

Major Hydroelectric Utility Uses Enterprise Project Management to Expedite Relicensing/Compliance and IT Projects

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With the help of an enterprise-level project management system based on the Microsoft Office Enterprise Project Management Solution, Idaho Power is establishing uniform processes to enhance communication and collaboration and implement a more efficient approach to document storage and retrieval. As a result, the Boise-based electric utility will vastly simplify the challenges inherent in the mammoth effort of relicensing major hydroelectric facilities. It also will apply resources more efficiently to the day-to-day endeavor of designing, deploying, servicing, and maintaining a wide array of software and hardware projects supported by its corporate IT department.

Situation

For any utility that's heavily invested in hydroelectric power, relicensing and compliance is a responsibility every bit as binding as generation and delivery. Binding—and daunting, as the executives of Idaho Power Company know all too well. With 12 of the 17 dams it owns and operates now coming up for relicensing, Idaho Power faces a challenge as great as almost any in its 87-year history: to establish and document compliance with Federal Energy Regulatory Commission guidelines that were nonexistent when the dams were built back in the 50s and 60s.

Manager of Environmental Affairs Chris Randolph explains. "Forty or fifty years ago, you could license a dam with a 15–20 page document and only a minimum of environmental scrutiny," he says. "But now, as these older dams' licenses come up for renewal, we are looking at a 6–10 year process for each of them, a process costing more than \$50 million and culminating in documentation that runs for thousands of pages."

Nearly 150 people at Idaho Power are involved in some area of relicensing and compliance—half of them among the company's process-organized Power Supply business unit and half constituting the workforce of its relicensing/environmental department, which spans that business unit. Despite this commitment of human resources, however, it's a challenge to meet all requirements on the first try, according to Randolph. "This challenge is made all the more acute because temporary noncompliance can result in fines in excess of \$10,000 a day," he points out. "Moreover, fines are just one of the risks, because noncompliance isn't an option we are willing to accept, either from a regulatory or stewardship perspective."



Customer Profile

Boise-based Idaho Power employs nearly 1,700 people and provides electric power to a 20,000-square-mile area of southern Idaho and eastern Oregon. It earned 2002 revenues of more than \$870 million.

Business Situation

Idaho Power needed a more efficient approach to its ongoing IT projects and to the periodic relicensing of the 17 hydroelectric facilities that it owns and operates.

Solution

Idaho Power has adopted an enterprise-level project management system based on the Microsoft Office Enterprise Project Management Solution.

Benefits

- Uniform processes to enhance communication and collaboration
- Streamlined approach to document storage and retrieval
- Foundation for a more cost-effective use of resources
- Reduction in time required to produce regulators' reports

Software and Services

Microsoft Office Enterprise Project Management Solution
Microsoft Project Professional 2002
Microsoft Project Server 2002
Microsoft Project Web Access
Microsoft SharePoint Portal Server v. 1
Microsoft SQL Server™
Microsoft Windows® Server 2000

Hardware

Compaq DL380 G2 (server)
Dell OptiPlex GX260 (desktop)
Dell Latitude C840 (portable)

Partner

Aurora Consulting Group

For these reasons, relicensing and compliance has become the company's top motivation for implementing an enterprise-level project management system. At the same time, it's not the only motivation. "As a regulated utility that's required by law to ensure an affordable and reliable supply of electricity for the public, we must be able to quantify dollars spent per resource hour and make an extra effort to complete projects on time and within budget," Randolph says. "Consequently, we'll use an enterprise-level project management system to help ensure the most cost-effective use of our resources."

"Noncompliance [with federal relicensing and environmental requirements] isn't an option we are willing to accept, either from a regulatory or stewardship perspective."

Chris Randolph
Manager of Environmental Affairs
Idaho Power

Solution

To tackle these challenges, Randolph's team decided to deploy a system based on the Microsoft Office Enterprise Project Management Solution. As he explains, the team selected Microsoft technologies for three reasons.

"First, we were familiar with Microsoft project management products from having used prior versions for several years," Randolph says. "Second, we wanted to make the most of existing investments in other Microsoft products by integrating our project management system with a SharePoint portal for collecting relicensing requirements. Third, we liked the Microsoft Office EPM Solution's consolidated view of projects, tasks, and resources in a central repository, an approach that we considered ideal for integrating project management methodologies and making informed decisions regarding project prioritization and the deployment of resources."

Randolph's team is deploying the Microsoft Office EPM Solution with the help of the Aurora Consulting Group, an information technology solutions company based in Washington State and one of 18 Microsoft Premier Project Partners worldwide. As Randolph reports, the utility's relicensing/ environmental department attempted to establish an EPM system in the past, but was successful only after Aurora joined the effort. "When you try to automate processes and procedures across multiple departments and groups, there are lots of compromises and decisions that are tough for an internal party to make," he says. "So this time we brought in an objective outside party to establish a methodology to facilitate the endeavor, and that made all the difference."

One of the guiding principles of that methodology is a highly focused, step-by-step approach that initially will deliver a pilot version of the Microsoft Office EPM Solution to 25 employees (half project managers and half team members) in the relicensing/environmental department and 10 employees in the corporate IT department. When the deployment is complete, the Microsoft Office EPM Solution will reach 70 people in the relicensing/environmental department (4 executives, 10 project management office members, 19 project managers, 4 resource line/functional managers, and 33 team members) and 95 in its IT department (16 executives, 4 project management office members, 4 project managers, and 71 team members).

Relicensing/environmental affairs personnel will use the Microsoft Office EPM Solution for managing the long-term, ongoing projects associated with existing and new hydroelectric licensing. IT personnel will use the system for managing software and hardware projects that are short- and long-term and unique and recurring. At the outset, the software projects will include Web applications for employees and customers, the utility's customer-service Web site, corporate-wide voice messaging, and upgrades of virtual private networking and an interactive voice response unit. The hardware projects will include installation of server clusters and network, server, and communication upgrades and maintenance.

For projects in both departments the Microsoft Office EPM Solution database will store roughly 150–200 resources and 1,000 projects.

Benefits

Uniform Processes Enhance Communication, Collaboration

According to Bob Sarni, Associate Project Manager, IT, the deployment of the Microsoft Office EPM Solution will help Idaho Power to significantly simplify the execution of relicensing/environmental and IT projects by establishing sound project management principles. This will come largely through the establishment of uniformity in the company's project management processes. "Historically, each of our departments has tended to rely on its own forms and own processes," he says. "With the Microsoft Office EPM Solution, we'll change all that by establishing a standard work-management process, encompassing project, task, and document-change requests and status-update templates."

Sarni calls process uniformity key to enhancing communications among the various parties involved in relicensing/environmental or IT projects. "I consider communication about 80 percent of project management, and this deployment will facilitate rules for communicating in a standard, common way," he says. "Through a common process that will span departments, we'll roll up all projects to executive management. Then using portfolio analysis, we'll communicate vital project status information to them and to other project stakeholders, sponsors, and team members so that everyone can act in a more proactive manner."

As for the relicensing/environmental projects in particular, Relicensing Project Manager Lewis Wardle considers the Microsoft Office EPM Solution essential in helping upper management to understand the magnitude of the relicensing and compliance process itself and its legal, environmental, regulatory, and public-policy ramifications. "We work hard to educate upper management on all the impacts of relicensing and compliance, and part of this work is keeping them in the communications loop of what's involved on a day-to-day basis," he says. "We'll use the Microsoft Office EPM Solution to implement a common vision and communicate it effectively at all levels of the organization."

As Wardle points out, process uniformity and a standardized approach to communication also will enhance collaboration on the relicensing and compliance projects. "A lot of this work encompasses a dozen or more professional specialties, so using our unique skills in a common vision is crucial," he says. "But orchestrating the required relicensing and compliance activities—environmental monitoring, for example, which may take place in an area hundreds of miles from the nearest office—can be a major challenge."

Moreover, collaboration and efficient communication among internal staff form only part of the picture. "We are aiming for 100 percent compliance on the first try, and a lot of this comes down to our communications with regulators," Wardle adds. "By helping us roll up projects in executive summaries, the Microsoft Office EPM Solution will help us to give regulators a clearer and more timely view of scheduling while cutting the time required to produce an ever-increasing number of reports. These are still more factors making an enterprise-level project management system so vital."

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Bob Sarni
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Idaho Power

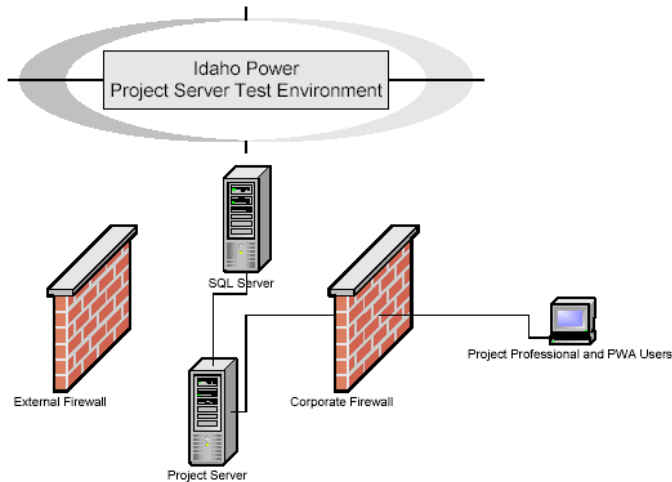


Figure 1 Using the company's wide area network, Idaho Power employees will access the Microsoft Office EPM Solution from headquarters in Boise and the 12 power plants now up for relicensing.

Streamlining Relicensing and Compliance Through Document Management

Other plans for EPM deployment involve the establishment of a common method of storing and retrieving project-related documents—a major improvement over the organization's traditional approach to storing documents in numerous locations, according to Randolph. Common document storage and retrieval is especially important when it comes to relicensing and compliance, which can encompass requirements for up to 100 different items. "We've found that the most effective way of addressing relicensing and compliance is to treat each item as a separate project, but this requires coordination among them," he says. "So we'll use the Microsoft Office EPM Solution to document all our work in a central repository and manage it using an enterprise approach."

Randolph says that an enterprise approach to document storage and retrieval will help Idaho Power not only to streamline relicensing and compliance efforts but also to keep up with scheduling, budget monitoring, and allocation of human resources among both relicensing/environmental and IT professionals. "Through the Microsoft Office EPM Solution, we are developing a new work-management process that is built on principles of project management and designed to provide an enterprise approach to reporting," he says. "The idea is to enable rollup across the organization, showing budget estimates by project or at a rolled-up level and helping us to anticipate expenditures."

For Randolph, Sarni, Wardle, and their colleagues, these are just some of the advantages that Idaho Power will realize from deployment of the Microsoft Office EPM Solution to the utility's relicensing/environmental and IT departments. "Thanks to the extensibility and scalability of the product, enabled by its enterprise approach and such features as 'filter by department,' we expect to see other business units begin deploying it as well," Randolph says. "The simple fact is that everyone who learns about the Microsoft Office EPM Solution wants to become part of it."

For More Information

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Lewis Wardle
Relicensing Project Manager
Idaho Power

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For more information about Idaho Power products and services, visit the Web site at:
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