

# The Challenge

## Maximizing the Opportunity, Minimizing the Cost

How do you optimize your gas trading and streamline your back-office operations?

*In a commodity-short market with high and volatile prices, a single platform is required to truly achieve asset optimization.*

Now is the time for natural gas buyers and sellers to implement and leverage a system with complete front to back office capabilities including Deal Capture, Nominations and Scheduling, Settlement and Invoicing. Robustness and flexibility allow the system to be easily configured and re-tooled to meet the ever-changing market, regulatory, and accounting requirements. For pure natural gas players, a system that requires no off-system spreadsheets, communication via EDI, and updated NAESB standards. For utilities, natural gas and wholesale power capabilities offering a single system to manage your complete energy operations.

### *A single adaptive system platform solution for Gas Transaction Management*

- Integrated EBB interfaces from the application, no need to re-enter data on EBB sites
- Pipeline interfaces allow reconciliation from the application, not from hiring additional accounting analysts
- Adaptive software and maintenance program keep you up to date with GISB and NAESB standards

With e-Merchant you are able to optimize the purchase of gas, minimize the trade risks, and therefore increase earnings. A real-time system environment captures deal data and instantly updates your net position so you have the ability to react to market changes as they occur. Your counterparties credit exposure is tracked and trading limits can be established to prevent over-exposure of credit risk. Information flow is more efficient and accurate with data entry minimized to a single platform and gathered in a single repository for analytic and reporting purposes. Gas Trading and Gas Control can work simultaneously to balance your portfolio and optimize gas flow across the country. Actual gas flow at the nomination level is linked to the deal level to reduce the amount of prior period adjustments by billing on the most accurate information available. Invoicing and deal settlement can occur quicker and without all those spreadsheets.

With e-Merchant Gas you can trade more efficiently with reduced risks, communicate from the front to back office with more accurate information in one system. That translates into bigger profits and increased shareholder returns.

#### *Front-Office Capabilities*

- Deal Capture
- Transportation Management
- Storage Management
- Risk Management

#### *Middle-Office Capabilities*

- Operational and resource constraints
- Calculated Cost Associated with Non-compliance
- Controls & Monitoring
- NAESB Compliant
- Nominations
- Pipeline Imbalances

#### *Back-Office Capabilities*

- Contract Management
- Confirmations
- Settlement
- Invoicing
- Reporting

*e-Merchant's Gas Management System is highly configurable and quick to install.*

#### **WHO BENEFITS?**

**Natural Gas  
Marketers**

**LDC's**

**Producers**

**Utilities**

**Storage**



**SOFTSMITHS**  
Energy Business Solutions

2401 Fountain View Dr.  
Suite 900  
Houston, TX 77057-4804  
Tel 713.626.9184  
Fax 713.626.0186  
Website [www.softsmiths.com](http://www.softsmiths.com)

# The Solutions

## Maximizing the Opportunity, Minimizing the Cost

The e-Merchant Gas product suite is a collection of robust and easy-to-use interactive applications providing Front, Middle and Back-Office capabilities for Natural Gas Marketers, Producer/Marketers, LDCs, and Utilities. e-Merchant Gas provides Deal Capture, Transportation Management, Storage Management and Risk Management. In the Middle Office, e-Merchant capabilities include Operational and resources constraints, Risk Measurement, Controls and Monitoring, Nominations and Pipeline Imbalances, while the Back-office provides Contract Management, Confirmations, Financial Settlement, Invoicing and reporting.

- e-Generation
- Fuel Cost Accounting
- e-Cal+

### *e-Forecaster*

e-Forecaster provides the ability to forecast load based on historical information, most common variables, and potential future changes. As part of the e-Merchant product suite, e-Forecaster integrates with its trading, scheduling, and settlement applications to simplify and automate operational forecasting of loads and related outputs.

#### **Gas Trading**

- Net Position
  - Group by purchases, sales and load
  - Rollup by MMBTU value
- Load Forecasting
- Credit Exposure
  - By Counterparty
  - Detailing dollars and quantity limits
- Transportation Usage
- Capacity Release
- Physical Deals
  - Fixed, Indexed and Tiered Pricing
  - Physical Options
  - Weather Options
- Financials Deals
  - Swaps
  - Options
- Storage Management
- Merchant Services
- Bookouts
- Mark-to-Market

#### **Gas Control**

- Nominations
- Confirmations
- EDI communication

#### **Risk Management**

- Trading Limits
  - By Counterparty
  - By User
- Mark to Market
- Audit Trails

#### **Accounting/Reporting**

- Deal Checkout
  - By Counterparty
  - By Deal
  - By Day
- Gas Storage Inventory
- Maintain Gas Prices
- Invoicing
- Reporting
- Data Export

#### **Administration**

- Contract Management
- Controls and Monitoring

*SoftSmiths' proven solutions and in-depth knowledge of the industry's business practices allow its customers to automate manual processes, eliminate redundancies, and increase business visibility across the enterprise to allow faster decision making and more informed decisions, thereby improving profitability, operational efficiencies and cash flow.*



**SOFTSMITHS**  
Energy Business Solutions

Contact us for more information at 713-626-9184 or at [mkt@softsmiths.com](mailto:mkt@softsmiths.com).

Copyright © 2004 by SoftSmiths. All rights reserved. The information in this document is subject to change without notice. All trademarks are property of their respective owners.

2401 Fountain View Dr.  
Suite 900  
Houston, TX 77057-4804  
Tel 713.626.9184  
Fax 713.626.0186  
Website [www.softsmiths.com](http://www.softsmiths.com)