  - Simplify retrieval of Tariff information; and improve report generation capability.

The stakeholders involved are the RRC Gas Services Division, the RRC Office of General Counsel, natural gas distribution and transportation utilities, the public, and other governmental agencies.

## 1.4 Justification

*Justify why the recommended project should be implemented and the rationale for why the project was selected above the other alternative solutions. Provide a compelling argument by summarizing key quantitative and qualitative information from the Project Evaluation section, including a description of the impact of not implementing the project.*

*Determine and include analysis information that is necessary to provide a clear justification for the project. The type and extent of information included in the justification will vary based on the best approach for making a compelling and accurate argument. Charts from the Project Selection, Results section may be copied to support justification for selecting this project.*

The project justifications are:

- A. Many of the 200+ Annual Report filers have indicated they would prefer to use an electronic filing method, if available.
- B. This project will reduce the need to continually submit hard copies (paper) for scanning.

- C. This project will save a considerable amount of staff labor currently used to data enter selected information from the AR's and tax reports, freeing staff up to concentrate on other support issues and potentially reducing data entry errors.
- D. A majority of the approximately 186 filers have expressed an interest in and/or preference to using an electronic filing method for both the Gas Utility Tax Report and the tax payment if available.
- E. This project will reduce the amount of paper stored and maintained prior to recycling when the records retention period is reached.
- F. Electronic Tariff filing is required by rule (16 TAC §7.315 ) and the current electronic Tariff filing system involves significant time and effort on the part of utility filers (208 natural gas utilities) and RRC staff to file and process over 140,000 filings annually.
- G. A revision of the electronic Tariff filing system would result in a more efficient and effective process for all stakeholders, especially RRC staff and natural gas utility filers.
- H. The current electronic Tariff filing system is neither user friendly or efficient for RRC staff, utility filers and public users. RRC staff operating the current system lack the ability to reject Tariffs. They must modify filings to put them in an acceptable format and spend a large amount of time walking utility filers through the filing process. They often encounter difficulty uploading files, which requires IT assistance and patches. Utility filers encounter difficulty with the system due to the hyper specific format requirements of all forms as well as the system lag time for processing of upfront files. This results in an extremely tedious and time consuming filing process. The public seeking natural gas Tariff information encounter a software interface on the RRC website that is slow, limited in functionality, and does not provide access to all Tariff information. RRC staffs seeking natural gas Tariff information encounter a system that is not user friendly and requires a steep learning curve in order to be productive.
- I. Summary:

<b>Summary: All Project Evaluation Factors</b>			
<b>Line</b>	<b>Factor</b>	<b>Maximum Rating Possible</b>	<b>Rating</b>
SF	Statutory Fulfillment	35	17
SA	Strategic Alignment	45	45
IA	Agency Impact Analysis	35	31
FA	Financial Analysis - Government/Constituent	60	36
RC	Initial Risk Consideration	45	45
AA	Alternatives Analysis	30	20
	<b>Total, All Project Factors</b>	250	194

## 1.5 Assumptions

*List and describe any assumptions relevant to the project that is being recommended to achieve the anticipated business outcomes.*

The Assumptions are:

- A. Not all gas utilities will be participating in this program, so there would still be some manual data entry and maintenance and storage of paper files.
- B. The form and format used for electronic filing will be conducive to and available for paper filing for those unable or unwilling to go electronic.
- C. The form and format for completion and filing will be sufficiently user-friendly for the benefit of all who want to utilize this filing method.
- D. Key members of Gas Services Division staff will be able to devote approximately 50% of their time to the project and access to the online filing community will be obtained to complete prototype reviews.
- E. The RRC also needs a dedicated development project team as well as a project maintenance staff that continues to correct defects and short term enhancements on existing systems. It is assumed that both permanent and contract staff will be needed to complete the project on schedule.

## 1.6 Limitations

*List and describe any limiting factors, or constraints, relevant to the project that is being recommended to achieve the anticipated business outcomes.*

Limitations are:

- A. Several of the largest Annual Reports are very large. The page count and size of the filings may be a consideration. Some filings range from 400 to 1,000 plus pages.
- B. Some gas utilities make several amendments to their tax reports. Amendments may be for the current quarter/calendar year or for prior quarters/calendar years. A system would need to process and track amended filings.

## Section 2. Governance and Business Case Analysis Team

### 2.1 Governance

*Describe the IT governance processes and structures within the agency.*

The Railroad Commission has an established Information Technology (IT) governance process to guide the selection and oversight of major information technology projects. Strategic goals and priorities are set by the three elected Railroad Commissioners. The Executive Director sets tactical goals and priorities in support of the Commission's strategic goals. The Executive team and Division Directors determine the Commission's IT initiatives, priorities, strategies, and approaches. Initiatives that have been identified by the executive team in support of Commission goals are evaluated and analyzed by the Information Technology Services Division in partnership with the business divisions. For major projects, the Texas Project Delivery Framework is used to provide a consistent method for project selection, control, and evaluation based on alignment with business goals and objectives. The results of project evaluations are provided to the executive team. Based on the project evaluations, the Executive Director will make recommendations to the Commissioners regarding major projects and initiatives. The Commissioners ultimately support projects and initiatives that sustain and enhance the capability to meet the Railroad Commission mission and goals.

### 2.2 Business Case Analysis Team Members

*Describe the roles on the business case analysis team. Provide the names and titles of agency staff that will fulfill them.*

Role	Description	Name/Title
IT Director	Provides ITS Management support for project and interaction with leadership and other divisions.	
Business Unit Director	Provides Business Management support for project and interaction with leadership and other divisions.	
Project Manager	Overall management of the scope, cost, schedule and communication.	
Technical Subject Matter Expert (s)	Provides subject matter expertise related to technology	
Business Subject Matter Expert (s)	Provides subject matter expertise related to business needs	

Role	Description	Name/Title
Lead Business Analyst	Leads requirements, design and testing in collaboration with Business SMEs, PM and Technical SMEs.	

## Section 3. Problem Definition

### 3.1 Problem Statement

*Describe the problem the project would address, including any problems related to technology, processes and/or services, without presupposing a solution.*

- A. The RRC currently does not have online filing of the three types of (gas utility) Annual Reports. Each year we receive approximately 9,000 pages of documents that must be scanned for later retrieval and certain data must be manually entered from the reports.
- B. Gas Service reports are not all available electronically for retrieval.
- C. The RRC currently does not have online filing of the quarterly Gas Utility Tax Reports (Form GUA 7.351) and the corresponding tax payment. Each tax report is a two-page form. Each gas utility files four (4) quarterly tax reports per year along with any amendments necessary. There are approximately 186 gas utilities currently with the responsibility of filing a gas utility tax report.
- D. Many of the 200+ Annual Report filers have indicated they would prefer to use an electronic filing method, if available.
- E. The tax report and corresponding tax payment are not currently linked for allocation of the payment into their respective Railroad Commission accounts (i.e. tax payment 5% penalty, 10% penalty, 12 % per annum interest).

### 3.2 Agency and Constituent Environment

*Identify and briefly describe the relation of each stakeholder/customer to the project.*

Stakeholders/Customers	Description
Gathering Gas Utilities	Approximately 66 Gathering Annual Reports filed each year.
Transmission Gas Utilities	Approximately 111 Transmission Annual Reports filed each year.
Distribution Gas Utilities	Approximately 31 Distribution Annual Reports filed each year.
State Archives	The ultimate record retention depository for all Annual Reports
The public	Wide range of public interest in the financial and operational reporting of gas utilities and their activities.
Cities, Examiners and Consultants	Used as a significant reference document in reviewing the reasonableness of existing rates and proposed rate increases.
Utility Audit Section Auditors	Used in audits to verify the volumes and dollars as reported by gas utilities.
In-house RRC staff	Sr. Auditor uses the reports in his in-house audit of the utilities' Annual Report

Stakeholders/Customers	Description
RRC Staff – Other	Primarily includes Gas Services Division and Office of General Counsel staff, who use tariff information for utility audits, rate cases, and informal and formal complaints.
ITS	Maintains and modifies system at request of RRC Staff.

*Describe the processes and/or services that would be modified or automated by the project. Include processes and/or services for agencies and constituents (citizens, employers, other agencies).*

Processes/Services	Description of Modifications/Automation
Completion, Submission and Amending	Allow the appropriate AR and Gas Utility Tax report shell to be completed on a computer and submitted electronically.
RRC Internal data storage & management process	<ol style="list-style-type: none"> <li>1. Develop a storage and retrieval program where 'accepted' online filings will be forwarded to populate a database used for statistical summaries and reports.</li> <li>2. Development of a readily accessible means of viewing entire reports and possibly special summary reports by staff, a utility, and the public. (Assistance in self checking for completeness and accuracy of cross-referenced items). Edit and validate data prior to online submission</li> </ol>
Tax Payment	The appropriate tax payment would also be submitted electronically in a program similar to that currently used by other RRC areas. This would allow the payments to be viewed using the RMS system.
Utility Tariff Filing	Replace current electronic tariff filing process with user friendly, web-based filing process to alleviate regulatory burden on natural gas utilities and the amount of time RRC Tariff Analysts must devote to train and counsel utility filers. Create a system that reduces the steps a utility filer must go through to file rate information. For example, currently a utility might be required to file up to nine upfront filings requiring approval prior to being able to file its actual tariff. This process could be streamlined so that all required information could be submitted in one filing.
Utility Tariff Review and Approval	Replace filing interface so that utilities are automatically corrected as they file data, and only filings in acceptable format are accepted by the system. Replace current electronic tariff filing process so that RRC Tariff Analysts can more efficiently review tariff filings and accept or reject tariff filings. Enable Tariff Analysts to view a current tariff on a split screen to compare to new filing with differences automatically highlighted.
Tariff Information Retrieval and Report Generation	Modify or replace current electronic tariff system so that information seekers have access to a more intuitive and efficient web-based data retrieval process and report generation.
Location Information	Enhanced locational data will be stored and available for field and Austin staff to access.

### 3.3 Current Technology Environment

#### 3.3.1 Current Software

*Describe the agency's existing software that will be modified or replaced by the proposed project.*

Software Items	Description
BEA Web Logic 8.X	Application development
Oracle 10.XX	Database software (RDBMS)
Oracle 9.XX	Database software
Oracle Forms 9.X	Application development and reporting
JDeveloper 10g	Oracle application development tool
Oracle Business Intelligence 10g	Business Intelligence environment (data warehouse)
ESRI ArcGIS 9.X	GIS software
IMS Version 10.X	Mainframe database

#### 3.3.2 Current Hardware

*Describe the agency's existing hardware that will be modified or replaced by the proposed project.*

At present, the RRC is in the middle of transformation to the State Data Center. The information shown below is derived from a Transformation plan 10/11/12. Some items are to be decommissioned as part of transformation, but are included to represent our current environment.

The hardware environment changes periodically based on transformation efforts.

Hardware Items	Description
Mainframe	Austin Data Center- Z Series Multiprise 3000
Linux Servers	Database, Print Queues, File Shares, Applications, Webhosting, DNS, DHCP
Windows Servers	Database, Middleware, WebProxy, Security Apps, Reporting Services and Performance Monitoring Apps, DNS, DHCP, Domain Controllers, Email
Unix Servers	Database, Middleware, Webhosting, Security Apps, Reporting Services and Performance Monitoring Apps

## Section 4. Project Overview

### 4.1 Project Description

*Describe the approach the project will use to address the business problem. Include the project sequence number(s) for the project from the Information Technology Detail (ITD).*

Description of Project

### Description of Project

This project will replace the current Tariff filing process with a web-based interface. Additionally, operators will be able to file mandated reports electronically. Many of the more technically advanced gas utilities request online filing options instead of the current paper format.

The approach that will be used for this project is an iterative development process. This means developing a system through repeated cycles (iterative) and in smaller portions at a time (incremental), allowing software developers to take advantage of what was learned during development of earlier parts or versions of the system. Key steps in the process start with a simple implementation of a subset of the software requirements and iteratively enhance the evolving versions until the full system is implemented. During each iteration, design modifications are made and new functional capabilities are added.

The procedure itself consists of the initialization step, and subsequent iteration steps. The initialization step creates a base version of the system. The goal for this initial implementation is to create a product to which the user can react. It should offer a sampling of the key aspects of the problem and provide a solution that is simple enough to understand and implement easily. To guide the iteration process, a Work Breakdown Structure (WBS) is created that contains a list of all tasks that need to be performed. It includes such items as new features to be implemented and areas of redesign of the existing solution. The control list is constantly being revised as a result of the analysis phase.

Each iteration involves the redesign and implementation of a task from the project WBS, and the analysis of the current version of the system. The goal for the design and implementation of any iteration is to be simple, straightforward, and modular, supporting redesign at that stage or as a task added to the project WBS. The level of design detail is not dictated by the iterative approach. In a light-weight iterative project the code may represent the major source of documentation of the system; however, in a critical iterative project a formal Software Requirements Specification (SRS) and Software Design Document may be created. The analysis of an iteration is based upon user feedback. It involves analysis of the structure, modularity, usability, reliability, efficiency, and achievement of goals. The project WBS is modified in light of the analysis results.

The RRC Software Development Life Cycle is comprised of the following phases:

- Project Organization
- Current Process Analysis
- Re-engineered Process Development
- Software Requirements Analysis
- Software Design and Development
- System Testing and Evaluation
- User Acceptance
- User Training
- User Acceptance
- Product Release Management
- Deployment – Software (Production Verification)
- Deployment – Business

The system would have the following features:

- Online process for completing, submitting, and amending the (Gathering, Transmission, or Distribution) Annual Reports required to be filed by all investor-owned gas utilities in Texas.
- Online process for completing, submitting and paying the quarterly Gas Utility Tax Report.
- A system where 'accepted' electronic filings will be available for statistical summaries and reports.
- Public access to view the 'Annual Report' forms at the Commission web site.
- An efficient Tariff filing process with a web-based interface.

**ITD Project Sequence Number(s): (Component of "IT Modernization") ITD #11**

## 4.2 Goals and Objectives

*Describe the business goals and objectives of the project. Ensure the goals and objectives support business needs.*

Business Goal/Objective	Description
Accommodate industry requests for electronic filing options	Allow for electronic filings of AR's and Tax Reports. Most gas utility companies complete their reports using the electronic version (MS Excel) provided by RRC. It would save time and expense to allow them to file electronically.
Reduction of paper records	Eliminate approximately 9,000 copies each year. (Annual Reports)
Expedite public access	Once formally accepted, the AR would be available to the public and other users on the Commission's web site.
Reduce Scanning expense	Saves the scanning charge on ongoing storage fee for approximately 9,000 images per year.
Save on staff labor	The automatic populating of the key data fields will eliminate staff labor in performing this task in the mainframe.
Improve tariff filing process for utilities	Develop a user friendly web-based filing process to reduce the regulatory burden on utilities and reduce the amount of staff time required to instruct utility filers on the filing process.
Improve tariff handling and review process for staff Tariff Analysts	Develop a user friendly web-based review process to decrease the processing and review time for staff and improve staff efficiency.
Improve access to tariff information to RRC staff, industry, other governmental agencies, and the public	Develop a more intuitive and user friendly web-based data retrieval process to improve the efficiency of tariff research and report generation.

## 4.3 Performance Measures

*Describe performance measures that will be used to gauge the project's business outcomes for key processes and services.*

The Gas Services Online Filing project will impact many of the agency performance measures.

Key Process/Services	Performance Measure
Completion ,Submission and Amending AR's and Tax filings Online	Up to 60% of completions, submissions and amendments are processed online.
RRC Internal data storage & management process	Up to 90% of the data is stored electronically and available for query.
Tax Payment Processing	Up to 50% of Tax Payments are processed electronically.

#### 4.4 Assumptions

*List the assumptions regarding the agency processes and/or services affected by the proposed project.*

- A. While most gas utilities are ready for an electronic filing option, there will be some who are either unable or unwilling to file electronically.
- B. The form and format to be used will be in a program readily available to all.
- C. RRC Tariff Analysts and Gas Services Division management will be involved in the project development to the extent required.
- D. The majority of utilities will support the development of a new electronic tariff filing system if it will streamline the tariff filing process and produce a more useable database.
- E. End-users of the research and report functions of the new tariff system will support the development of a new electronic tariff filing system if it will produce a more accessible database.
- F. After system implementation, the Commission will monitor and track adoption rates of online filing or submittals.
- G. The Commission plans to engage the vendor community through DIR cooperative contracts to provide the contract resources necessary to implement a project of this scope and magnitude.
- H. Appropriate security, accessibility, and other applicable state or other mandates will be requirements for the new system during its development and implementation.

#### 4.5 Constraints

*List the limitations or constraints regarding the agency processes and/or services affected by the proposed project.*

- A. The existing electronic tariff filing system is inefficient and is built using an architecture that does not allow integration with newer web-based applications at the Commission.
- B. Operators can not file mandated reports electronically. Many of the more technically advanced gas utilities ask each year when will they be able to file online instead of the paper format.
- C. Tax payments and their associated annual filings are difficult to reconcile. Gas Services needs a system that allows for online filing of the quarterly Gas Utility Tax Reports (Form GUA 7.351) and the corresponding tax payment.

- D. IT Resources
- E. The Commission mainframe will continue to provide data and services to support the business functions and interface with the planned open systems technology environment.
- F. The Data Center Services contract administered by DIR will be used to provide necessary hardware and software components. Historic service delivery issues have existed which could, if they continue, impact this project's schedule and deliverables.

## 4.6 Proposed Technology Environment

### 4.6.1 Proposed Software

*Describe software for the project, including technical factors that may be critical to project selection if applicable.*

Software Item	Description
BEA Web Logic 11g	Middle Tier Java EE Application Server
Oracle Database Server 11gR2	Database software
Oracle Forms 11g	Application development and reporting
JDeveloper 11g	Oracle application development tool
Oracle Business Intelligence 11g	Business Intelligence environment (data warehouse)
ESRI ArcGIS 10.1	GIS software
IMS Version 10.1	Mainframe database

### 4.6.2 Proposed Hardware

*Describe the hardware for the project, including technical factors that may be critical to project selection if applicable.*

Hardware Item	Description
Mainframe	Austin Data Center- Z Series Multiprise 3000
Linux Servers	38 File shares, print queues, applications
Windows Servers	Database, Middleware, Webhosting/Web Proxy, Security Apps, Reporting Services and Performance Monitoring Apps, DNS, DHCP, Radius, WINS, Domain Controllers, Active Directory

Hardware Item	Description
Unix Servers	Middleware, Webhosting/Web Proxy, Security Apps, Reporting Services and Performance Monitoring Apps

#### 4.7 Major Project Milestones

*Describe the project's preliminary major milestones, deliverables, and target dates.*

Project timelines and milestones will be revised to support an iterative/incremental development cycle once initial requirement gathering and validation is complete.

Milestones/Deliverables	Target Date
Selection of Vendor	December 2013
Project Initiation/Kickoff	December 2013
Requirements Gathering & Validation	April 2014
Project Design	June 2014
Development	April 2015
Testing & Acceptance	July 2015
Deployment	August 2015

## Section 5. Project Evaluation

*The Business Case Workbook is completed as part of this section. Once completed, the Business Case Workbook evaluation factors are summarized in this section.*

### 5.1 Statutory Fulfillment

*Describe the direct and derived mandate(s) related to the project and cite reference(s) for federal and state statutes, rules, and regulatory requirements. Describe any penalties or funding losses.*

Mandates Related to Project	Statutory Citations	Penalties/Funding Losses
Annual Report Rule	16 TAC § 7.301	None
System of Accounts Rule	16 TAC § 7.310	None
Records of Gas Utility	Tex. Util. Code § 102.101	None
Gas Utility Tax	TEX. UTIL. CODE, § 122.101 & 122.102	None
Gas Utility Tax	16 TAC, SECTION 7.351	None
Each gas utility shall file with the Commission through the Commission's web site using an electronic format as prescribed by the Commission.	16 TAC §7.315	none

### 5.2 Strategic Alignment

*Identify titles of strategic plans the project addresses, including the State Strategic Plan for Information Resources Management, agency strategic plan, and any other applicable plans. Cite the specific goals and objectives in each plan that are related to the project. Describe the relationship of the project to each of the plans based on how the project aligns and meets the goals and objectives cited in the strategic plans.*

Plan	Goals/Objectives	Relationship to Project
RRC Strategic Plan – Fiscal Years 2013-2017	Goal 4	Continued availability of mission critical computing resources supporting the efficient delivery of services. Increase efficiency in providing public access to information and provide more efficient interaction with regulated industries.
RRC Strategic Plan – Fiscal Years 2013-2017	Goal 1 Strategy 1.2.1	A more efficient electronic tariff filing process would reduce utility administrative costs and provide more accessible information to industry and the public, which should result in lower rates and the potential for more competition, respectively.

Plan	Goals/Objectives	Relationship to Project
State Strategic Plan for Information Resources Management	P3 – Data Sharing P4 – Infrastructure P5 – Legacy Applications	The project will improve the usability of the Data. Updating technical environment to current technology will address the “Connect” guiding principal by allowing improvements to methods of gaining access to data. The legacy applications will be updated.

### 5.3 Agency Impact Analysis

*Summarize how the project would impact the use of technology resources at the agency level, including support of the defined architecture and standards for the agency and state.*

As a result of this project, the RRC will move to a flexible and agile web-based environment. The Commission will have:

- A. Online filing of the three types of (gas utility) Annual Reports. Each year we receive approximately 9,000 documents (currently being scanned by NEUBUS).
- B. Electronic storage and retrieval location for any reports filed online.
- C. Online filing of the quarterly Gas Utility Tax Reports (Form GUA 7.351) and the corresponding tax payment. Each tax report is a two-page form. Each gas utility files four (4) quarterly tax reports per year along with any amendments necessary. There are approximately 186 gas utilities currently with the responsibility of filing a gas utility tax report.
- D. An upgraded/modernized online electronic tariff filing system with a new, more efficient user friendly online system.
- E. Tax reports and corresponding tax payments would be linked for allocation of the payment into their respective accounts (i.e. tax payment, 5% penalty, 10% penalty, 12 % per annum interest).
- F. An upgraded/modernized Tariff filing system. The current system is not user friendly for RRC staff, utility filers, and internal RRC and public users. RRC staff operating the current system lack the ability to reject Tariffs and must modify filings to put them in an acceptable format. They spend a large amount of time walking utility filers through the filing process and often encounter difficulty uploading files. This requires IT assistance and patches. Utility filers encounter difficulty with the system due to the hyper specific format requirements of all forms as well as the system lag time for processing of upfront files. This results in an extremely tedious and time consuming filing process. The public seeking natural gas Tariff information encounter a software interface on the RRC website that is slow, limited in functionality, and does not provide access to all tariff information. RRC staff seeking natural gas Tariff

information encounter a system that is not user friendly and requires regular use and determination to attain a useful competence.

G. Flexibility for Utilities to continue to file paper Annual Reports and Tax Reports if necessary.

H. Benefits will include:

- Accommodating industry requests for electronic filing options
- Reduction of paper records
- Expediting public access
- Reducing scanning expense
- Savings on staff labor
- Improved tariff filing process for utilities
- Improved tariff handling and review process for staff Tariff Analysts
- Improved access to tariff information to RRC staff, industry, other governmental agencies, and the public.

## 5.4 Financial Analysis

*Using the level of detail illustrated in the instructions, describe methods used to calculate business case cost and quantitative project benefit estimates. Describe estimate factors and underlying assumptions.*

Methods: Business Case Cost Estimates	Estimate Factors/Underlying Assumptions
1. Comparing analogous RRC projects 2. Technical RRC Staff Expert estimates	50% variable depending on scope as defined in the Requirements Phase.
Methods: Agency and Constituent Quantitative Project Benefits	Estimate Factors/Underlying Assumptions
Business staff expert projections based on past experience with business process reengineering efforts.	50% variable based on projected growth patterns vs. anticipated benefits.

## 5.5 Initial Risk Consideration

*Identify each additional initial risk and rate it consistent with the instructions provided in the Business Case Workbook Evaluation Factor worksheet. These are initial risks that were not already identified in the Evaluation Factor worksheet.*

Risk	Rating
Inadequate and insufficient detail in requirements of project and resulting contracts	3
Change Federal, State, and/or Agency mandates	5
Cost over-runs	3

Risk	Rating
Inadequate database model and application design	5
Incorrect or inadequate interfaces	5
Contractor availability and expertise	3
Complexity and size of the project contributes to the risk of failure, delay and cost over-runs.	3

## 5.6 Alternatives Analysis

*Describe alternative options, including the option of not implementing any project at all and at least one non-selected project option. State the reasons for not selecting each alternative. If at least one rejected alternative is not included, explain why.*

No Project (Status Quo)	Reasons For Not Selecting Alternative
<ol style="list-style-type: none"> <li>Continued submission of paper and manual data entry.</li> <li>Reliance on an outdated system.</li> </ol>	The RRC would continue to be the repository of large amounts of hard copy filings, which would then be hand entered into the mainframe for statistical analysis, followed by the expense of sending all reports for scanning and ongoing storage costs.
Alternative Option	Reasons For Not Selecting Alternative
Accept AR's and Tax Reports in an Excel format from selected gas utilities.	RRC does not have the location to populate key data from those reports in order to eliminate the staff labor of data entry. RRC would also have to provide long-term storage for the public in a consistent format (i.e. converting the Excel AR's to paper at our expense in order to send for scanning). This would also create issues with the State Archives related to very long term storage medium.
Modify current electronic tariff filing system to make it more user friendly.	Current system is flawed to the extent that it needs to be redesigned to achieve goals of effectiveness and user efficiency.

## Section 6. Project Selection

### 6.1 Methodology

*Describe the agency-developed methodology used for project selection.*

The Railroad Commission has an established Information Technology (IT) governance process to guide the selection and oversight of major information technology projects. Strategic goals and priorities are set by the three elected Railroad Commissioners. The Executive Director sets tactical goals and priorities in support of the Commission's strategic goals. The Executive team and Division Directors determine the Commission's IT initiatives, priorities, strategies, and approaches. Initiatives that have been identified by the executive team in support of Commission goals are evaluated and analyzed by the Information Technology Services Division in partnership with the business divisions. For major projects, the Texas Project Delivery Framework is used to provide a consistent method for project selection, control, and evaluation based on alignment with business goals and objectives. The results of project evaluations are provided to the executive team. Based on the project evaluations, the Executive Director will make recommendations to the Commissioners regarding major projects and initiatives. The Commissioners ultimately support projects and initiatives that sustain and enhance the capability to meet the Railroad Commission mission and goals.

This project was selected based on the recommendation of the Executive Committee following a review of all prioritized projects within the agency.

### 6.2 Results

*State the rationale for why the project was selected above the other alternative solutions. Cite any market research that was conducted.*

To carry out its regulatory responsibilities, the RRC requires the industries it regulates to file many forms and reports. These industries represent a large part of the overall Texas economy. Creating an IT environment that makes filing requirements quick and efficient for both the industry and the RRC staff who review them results in an economic gain for the state as a whole. As stated previously, adoption rates of online filings when new forms are added to RRC Online quickly reach 80% to 90% in a very short period of time. This project will allow the RRC to keep up with its regulatory requirements while not putting a burden on the industries it regulates. For example:

- A. Online process for completing, submitting, and amending the (Gathering, Transmission, or Distribution) Annual Reports required to be filed by all investor-owned gas utilities in Texas.
- B. Online process for completing, submitting and paying the quarterly Gas Utility Tax Report.

- C. A system where ‘accepted’ electronic filings will be available for statistical summaries and reports.
- D. Public access to view the ‘Annual Report’ forms at the Commission web site.
- E. An efficient Tariff filing process with a web-based interface.

*Replace the blank graphical summary charts below with the completed charts located in the Selection Results worksheet of the Business Case Workbook. The charts may also be copied to the Executive Summary depending on the desired approach for justifying selection of the project.*

*Copy and paste the Summary: All Project Evaluation Factors chart to this section by completely replacing the blank chart.*

<b>Summary: All Project Evaluation Factors</b>			
<b>Line</b>	<b>Factor</b>	<b>Maximum Rating Possible</b>	<b>Rating</b>
SF	Statutory Fulfillment	35	17
SA	Strategic Alignment	45	45
IA	Agency Impact Analysis	35	31
FA	Financial Analysis - Government/Constituent	60	36
RC	Initial Risk Consideration	45	45
AA	Alternatives Analysis	30	20
	<b>Total, All Project Factors</b>	250	194

*Copy and paste the Financial Analysis: Agency/State chart to this section by completely replacing the blank chart.*

It is expected that multiple vendors will be evaluated to implement the Gas Services Online Filing project and the best value alternative will be selected.

<b>Financial Analysis: Agency/State</b>							
<b>Line</b>	<b>Measure</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>10 Year Total</b>

*Copy and paste the Financial Analysis: Constituents chart to this section by completely replacing the blank chart.*

It is expected that multiple vendors will be evaluated to implement the Gas Services Online Filing project and the best value alternative will be selected.

<b>Financial Analysis: Constituents</b>							
<b>Line</b>	<b>Measure</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>10 Year Total</b>

## Section 7. Glossary

*Define all terms and acronyms required to interpret the Business Case properly.*

**AR** abbreviation for Annual Report.

**GSD** abbreviation Gas Services Division

**AED** abbreviation for Alternative Energy Division

**RMS** abbreviation for Remittance Management System

## Section 8. Revision History

*Identify changes to the Business Case.*

Version	Date	Name	Description
1.2	12/11/2012		Initial creation
1.3	01/05/2013		Update based on Division Review
1.4	02/01/2013		ITS review updates
1.5	02/14/2013		Updates following QAT Review (after meeting with P.J. Vilanilam of DIR)

## Section 9. Appendices

*Include any relevant appendices.*