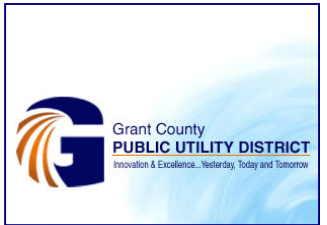


CASE STUDY



Grant County successfully streamlines its energy transaction business with SoftSmiths integrated product suite

The Grant County Public Utility District (The District), located in Central Washington, is a municipal corporation of the state of Washington, and a major generating utility and Control Area Operator in the Mid-Columbia region. The PUD owns and operates the two-dam Priest Rapids Project on the Columbia River in central Washington. Together, Priest Rapids and Wanapum make up one of the nation's largest hydropower developments, with the capacity to produce approximately 2,000 megawatts of electricity – enough to supply a city the size of Seattle. The District is the 14th largest US Public Power Utility, ranked by Generation per the American Public Power Association 2005-06 Annual Directory & Statistical Report.

"Grant County recognized the need to replace its current combination of ad-hoc Excel spreadsheets and loosely integrated Access databases, by deploying a comprehensive scheduling system that provides seamless integration from origination through settlement, automating manual processes and eliminating redundant data entry", said Frank Tempel, Systems Control Manager at Grant County Public Utility District. "With SoftSmiths Power applications we will be able to achieve these important business objectives."

Why SoftSmiths?

The District evaluated several companies. After requirements testing, the District picked SoftSmiths because it offered the most comprehensive system, needed flexibility, capacity for growth, and best practices in business processes. The District's desire was to replace its current processes with a comprehensive and automated scheduling system that was seamlessly integrated with a new EMS, thus eliminating entry redundancies and many tedious, error-prone manual processes. SoftSmiths Power is a next-generation highly integrated Energy Scheduling and Trading platform for wholesale energy market participants.

With a single data repository it maintains transactions from cradle-to-grave, thereby avoiding redundant data inputs while facilitating Load Forecasting, Resource & Portfolio Management, Real-time and Term Trading, Multi-Commodity Deal Capture, Net Position and "What-If" Impact Analysis, Volume and Mark-to-Market reporting, P&L reporting, Scheduling, Transmission Reservation and Electronic Tagging.

In the Middle Office, SoftSmiths Power capabilities include Operational and Resource Constraints, Risk Measurement, and Controls and Monitoring, while the Back-office provides financial settlement, invoicing, and payment tracking. SoftSmiths Power provides the District a real time system environment that captures transaction data and instantly updates its net position, providing critical visibility for decision support and reporting.

Single View of All Data

Measuring all information using flexible data views in useful ways was the key to the District's overall transaction management infrastructure. Combined with the company's risk management policies, this delivered tangible value to the District in various ways:

- Lower trading cost and greater asset value
- Reduced inventory cost and real time monitoring
- Increased business opportunities
- Reduced and measurable credit risk and counterparty risk
- Optimized usage of physical assets and reliability
- Better utilization of human resources

The benefits of implementing SoftSmiths Power resulted from replacing numerous existing databases and scattered spreadsheet applications with a highly integrated, flexible, and secure application with a single view of application data. Today, multiple departments are simultaneously using SoftSmiths Power across the Grant County organization, together processing a variety of transactions representing schedules, transmission, E-Tags, bookouts, pond transfers, and invoices. In addition, efficiency gains were achieved by making automated scheduling services available through SoftSmiths Market Portal for use by six other municipalities in the real time environment.

Key Benefits

- **Integration and automation of scheduling process & practices**
- **Improved decision-making through Single Repository and consolidation of silo systems**
- **Marked increase in operation ease and efficiency**
- **Improved asset utilization**
- **Reduced operating cost**
- **Avoidance of transmission provider penalties**
- **Accurate regulatory reporting designed for automatic submission**
- **Secure, reliable, and real time software environment**



CASE STUDY



Key capabilities

Pond Management – As a major generating utility and Control Area Operator in the Mid-Columbia region, the District sought robust pond management functionality as an integral part of their new transaction management system. SoftSmiths delivered a suite of pond management capabilities that blend seamlessly with the District's real-time operations, including tight integration with its EMS/SCADA system.

Generation Resource Management – The District required sophisticated generation resource management capabilities to accommodate its mixed generation portfolio, including ownership of the Priest Rapids Project, supplemental wind and biomass energy resources and 125MW of imports. SoftSmiths provided its e-Generation application as part of the integrated system, utilizing its embedded calculation engine e-Cal+ to model more complex generation resource management.

Scheduling Automation – The complexity of operating within the Mid-Columbia region, combined with the fact that the District is a scheduling-services provider to other regional entities, demanded best-of-class scheduling automation for their Real Time (33%) and Day Ahead/Pre Schedule (67%) within their control area and neighboring ISOs. SoftSmiths offered its next generation scheduling solution to meet these requirements. Most of the pre-schedule and real-time activities are now handled through the Power Blotter, making schedule entry more efficient and less error-prone.

NERC E-Tag Automation – The evolving use of the E-Tagging protocol in the Pacific Northwest prompted the District to seek a solution partner that offered guaranteed compliance along with the flexibility to customize its software solution to meet the District's specific needs for E-Tagging, reservation, and compliance monitoring. SoftSmiths deployed its scheduling solution tightly integrated with its existing Electronic Tagging Portal Suite (ETPS) that was already being used by the District. This allows for automatic tag creation from schedules when the District is the author, and automatic schedule creation from tags authored by the market, thereby streamlining the business process, eliminating double entries, and avoiding potential errors.

Transmission Inventory Optimization – The District identified the optimization of transmission inventory as critical to their business plan and thus a key requirement for the new system. SoftSmiths included its e-Reservation product as part of the integrated solution, giving the District the capability to optimize their transmission inventory. Planning, marketing and scheduling personnel alike can now monitor, in real-time, how the district's transmission inventory, whether OASIS-based or grandfathered, is being utilized with respect to associated schedules in the system.

Risk Management – District required that the new transaction management system be compliant with the District's Risk Policy. By leveraging the inherent flexibility offered by its SoftSmiths Power Product Suite, SoftSmiths implemented risk management capabilities that are fully compliant with that doctrine. The District enforces risk tolerances on all transactions entered into the system, continuously monitoring mark-to-market positions, counterparty credit limits and value-at-risk calculation within e-Merchant.

Back Office Automation – From the onset of the project, the District recognized that more detailed audit trails on transactional history would be required in order to improve its business processes. The district's antiquated billing process was also subject to an upgrade as the requirements for the system were finalized. Back office personnel now perform monthly settlement, reconciliation, invoicing, and wholesale power payment entry within a single transaction management system.

Critical Tools to increase efficiency and leverage SoftSmiths Power

e-Cal+ is a powerful calculation tool that is designed to support evaluation of strategic positions. It enables authorized users at the District to define and customize highly specialized calculations of complex relationships between scheduled and actual (metered) trading, scheduling, generation, and load data. All calculations run in real time and provide continuous feedback, enabling users to manage risk and optimize usage of assets in a highly dynamic competitive environment.

Superior service and timely upgrades

To ensure a strong return on the District's IT investment, they also enjoy industry leading support services that keep the software up and running fast, operating at peak levels 24/7, and up-to-date with market changes. With SoftSmiths' mission-critical support services, the District benefits from the latest functions and best practices, improving the system continuously with proactive services, software updates, telephone support, and access to SoftSmiths' on-line Customer Resource Center.

SoftSmiths' Solution

- **SoftSmiths Power**
- **SoftSmiths Electronic Tagging**
- **SoftSmiths e-Link**
- **SoftSmiths Market Portal**



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