

CASE STUDY

SoftSmiths' Solutions Streamline Processes, Improve Efficiencies at IPL

Indianapolis Power & Light (IPL) provides electric service to more than 440,000 commercial, industrial and residential customers in Indianapolis and other parts of Central Indiana. In common with many other utilities, IPL has been faced with the ongoing challenges posed by the deregulation of the electric power industry.

Following implementation of FERC Orders 888 and 889, IPL was required to completely separate its wholesale power marketing and transmission operations and to automate its scheduling process. In order to comply with these regulations, IPL needed to streamline its business processes, deploy an interface to interact with an OASIS (Open Access Same-Time Information System) and, a means by which to utilize e-Tags within NERC-mandated timescales. IPL recognized the need for new tools to satisfy the evolving regulatory and industry requirements as well as support its unique business practices.

As a Load Serving Entity (LSE), that purchases and sells around its physical assets, IPL also saw the need for automation in such areas as deal capture, counterparty settlement and fuel cost accounting. The utility also wanted to significantly decrease the lengthy settlement times that were associated with the combined increase in the volume and complexity of transactions in a deregulated environment.

IPL chose to address these requirements through the selection and implementation of SoftSmiths' easy-to-use, scalable and flexible transaction management system.

IPL Turns to SoftSmiths

By combining next-generation technologies with significant energy industry expertise and a comprehensive range of services, SoftSmiths was able to help IPL meet industry regulatory changes. SoftSmiths delivered a reliable and powerful solution on a turnkey basis, supplying the hardware, software and integration services necessary to automate existing manual processes, reduce the complexity of transaction management and increase organizational efficiencies.

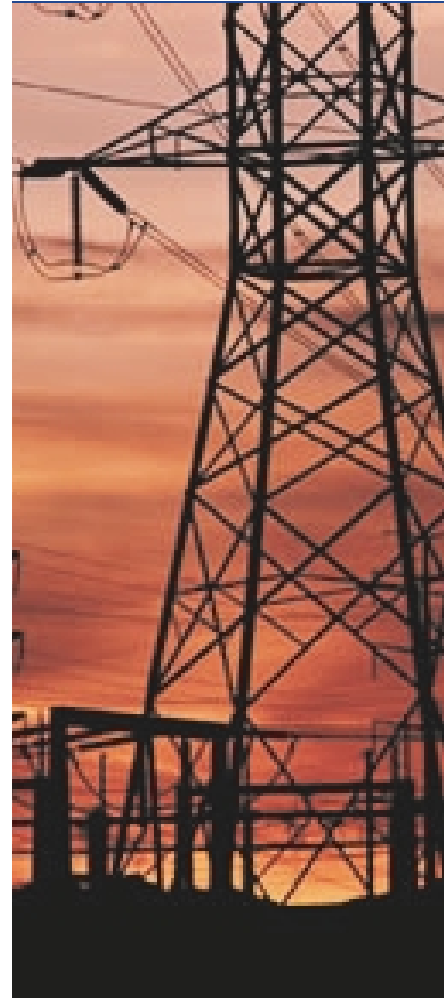
IPL chose to implement SoftSmiths' e-Wheel Product Suite, a collection of business-critical, robust and easy-to-use interactive applications designed specifically for transmission providers. This scalable and flexible solution, seamlessly integrates scheduling transmission services, Interchange checkout, and includes accounting and reporting capabilities.

A critical factor for successful implementation at IPL was the intuitive and easy-to-use nature of SoftSmiths' solutions. This helped facilitate its rapid adoption throughout the organization and IPL took full advantage of the turnkey delivery that also included on-site training provided by the SoftSmiths team to ensure its employees fully understood the solution's capabilities and could maximize its potential.

Another key advantage of working with SoftSmiths, was the company's ability to tailor the solution to fit IPL's own particular needs. For example, IPL used the SoftSmiths system to verify the MISO transactions.

In SoftSmiths, IPL saw a partner that could customize its software to help them work as seamlessly as possible with the MISO while delivering the flexibility and scalability to handle the fluctuating volume and complexity of IPL's transactions.

IPL is also working with applications from SoftSmiths' e-Merchant Product Suite, which solves practical business problems for load serving entities by delivering the core capabilities to electronically create, process and manage transactions. e-Merchant is a robust solution that seamlessly integrates forecasting, trading, portfolio assessment, resource management, scheduling, risk measurement,



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accounting and reporting into a single data repository. These applications help eliminate redundant data entry and the need for standalone spreadsheets or handwritten notes and allow IPL to electronically capture the entire physical power trading process while better managing and tracking changes in the cost of fuel and energy for fuel cost accounting.

SoftSmiths Contributes To IPL's Success

Following the first stages of implementation, IPL reaped many significant benefits from SoftSmiths' solutions. The elimination of manual processes and other time-intensive activities has allowed IPL to make the recording of its sales more efficient.

It has also eliminated the redundant data entry that occurred as a necessary consequence of using existing manual systems, allowing IPL employees to focus more on their primary responsibilities.

Another benefit of the SoftSmiths solution is its ability to facilitate informed trading decisions as a result of the improved tracking capabilities. Users can track counterparty credit and cross reference lists of potential buyers with those that have outstanding balances with IPL before making a trade. The system also has the ability to set automatic, customized credit limits and to inform users immediately when those limits have been exceeded. This valuable information is now available to IPL's users at the touch of a button. The SoftSmiths solution has provided IPL with increased visibility into its trading operations and support in its settlement process. IPL can optimize its involvement with the MISO for scheduling and tagging to ensure compliance with all FERC and NERC regulations and utilize its employees' time more efficiently to achieve success in the retail and wholesale power markets. SoftSmiths' solution enhances operational reliability through an improved ability to plan, forecast and execute.

As IPL looks to the future, the SoftSmiths system, with portions of the SMD/RTO concepts already reflected in its applications, will grow with the utility as its needs evolve with the competitive marketplace and allow it to continuously improve business process effectiveness and reduce costs.

"As FERC orders 888 and 889 caused us to completely separate our supply and transmission business units, SoftSmiths' deep industry expertise and customer service approach allowed them to quickly understand how IPL functions and work to develop solutions to meet our unique challenges," said Jim Sadtler, Team Leader, Supply Coordination for IPL Power Supply. "As SoftSmiths solutions are implemented, they are helping us operate more efficiently and reliably, by allowing us to make more informed business decisions."

SoftSmiths Solutions

SoftSmiths is a leading provider of proven business critical Transaction Management Systems and services for Load Serving Entities, Generation Production Entities, Purchasing Selling Entities and Transmission Providers who operate in physical markets to sell, purchase, trade and deliver energy in the most efficient and cost effective way. SoftSmiths seamlessly integrated, scalable and adaptable solutions provide ready-to-deploy, out-of-the-box functionality that is highly configurable and customizable to meet companies' unique needs. SoftSmiths' solutions along with its in-depth knowledge of the industry's business practices, automate manual processes, eliminate redundancies and increase business visibility across the enterprise that allow faster decision making and more informed decisions that can improve profitability, operational efficiencies and cash flow.

Sources:

Gary Hermon
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Jim Sadtler
Team Leader, Supply Coordination
IPL Power Supply



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