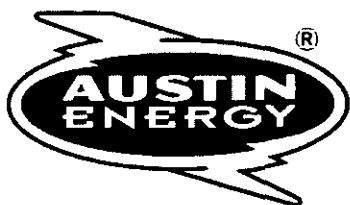


Late Backup

CIS Replacement Project City Council Presentation

**Roger Duncan
General Manager
Austin Energy**

April 23, 2009



What is CIS?

- Customer Information System.
- Billing for multiple city department services, including Electric, Water and Wastewater, Solid Waste, Transportation, and Drainage.
- Used to bill 450,000 customers per month.
- Total revenue billed: \$1.5 billion per year.
- Provides web capabilities for Online Customer Care and Electronic Bill Processing and Payment.



Current CIS Contract

- Currently provided by Vertex using a product called E-CIS.
- Current annual cost of contract with Vertex:
 - ◆ \$7.5 million per year;
 - ◆ average cost per billed customer of \$1.30 per month, excluding consumables such as paper, envelopes, and postage;
 - ◆ contract expires October 2011.



Reasons to Implement New CIS

- Current system is outdated, with limited functionality.
- Proposed solution cuts the average cost per billed customer by almost 50%.
- Proposed system provides greatly enhanced functionality and ability to meet requirements of the future.



Proposed CIS Solution

- Product: Oracle's Customer Care and Billing (CC&B).
- IBM will implement in a hosted environment at a total one-time cost of \$36.4M, including software.
- IBM will be responsible for bill printing and mailing.
- Anticipated go-live: March 2011.



Proposed CIS Solution (continued)

- Operational costs over 74 months: \$22 million (including \$6.3 million in software maintenance and support fees):
 - ◆ resulting in an annual cost of less than \$3.6 million;
 - ◆ average cost per billed customer of \$.70 per month, excluding consumables (paper, envelopes, postage);
 - ◆ a savings of approximately 50% over current system.



Billing Functions Included in CIS

TODAY

- Electric
- Water
- Wastewater
- Solid Waste
- Recycling
- Transportation User Fee
- Drainage Fee
- Reclaimed Water
- Evaporative Loss
- Green Choice Program
- Automatic Bank Drafting
- Payment Plans
- On-line Customer Care
- Electronic Bill Presentment & Payment
- Landlord Continuous Service
- Levelized Payment Plans
- Deferred Payment Plans
- Time-of-Use Billing (Limited)

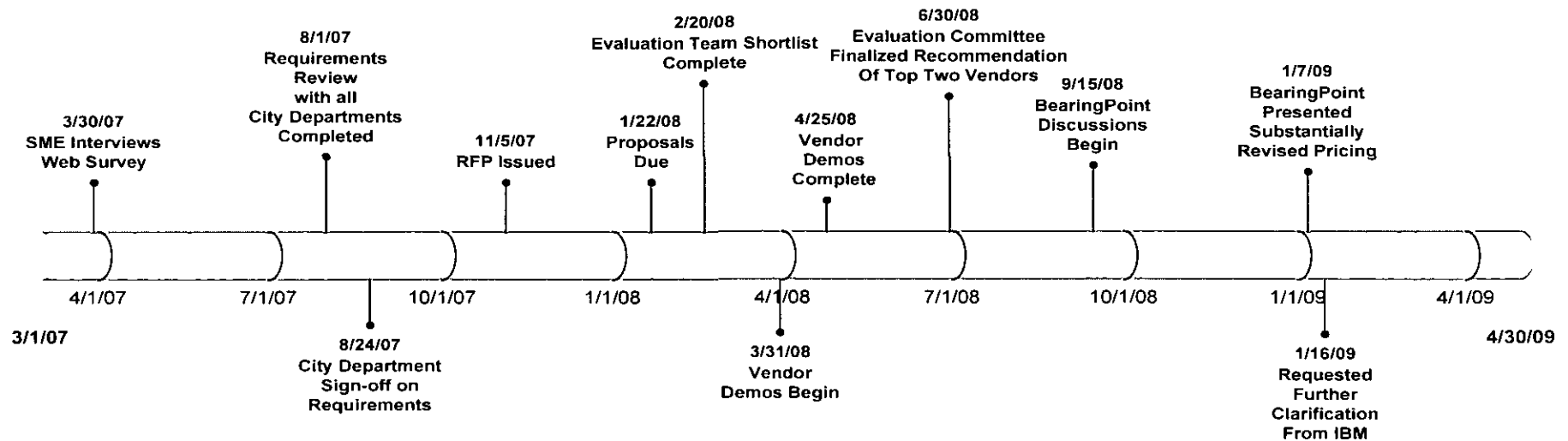
FUTURE

- Net Metering
- Pre-pay Meters
- Customer Selected Due Date
- Rebate & Incentive Program
- Water Conservation Products
- Merchandise
- Alternative Water Sources
- Chilled Water
- Distributed Energy (Steam)
- Infrastructure Rental
- Real-time or Dynamic Billing
- Time-of-Use Billing
- Group Billing



Timeline

CIS REPLACEMENT PROJECT Procurement Milestones



CIS Replacement Project

Summary

- Current solution is E-CIS, provided by Vertex. The contract expires October 2011.
- The proposed solution is Oracle's Customer Care and Billing product, to be implemented and hosted by IBM.
- Benefits: enhanced functionality and lower cost.



Next Steps

- The RCA for the proposed CIS solution will be presented to City Council on April 30th.
- The RCA for a \$22 million budget amendment in support of this solution will also be presented to City Council on April 30th.
- There will be an additional Council item in the near future for leased space for the project team.



Questions?



CIS Replacement Project