Duke Energy

Keeping energy flowing to hundreds of thousands of customers with IBM and Oracle

Overview

The need
When the software underlying Duke Energy's Gas Transportation Management System went out of support, it created a huge risk of potential disruption to the supply of energy to clients and lost revenues.

The solution
Duke Energy upgraded to a new version of Oracle Utilities Billing Component, implemented and customized by IBM® Global Business Services® to ensure close alignment to the company's needs.

The benefit
Duke Energy optimized complex settlement and billing operations, reducing risk and revenue leakage. Enhancements have considerably shortened runtimes for certain critical reports, boosting efficiency.

Duke Energy is the largest electric power holding company in the United States, supplying and delivering energy to approximately seven million retail customers. Headquartered in Charlotte, North Carolina, Duke Energy operates assets in North America and Latin America, with a total service territory spanning more than 100,000 square miles.

Maintaining mission-critical services

As part of its activities, Duke Energy provides natural gas transmission and distribution services to approximately 500,000 customers in Ohio and Kentucky. To ensure a safe and efficient supply of gas to homes and businesses across these states, and manage complex pricing, billing and gas delivery arrangements with suppliers, Duke Energy depends on the Gas Transportation Management System (GTMS).

Mitch Martin, Manager, City Gate Operations at Duke Energy comments: "The GTMS is an absolutely mission-critical system; we rely on it to manage almost every aspect of our gas transportation programs. The information held in the GTMS is crucial for helping us to understand, for example, how much gas is available throughout the network and the forecasted demand among all our customers, so we can guarantee a steady supply of energy. Many of our suppliers also access the system multiple times a day to nominate gas, check customer demand and plan gas delivery activities accordingly."

IBM Global Business Services was instrumental in keeping the project on track and helping Duke Energy to meet its deadlines. Every time that the project team got stuck or hit an obstacle, IBM worked to quickly find a solution, so that minor hiccups did not become major roadblocks.
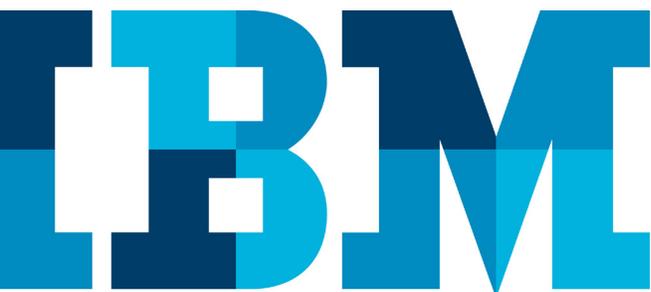
Solution components

Applications
- Oracle Utilities Billing Component

Services
- IBM® Global Business Services®

"With the upgrades and enhancements that we have made to the GTMS, we benefit from greater operational control and efficiency, improved supplier management and better revenue tracking and reporting."

— Mitch Martin, Manager, City Gate Operations, Duke Energy

For many years, Duke Energy has used Oracle Utilities Billing Component software to underpin the GTMS. When the company's existing version of the Oracle solution went out of support, Duke Energy knew that it needed to act fast to upgrade to a newer version.

Allen Amos, IT Manager, Energy Delivery Solutions Delivery at Duke Energy, explains: "Having the Oracle Utilities Billing Component solution go out of support created a significant amount of business risk. Not having access to Oracle support meant that if something went wrong with the software, we were on our own. This was an unacceptable position for Duke Energy: we have millions of dollars riding on the GTMS, so it has to be up and available at all times, and we wanted to get the software back into support as soon as possible."

Partnering with IBM

After making the decision to upgrade to Oracle Utilities Billing Component version 1.6, Duke Energy launched a search for a partner capable of expertly deploying the Oracle solution; and performing the customizations necessary to adapt the software to the company's unique needs. Following a competitive tender process, Duke Energy selected IBM Global Business Services to manage the implementation.

From the start, Duke Energy believed that IBM Global Business Services was the right partner for this project. As IBM handled the original GTMS implementation, the team was familiar with the system and Duke Energy's needs. The IBM team were invested in the project and would do whatever it took to make it a success – giving Duke Energy confidence that it was in good hands with IBM.

Operational constraints imposed a strict timeframe on the implementation. With demand for natural gas typically reaching its peak between November and March, during the so-called 'heating season,' the implementation had to be completed outside of these months in order to minimize disruption to the business.

"The delivery window for this project was very tight – we had six months to get the system into full production, so that we could go live well before the beginning of heating season," notes Allen Amos.

Against the pressure of a short delivery window, strict planning was one of the keys to success for Duke Energy. "By keeping a laser-sharp focus on the work that needed to be done, we have been able to guide a very successful implementation," says Mitch Martin.

> *"All of this helps Duke Energy to boost billing accuracy and minimize revenue leakage, keeping customers and suppliers satisfied, and ensuring the business runs as profitably as possible."*

— Mitch Martin, Manager, City Gate Operations, Duke Energy

Tailor-made solution

With assistance from IBM Global Business Services, Duke Energy made a number of customizations to the core Oracle Utilities Billing Component solution. As a number of external parties utilize the GTMS, the project team enhanced the application to enable outside users to securely access the system. Duke Energy also introduced a forecasting feature which allows users to predict how much gas might be used by customers on a particular day, helping the company better plan gas supply and delivery activities.

The upgraded GTMS, supported by the new Oracle Utilities Billing Component, was rolled out in April 2014 and is currently accessed by around 300 people on a regular basis, the majority of whom are external users, including third-party suppliers and large gas transportation customers.

Allen Amos remarks: "The transition was seamless, for both our internal and external users. One of our goals was to minimize change as much as possible and we have certainly achieved that."

In instances where certain tools or processes did not map smoothly from the old system, IBM Global Business Services went above and beyond to find a solution and deliver the functionality that Duke Energy needed.

Working faster and better

Over the course of the upgrade, IBM Global Business Services worked with Duke Energy to fine-tune the GTMS, making enhancements that help users to work faster and more efficiently than ever before.

The IBM team worked to improve some of Duke Energy's reporting functionality, making it much easier for users to run many reports in rapid succession. As a result, the company has been able to reduce runtimes for certain high use reports – delivering significant time savings for both internal and external users.

In addition, Duke Energy was able to modify the way that users accessed certain pages. Rather than having to click through multiple screens to get to a specific piece of information, IBM helped to create menu items that provide one-click access to data.

Mitch Martin notes: "This enhancement provides much quicker information access, especially to our third-party suppliers. It is now much more intuitive for our users, so instead of wasting time trying to hunt down information, they can get in and out of the system quickly and focus on the work that really matters."

By ensuring that GTMS processes and controls are optimized and consistently functioning, Duke Energy can better manage the variety and volume of transactions, market participants and activities involved in its gas transportation business.

Mitch Martin continues: "With the upgrades and enhancements that we have made to the GTMS, we benefit from greater operational control and efficiency, improved supplier management and better revenue tracking and reporting. All of this helps Duke Energy to boost billing accuracy and minimize revenue leakage, keeping customers and suppliers satisfied, and ensuring the business runs as profitably as possible."

Keeping business running as usual

With its Oracle software now fully supported and at a current release level, Duke Energy can rest assured that if any issues arise it can count on rapid resolution from Oracle, ensuring that business continues as usual, no matter what.

Mitch Martin concludes: "It gives us great peace of mind to know that the Oracle software underlying the GTMS is fully supported. The GTMS is the backbone of our commercial natural gas operations, and the ability to rapidly escalate any support issues will allow us to work with suppliers to guarantee a steady supply of energy to customers across Ohio and Kentucky."

For more information

To learn more about IBM and Oracle solutions, contact your IBM representative or IBM Business Partner, or visit the following website:
ibm.com/solutions/oracle

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