

Success Story

A Utility Company - Real-Time Operations Management and Transparent Utility

Industry

Utility

Basic Facts

- One of the largest combination electricity and natural gas energy company in the United States
- Operates in 11 Western and Mid-Western states
- 3.2 million electricity customers
- 1.7 million natural gas customers
- Generates 15,246 MW of power
- Revenue of \$9.5 billion annually
- Owns over 240,000 conductor miles of electricity transmission and distribution lines, and more than 32,700 miles of natural gas pipelines.

Related Products

Correlator

Challenge

A multi-state utility company's existing levels of utility transparency with the regulators were a matter of concern. Regulatory decisions were localized at the state level with minimal roll-up available to senior management at the corporate level.

"Same old business or something new. This is what today is about. We've assembled a cast of characters of many analogues and career utility guys. How can we pull or push rather than falling back into same old...?"

This utility was therefore unable to create synergies between its different jurisdictions. This led to cost duplications, and put the company at the risk of "hiding" serious issues from management. The company was in danger of losing both regulatory trust and customer confidence.

Additionally, the utility was facing operational problems due to inefficiencies in the management of their human resources, data and supply chain processes.

The problems relating to **Human Resource Management** were:

- Delays related to planning for crews each day
- Tasks are largely experience-based
- Inefficient leveraging of labor pool

Some of the **Data Management** problems included:

- Little process standardization
- Online/offline access inconsistencies
- Paper-based status updating and reporting lacked currency
- Lack of customer information at the field level, and therefore inability to commit to the customer

Additionally, there were **Supply Chain Management** problems such as inventory overstocks spread across too many warehouses which leads to obsolete inventory.

The company was losing \$20.5M/year due to inefficiencies in operations management, and about \$72.5M/year due to fine exposures, investigative costs, filing cost explanations, financing costs etc.

The energy utility sought CTE's help in designing a common technology platform and policy that would standardize its relations with regulators in all the states and improve operational performance.

Solution

CTE helped conceptualize and create two high-impact applications, viz., **Real-Time Operations Management** (Mobile Asset Management) and **Transparent Utility**.

The client applaud the CTE process: "...prove to a slow industry that there are other ways of doing business and develop 'think outside the box' attitude..." "...Show a roadmap and operational plan for turning 'out of the box' ideas into reality..."

The applications were aimed at giving the senior management a real-time view of their operation, and address potential issues before they would become PR crises. These solutions would also help the company gain the trust of regulators and work amicably on crucial tariff, service and liability issues. Additionally, it would help the company build loyalty with customers and reputation with press.

Real-Time Operations Management (Mobile Asset Management)

This application benefits a large workforce, and increases efficiency and customer satisfaction. It also leverages mobile and Internet technologies to connect their 2,500 field operations staff to the enterprise in real-time.

The Application enables field personnel to have access to and enter data in real-time. It reduces operational costs through better personnel and work planning and optimized supply chain management. It addresses issues of aging workforce through possible integration with online education, standardized templates for all transactions and availability of historical archives.

The system monitors projects and puts out alerts in case of missed milestones and timelines, and allows for effective job planning rather than reacting to problems. Thanks to a common process for both offline and online modes, it helps provide automatic synchronization; and an ability to look up network availability data.

For More Information:

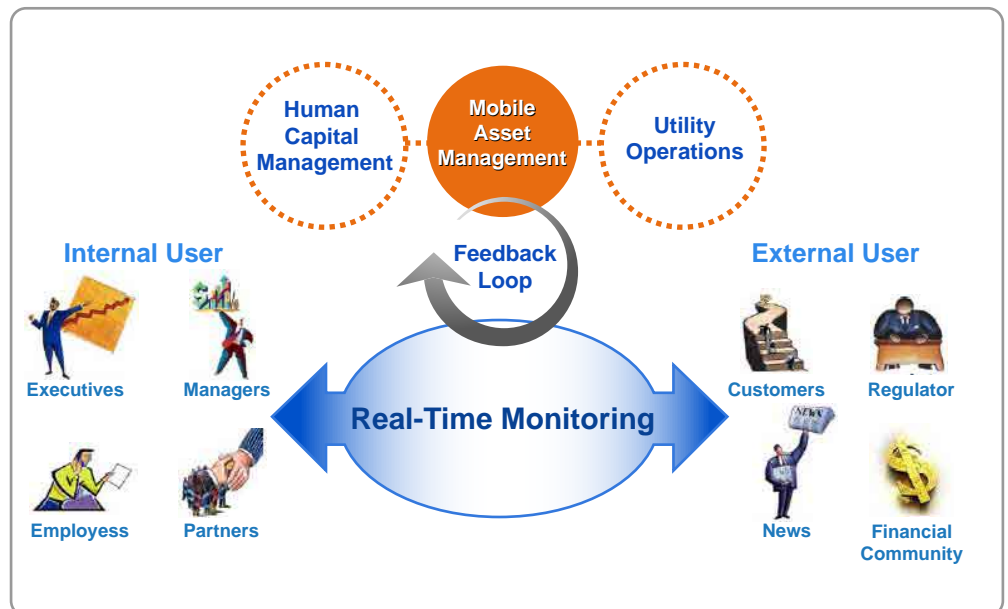
e-mail: info@ctepl.com
or visit <http://www.ctepl.com>

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Transparent Utility

This application enhances the company's credibility and trust, and enables it to have a real-time view of the enterprise from many different angles (for e.g., Operations, Quality of Service, etc). The company can choose to provision select data sets to partners such as the media, regulators and the finance community.

The Application provides 'real-time' visibility across departments, processes and jurisdictions. It enables controlled data sharing with external constituents such as media and regulators. While reducing the management time spent on searching for elusive data, it enables faster decision making. The data points are correlated and presented with recommendations via work-flow enabled processes. Common data views and processes reduce operating costs and improved timeliness of response.



Benefits

It is estimated that the solution will save about \$ 70M annually through decreased PR and legal costs, reduced cost of capital (better credit rating) and ability to pass fair tariff judgments.

They also estimate that the Real-Time Operations Management/Mobile Asset Management and the Transparent utility would help the company accrue an additional \$51M Profit and increase its share price by \$1.05 per share.