

**INDIANA GAS COMPANY, INC.**

**d/b/a VECTREN ENERGY DELIVERY OF INDIANA, INC.**

**A CENTERPOINT ENERGY COMPANY**

**(VECTREN NORTH)**

**FILED**  
December 18, 2020  
INDIANA UTILITY  
REGULATORY COMMISSION

**IURC CAUSE NO. 45468**

**DIRECT TESTIMONY**

**OF**

**JEFFREY S. MYERSON**

**DIRECTOR, INTEGRATION MANAGEMENT OFFICE**

**ON**

**TECHNOLOGY INVESTMENTS**

**SPONSORING PETITIONER'S EXHIBIT NO. 7,**

**ATTACHMENT JSM-1**

**Glossary of Acronyms**

|                     |  |
|---------------------|--|
| AMS                 | Advanced Metering System   |
| CenterPoint         | CenterPoint Energy, Inc.   |
| CenterPoint Houston | CenterPoint Energy Houston Electric, LLC   |
| Company             | Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.                 |
| EIP                 | Enterprise Integration Program   |
| GIS                 | Geographic Information System  |
| IG                  | Intelligent Grid   |
| IMO                 | Integration Management Office  |
| IURC or Commission  | Indiana Utility Regulatory Commission  |
| LDC                 | Local Distribution Company   |
| Petitioner          | Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.                 |
| PUCT                | Public Utility Commission of Texas   |
| Service Company     | CenterPoint Energy Service Company, LLC  |
| Vectren             | Vectren Corporation  |
| Vectren North       | Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.                 |
| Vectren South       | Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. |
| Vectren Ohio        | Vectren Energy Delivery of Ohio, Inc.  |

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**DIRECT TESTIMONY OF JEFFREY S. MYERSON**

1 **I. INTRODUCTION**

2

3 **Q. Please state your name and business address.**

4 A. My name is Jeffrey S. Myerson. My business address is 1111 Louisiana Street,  
5 Houston, Texas, 77002.

6

7 **Q. By whom are you employed?**

8 A. I am employed by CenterPoint Energy Service Company, LLC ("Service Company"),  
9 a wholly-owned subsidiary of CenterPoint Energy, Inc. ("CenterPoint"). The Service  
10 Company provides centralized support services to CenterPoint's operating units,  
11 which includes Vectren Corporation ("Vectren"), a wholly-owned subsidiary of  
12 CenterPoint.

13

14 **Q. On whose behalf are you testifying in this proceeding?**

15 A. I am testifying on behalf of Indiana Gas Company, Inc. d/b/a/ Vectren Energy Delivery  
16 of Indiana, Inc. ("Petitioner", "Vectren North" or "the Company"), which is a subsidiary  
17 of Vectren.

18

19 **Q. What is your role with respect to Petitioner Vectren North?**

20 A. I am Director of the Integration Management Office ("IMO") for CenterPoint, the  
21 ultimate parent company of Vectren North. I have the same role with two other utility  
22 subsidiaries of Vectren – Southern Indiana Gas and Electric Company d/b/a Vectren  
23 Energy Delivery of Indiana, Inc. ("Vectren South") and Vectren Energy Delivery of  
24 Ohio, Inc. ("Vectren Ohio").

1 **Q. Please describe your educational background and professional experience.**

2 A. I was hired by Houston Lighting & Power in 1981 immediately after graduation from  
3 Purdue University. I earned a Master in Business Administration from the University of  
4 Houston in 1988. My early career involved work as a licensed professional land  
5 surveyor, and I later moved into a role implementing and managing an enterprise  
6 Geographic Information System ("GIS") for the regulated electric and gas businesses  
7 of CenterPoint across six states.

8  
9 Since then, my roles have included diverse areas of leadership including Director of  
10 Land & Field Services, with responsibilities for surveying, right-of-way management,  
11 joint use of electric facilities, GIS, and underground damage prevention across the  
12 regions in the six states served by Regulated Operations; Director of Advanced  
13 Metering System ("AMS") Integration, responsible for the successful integration of  
14 technologies, organizations, processes, and communications of the AMS; Director of  
15 Smart Grid Deployment, with responsibility to oversee the integration of the AMS and  
16 Intelligent Grid ("IG") projects, and with responsibility for governance activities; Service  
17 Area Director, responsible for the South Houston service area of CenterPoint Energy  
18 Houston Electric, LLC ("CenterPoint Houston") Distribution Operations; and Senior  
19 Director of Technology Operations with responsibilities for enterprise application  
20 environments including SAP and Oracle Fusion, analytics, the technology portfolio and  
21 project management. In June, 2018, I moved into my current role.

22

23 **Q. What are your present duties and responsibilities as Director of IMO?**

24 A. In my current role, I have responsibility to oversee and manage the integration  
25 activities of CenterPoint with Vectren, and with responsibility for planning,

1 implementing, managing, and reporting on progress related to the integration  
2 activities. These responsibilities include project planning, tracking and reporting;  
3 communications; risk management; financial reporting; integration; and issue  
4 resolution. My responsibilities expanded in November, 2019 when I also gained  
5 responsibility for management of the Enterprise Integration Program ("EIP") which is  
6 a project to integrate technologies and business processes throughout CenterPoint.  
7 My testimony in this proceeding relates to my role as Director of the IMO.

8

9 **Q. Have you ever testified before the Indiana Utility Regulatory Commission**  
10 **("IURC" or "Commission") or any other state regulatory commission?**

11 A. Yes, I have testified on behalf of Vectren South in its most recent general gas rate  
12 case proceeding under IURC Cause No. 45447. I have also provided direct testimony  
13 with the Public Utility Commission of Texas ("PUC") on behalf of CenterPoint Houston  
14 under PUC Docket No. 38339, and rebuttal testimony on behalf of CenterPoint  
15 Houston under PUC Docket No. 49421.

16

17 **Q. On whose behalf are you testifying in this proceeding?**

18 A. I am testifying on behalf of Vectren North.

19

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

21 A. My testimony will (1) describe the technology-related investments that are scheduled  
22 to be completed during the test year; and (2) explain the process to integrate Vectren  
23 with CenterPoint.

24

1 **Q. Are you sponsoring any attachments in this proceeding?**

2 A. Yes. I am sponsoring the following attachments in this proceeding:

- 3 • Petitioner's Exhibit No. 7, Attachment JSM-1

4

5 **Q. Was this attachment prepared by you or under your supervision?**

6 A. Yes, it was.

7

8

9 **II. CENTERPOINT INFORMATION TECHNOLOGY-RELATED INVESTMENTS**

10

11 **Q. Please describe the information technology-related investments that are**  
12 **included in this proceeding.**

13 A. The Company uses interconnected software applications that run on hardware  
14 platforms ("technology") to operate the business. Many of those applications and the  
15 hardware platforms on which they run were identified as needing to be upgraded or  
16 replaced in 2019 and 2020. When CenterPoint announced the merger with Vectren  
17 in 2018, an analysis was initiated and it was decided to replace the technology used  
18 by the Company with systems that would allow the combined company to operate  
19 more synergistically. In October 2019 a project to replace much of this technology  
20 was started, and it will be complete by the end of September, 2021.

21

22 **Q. What capital information technology-related investments is Vectren North**  
23 **proposing to include in rate base in this proceeding?**

24 A. Petitioner's Witness Angie M. Bell sponsors the allocated capital cost that will be  
25 included in the test year for Vectren North.

1 **Q. Please provide an overview of the technology replacements and/or upgrades**  
2 **that are expected to be in-service during the test year.**

3 A. Please see Petitioner's Exhibit No. 7, Attachment JSM-1 for a detailed listing of the  
4 software applications that Vectren North is replacing or upgrading during the test year<sup>1</sup>.  
5 In general, a number of applications that support financial/accounting, gas operations,  
6 human resource, supply chain management, and technology functions (including  
7 many/some of the Oracle based systems currently in use at Vectren North) will be  
8 replaced/upgraded to SAP, the enterprise wide system used by CenterPoint.

9

10 **Q. Please describe the role of technology in the operations of a utility.**

11 A. Use of technology is absolutely critical to efficiently operate a gas Local Distribution  
12 Company ("LDC") and electric utility in a safe and reliable manner. Technology  
13 systems include applications and other software, networks, and hardware that are  
14 integrated together to provide critical data to both utility workers in the field performing  
15 construction and maintenance work and those performing back-office functions such  
16 as accounting. In addition, utility systems are also securely connected to people and  
17 businesses outside the company, including customers, suppliers, and financial  
18 institutions. These external connections provide the ability for the company to receive  
19 and remit payments, order supplies, and provide customers with important information  
20 about their utility services. One of the most critical benefits of technology is related to  
21 safety. Through applications, field workers can access information about underground  
22 facility locations including pipeline locations, valves, cathodic protection equipment,  
23 and other critical data elements that allow them to respond to emergency situations

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<sup>1</sup> In Attachment JSM-1, the term "Original Timing of Replacement/Upgrade" refers to the timing that Vectren had planned to replace or upgrade the technology prior to the merger.



1 quickly and safely. In addition, systems integration allows for very fast communication  
2 from a customer, through the call center, to operations dispatching and to the field  
3 worker.

4

5 **Q. Please describe how technology provides benefits from an efficiency**  
6 **perspective.**

7 A. CenterPoint's utility businesses operate at a fast pace in order to meet our customers'  
8 evolving needs and expectations. Whether related to new service connections,  
9 extensions to serve growth areas, or replacement of aging equipment, efficiency from  
10 technology investments results in increased safety, faster service response, higher  
11 customer satisfaction, and lower costs.

12

13 **Q. What are the drivers for maintaining technology systems?**

14 A. Software such as applications, hardware such as computers and servers, and  
15 networks all need to be regularly updated, maintained, and/or replaced. Like an  
16 automobile, failure to invest in routine maintenance will lead to more expensive repairs  
17 later that can occur at inopportune times. With technology systems, routine  
18 maintenance includes updating software or firmware versions, applying vendor  
19 patches, monitoring performance and remediating issues. Routine maintenance is  
20 also a key to protecting against security vulnerabilities. Utilities are continuously  
21 attacked by hackers from around the world who try to access our data, control  
22 systems, employee records, and customer records. Applying security patches,  
23 software and firmware upgrades, together with regular upgrades to applications,  
24 hardware and networks, and constant monitoring are critical to maintaining both  
25 efficient utility operations as well as a secure business for our stakeholders.

1 **Q. How often must software technology be replaced?**

2 A. There are many factors involved in determining when software applications need to  
3 be replaced including supportability, operating costs, functionality, performance,  
4 reliability, and age. Supportability includes both third-party support typically provided  
5 by the software vendor, and in-house support provided by employees/contractors. As  
6 software applications age, vendor support becomes more expensive and sometimes  
7 systems become unsupported. The risk of operating unsupported software is  
8 considered a high business risk because if the software breaks or fails there is no path  
9 to resolution, and that will affect utility operations and customer service. For example,  
10 many businesses were forced to move away from Windows 95 when Microsoft  
11 announced it would no longer support this system. Utilities rely on a variety of software  
12 that faces similar fates over time.

13

14 Operating costs can also increase with the age of software because the likelihood of  
15 it needing support increases. Functionality and performance are closely linked factors  
16 in which new software or applications normally result in greater operational efficiencies  
17 due to faster response times, better integration between systems, or new feature  
18 functionality for users. Reliability and age are also linked, because as software ages,  
19 it becomes slower relative to newer applications; it becomes a more familiar target for  
20 cyber-attacks; and it becomes unreliable because of the greater number of patches  
21 that have been applied over the life of the asset.

22

23 **Q. Must regular investments in technology be made to prudently manage a public**  
24 **utility?**

25 A. Yes. Vectren North makes capital and O&M investments in technology annually. Such

1 investments are necessary to replace hardware that fails or is out of date and to  
2 maintain software crucial to our operations. Vectren North's rate base reflects ongoing  
3 investments in technology that have been prudently made to ensure service to our  
4 customers.

5

6 **Q. Why was the decision made to harmonize on CenterPoint technology platforms?**

7 A. As I explained before, the approach began by recognizing that much of Vectren North's  
8 existing systems needs to be replaced or upgraded and this need had been identified  
9 by Vectren North before the merger. Knowing that this need exists, the next step is to  
10 decide the replacement platform. To achieve business synergies, the CenterPoint  
11 utility business units need to operate on the same suite or platform of technology  
12 applications. This allows gas operations and electric operations resources to share  
13 best practices, leverage standards and even work across jurisdictions when required  
14 to handle unexpected workload peaks. Similarly, corporate functions including finance,  
15 human resources and IT are able to efficiently consolidate reporting, analyze  
16 performance, and drive towards common objective.

17

18 **Q. What are the benefits of harmonizing information technology designed to  
19 achieve?**

20 A. From a technology perspective, the transition to CenterPoint technology systems  
21 eliminates the need to upgrade or replace Vectren applications that were planned in  
22 the same timeframe. In addition, moving to the CenterPoint Energy platform allows  
23 for more efficient technology management because there will be fewer technology  
24 environments to operate and maintain. This strategy also allows for consolidated  
25 cyber-security monitoring and protection, resulting in lower security risks and shared

1 costs. Similarly, from a business and operations perspective, using a consistent suite  
2 of applications allows operational benefits to be sustained by standardizing processes,  
3 sharing best practices and leveraging a workforce that can support multiple regions of  
4 the business.

5

6 **Q. Which of the information technology systems identified in Petitioner's Exhibit**  
7 **No. 7, Attachment JSM-1 replaced Vectren technology that was planned for**  
8 **upgrade or replacement?**

9 A. I have identified the technology systems that were planned for upgrade or replacement  
10 in Attachment JSM-1. These software systems were either not supported by the  
11 vendor or faced other technical obsolescence challenges. Vectren planned to invest  
12 in replacing or upgrading this technology infrastructure before the merger. Indeed,  
13 Vectren's financial forecasts projected investing approximately \$400 million over the  
14 next ten years. Replacement of this technology with systems that are common among  
15 the CenterPoint footprint brought the efficiencies and benefits of CenterPoint utilizing  
16 one system across its footprint without duplicate costs.

17

18 **Q. Please discuss the technology investments necessary to enable Vectren and**  
19 **CenterPoint to more efficiently operate as a combined company.**

20 A. Vectren entities will transition their financial planning systems from Oracle to SAP.  
21 While Oracle continues to be a supported system utilized by other businesses,  
22 CenterPoint has historically utilized SAP. It would have been possible for the  
23 Company to continue using Oracle while the rest of CenterPoint uses SAP, but there  
24 are many challenges with this approach. Today, a manual process is necessary to  
25 combine information from Oracle and SAP to enable CenterPoint to operate as one

1 entity. This manual process is cumbersome and inefficient. It creates challenges in  
2 tracing information in the regulatory process. For example, costs that are allocated  
3 from CenterPoint to Vectren, and then allocated from Vectren to Vectren North will  
4 require tracing the information back through Oracle to the invoice that is exchanged  
5 with SAP and then tracing the costs back through SAP. Operating on a common  
6 software system will make this process much simpler and direct allocation from  
7 CenterPoint to Vectren North will be facilitated.

8

9 **Q Will use of the new technology platform by the Company require training?**

10 A. Yes, the project to deploy these technology platforms includes costs to develop  
11 training materials. CenterPoint Energy has contracted with an industry expert to work  
12 with internal technology and operational experts to document business processes that  
13 are changing as a result of the technology implementation. This documentation will  
14 be used to deliver user training in 2021 prior to implementation.

15

16 **Q. What IT-related benefits accrue as a result of Vectren replacing the technology**  
17 **systems after evaluating their replacement in the context of a larger**  
18 **organization?**

19 A. Several benefits accrue to the benefit of the business and customers. First,  
20 CenterPoint gains technology support efficiencies by maintaining one software system  
21 rather than multiple systems that perform similar functions. Updates can be done more  
22 efficiently across the system and CenterPoint is not required to maintain expertise of  
23 two different systems. Second, monitoring and protecting against security  
24 vulnerabilities is more efficient with one software system. Operating consistent  
25 software systems minimizes the need to track known vulnerabilities with multiple forms

1 of software and makes it faster to address one system rather than multiple systems.  
2 Third, CenterPoint may be able to obtain volume discounts by utilizing software across  
3 the organization rather than using different software in different parts of its service  
4 territory.

5

6 **Q. What are the operational benefits of enabling the Company to operate on the**  
7 **same technology platform as CenterPoint?**

8 By aligning on a common technology platform, business and functional areas achieve  
9 and sustain efficiencies in their operations. They can standardize processes with the  
10 rest of CenterPoint, better leverage their resources across the diverse service area of  
11 CenterPoint, and they can collaborate across the consolidated organization to find  
12 additional improvement opportunities. For example, working in two accounting  
13 systems requires double the work to close the books each month, and extra work to  
14 consolidate financial results into a single statement. Similarly, utility dispatching  
15 operations must work in two systems, requiring more resources, additional training,  
16 and duplicate process documentation.

17

18 **Q. When does Vectren North anticipate these software systems going into service?**

19 A. The systems will be implemented by the end of September, 2021 and the project is  
20 currently on time and working smoothly.

21

22 **III. CONCLUSION**

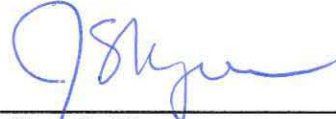
23

24 **Q. Does this conclude your direct testimony?**

25 A. Yes, it does.

**VERIFICATION**

I, Jeffrey S. Myerson, affirm under the penalties of perjury that the forgoing representations of fact in my Direct Testimony are true to the best of my knowledge, information and belief.



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Jeffrey S. Myerson

Dated: December 18, 2020

| Primary Business Function | VVC Application                          | Functionality Description  | Original Timing of Replacement / Upgrade | Future State Application                |
|---------------------------|--|--|--|---|
| F&A                       | Cashpro Web                              | Bank website for treasury wire   | No replacement planned                   | FIS Integrity                           |
| F&A                       | Hyperion EPM                             | Budget and management reporting  | No replacement planned                   | SAP                                     |
| F&A                       | KBACE Payroll Reports                    | Payroll reports  | No replacement planned                   | SAP                                     |
| F&A                       | KBX Cube Reporting                       | Payroll Reports  | No replacement planned                   | SAP                                     |
| F&A                       | Markview                                 | Imaging and Faxing System for Oracle EBS   | 2019/2020                                | SAP                                     |
| F&A                       | Oracle EBS - iExpense                    | Oracle Enterprise Business Suite   | 2019/2020                                | SAP                                     |
| F&A                       | Oracle EBS - Cash Management             | Oracle Enterprise Business Suite   | 2019/2020                                | SAP                                     |
| F&A                       | Oracle EBS - Payroll                     | Oracle Enterprise Business Suite   | 2019/2020                                | SAP                                     |
| F&A                       | Oracle EBS - iProcurement                | Oracle Enterprise Business Suite   | 2019/2020                                | BlackLine SaaS                          |
| F&A                       | Workforce Time Entry                     | Time Entry System  | 2019/2020                                | SAP                                     |
| F&A                       | RIA Checkpoint                           | Tax law database of laws and regulations   | No replacement planned                   | SAP                                     |
| F&A                       | Payroll Tax Q Series                     | Oracle software to supply rates and calculates federal and state withholding taxes   | 2019/2020                                | SAP                                     |
| F&A                       | Power Plan/ Power Tax                    | PowerPlan is the standard fixed asset system of the utility industry. It integrates with Power Tax, which is to compile information for tax returns. | 2019/2020                                | Upgraded Version of PowerPlan/ PowerTax |
| Gas Ops                   | Agentry                                  | Software Developer's Kit for Syclo   | 2018                                     | ABB Service Suite                       |
| Gas Ops                   | Maximo                                   | Enterprise Asset Management System. Includes our Construction, Maintenance and Compliance Work.  | 2018                                     | SAP                                     |
| Gas Ops                   | Syclo/ G4                                | Field Mobile Work Management for construction, maintenance and compliance  | 2018                                     | ABB Service Suite                       |
| Gas Ops                   | The Rules Manager                        | Rules engine for Maximo validation rules   | 2018                                     | SAP                                     |
| Generation                | Avantis                                  | Power Supply Work Management System  | 2020                                     | SAP                                     |
| Generation                | Intellitrak                              | Operator Rounds - Manual readings on mobile device, can generate work orders   | No replacement planned                   | SAP                                     |
| Generation                | MAINTelligence                           | Mobile work planning system  | No replacement planned                   | SAP                                     |
| Generation                | VIP                                      | Used for Avantis Approvals   | No replacement planned                   | SAP                                     |
| HR                        | Oracle HCM - Advance Benefits            | Oracle Enterprise Business Suite   | 2019/2020                                | SAP                                     |
| HR                        | Oracle HCM - Self Service HR and Base HR | Oracle Enterprise Business Suite   | 2019/2020                                | SAP                                     |
| HR                        | Oracle HCM - UPK                         | Oracle Enterprise Business Suite   | 2019/2020                                | SAP                                     |
| Ops Support               | RedTag                                   | Lock-Out/Tag-Out System  | No replacement planned                   | SAP                                     |
| Ops Support               | RPS (Recurring Payments Systems)         | Lease payment management system custom built on the Sharepoint platform and interfaces with Oracle financials  | No replacement planned                   | SAP                                     |



| Primary Business Function | VVC Application                 | Functionality Description   | Original Timing of Replacement / Upgrade | Future State Application |
|---------------------------|---------------------------------|---|--|--------------------------|
| Regulatory                | Oracle E-Business Suite         | Oracle Enterprise Business Suite  | 2019/2020                                | SAP                      |
| Supply Chain Management   | Intellium                       | Enabling scanner functionality  | No replacement planned                   | SAP                      |
| Supply Chain Management   | Loftware                        | Label printing software for materials in warehouse  | 2019/2020                                | SAP                      |
| Supply Chain Management   | Oracle EBS- Mobile Supply Chain | Oracle Enterprise Business Suite  | 2019/2021                                | SAP                      |
| Supply Chain Management   | Struxure                        | Application to standardize catalog item descriptions  | No replacement planned                   | SAP                      |
| Technology                | Cogent Datahub                  | Tunneller software  | No replacement planned                   | SAP                      |
| Technology                | IBM Cognos Integration Server   | Integration tool to import data from Essbase to Hyperion RDBMS and load EBS data to Essbase | No replacement planned                   | SAP                      |
| Technology                | Noetix View                     | Financial reporting package used in conjunction with OBIEE                                  | No replacement planned                   | SAP                      |