

SAP BusinessObjects Planning & Consolidation Utilities Planning Starter Kit

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Overview

Electric Utility companies have a number of challenges. They face challenging external factors, like unpredictable credit markets, fuel price volatility, and increasing environmental pressures. They confront increasing complexity, as their companies adopt new regulatory constructs and reporting requirements. These challenges ebb and flow, but they put strains on the organization. To adapt, the company needs to obtain high-performance planning that responds rapidly to financial questions that arise from changing business circumstances.

Does your company have high-performance planning capabilities to address business questions or sensitivities? It comes down to a simple test. What happens when the CEO, CFO, or other executives asks "What if?" The question could be, "What happens to next year's earnings if fuel prices used in generator 'A' increase 10 percent?" Or, "What is the effect of a generating unit losing production capacity after 5 years?" In some companies, the answers may take days to determine. The answer is difficult to ferret out in these organizations, because it is embedded within an overly complex planning process that requires inputs from multiple groups. For these companies, it can be difficult to resolve performance variances quickly.

The bottom line is that, when the demand for information on business scenarios or sensitivities falls, the organization's ability to respond to change to manage performance declines even further.

Most companies can make improvements to planning processes that allow for high performance planning and greater mastery of business and market complexities.

PAC BPC Utilities Planning Starter Kit

The PAC BPC Utilities Starter Kit focuses on building each specialized group (production, sales, CAPEX, etc.) according to their individual characteristics of granularity and dimensionality, storing a depository of factors effecting planning and integrating these groups to create a streamlined flow of data.

This planning model incorporates assumptions, data, and budgets from the entire organization. It avoids the silo approach to planning that does not miss key relationships among drivers. With multiple dimensions analyzing data in each module, producing reports at multiple granularities of data is simple.

The Application is structured to provide the following modules:

- Assumptions - This module is used as a depository to store all assumed factors for planning.

- Capital Expenditure Planning (CAPEX) - This module facilitates the input of Capital Expenditure (CAPEX) budget by cost center. Budgets detail project items by cost center and project code. It calculates the cost center level additional fixed assets and depreciation expense results.
- Production & Acquisition Planning - This module determines the Purchase Program of fuel and the calculation of different types of Production & Acquisition cost.
- Electricity Sales Planning - This module projects the monthly sales in quantity and value of each customer segment and customer type.
- Connection Fee Planning - This module projects deposit amount from customers who have applied for connection.
- Operating Expenditure Planning (OPEX) - This module facilitates the input of Operating Expenditure and Operating Revenue budget by cost center. Budgets detail items by cost center and account code.
- Finance & Reporting - This module provides income statement and other relevant reports.
- Dashboards - Application includes built-in integration with Crystal Dashboard Designer.

Key Features and Benefits

- Pre-configured scenarios for rapid use of your software
- Built-in calculation models for the Utilities Industry that are customizable

Assumptions

- Centralized depository of factors that affect all calculations across other modules.
 - Set Fuel Purchase prices and maximum capacity of generators
 - Manage charges of acquiring electricity during day and night from multiple sources
 - Set maximum and minimum stock of fuel and lubricant required for each generator
 - Set benchmarks for unit cost of production
 - Set peak loads and sales prices by customer segments and categories
- Flexible to include more assumptions based on your requirements.

CAPEX

- Maintain multi-dimensional project relation by cost center, project ID and Assets.
- Cost Center based security to ensure project responsibility is assigned to appropriate personnel.
- Multiple stages for each project – Work-in-progress and capitalized Fixed Asset. This ensures that all necessary calculations such as depreciation are performed only after capitalization.
- Option to check up-to-date project status showing a snapshot report of individual projects.
- Create project targets and track it against spend-to-date amount.
- Bucket creation feature to hold CAPEX pool amounts until appropriation.
- Allocate CAPEX from buckets to individual projects.

- Calculation of depreciation using SLM and WDV methods. Easy to add more methods.
- Option to check depreciation before storing in database.
- Calculation of flows of Work-in-progress, Fixed Asset and Cumulative Depreciation.
- Detailed Work-in-progress, Fixed Asset and Depreciation reports and charts.

Production & Acquisition

- Granularity of data by Generators and Fuel Types. Auto roll up to Power Units.
- Validation to ensure maximum capacity of generators is not exceeded.
- Option to input absolute consumption and specific consumption of fuel and lubricants
- Calculation of amount of fuels and lubricants to purchase to ensure stock does not fall below the minimum stock required for production. Calculation of unit cost of production - Compare with benchmarks.
- Create What-if analysis using Fuel Matrix that allows creating on-the-fly scenario based reports using combination of generators and fuels. Use sliders to toggle the prices of fuels and lubricants to create more detailed scenarios.
- Obtain detailed production cost reports and charts.
- Input schedule to store electricity acquired from multiple outside sources during day and night. And calculation of total and average costs of acquiring electricity.

Sales

- Store data by customer segments (regions, area, location), and customer categories (commercial, residential, industrial).
- Meter Reading Schedule to convert meter reading dates to calendar days on the fly.
- Validation to alert if peak load is exceeded.
- Calculation of sales amounts for income statement based on drivers such as sale prices, free energy supply, etc.
- Reports and charts to analyze sales quantity by segments and categories.
- Load forecasting difference report to compare production results with sales to alert over or under production.

Connection Fees

- Connection Fees schedule by customer segments.
- Calculation of Connection Fee balances
- Detailed connection Fees reports and charts for analysis.

OPEX and Reporting

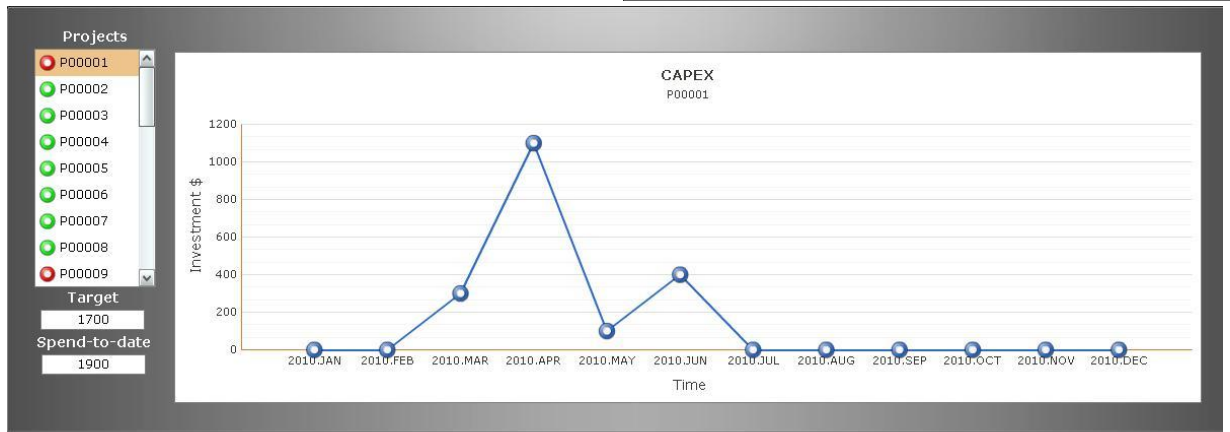
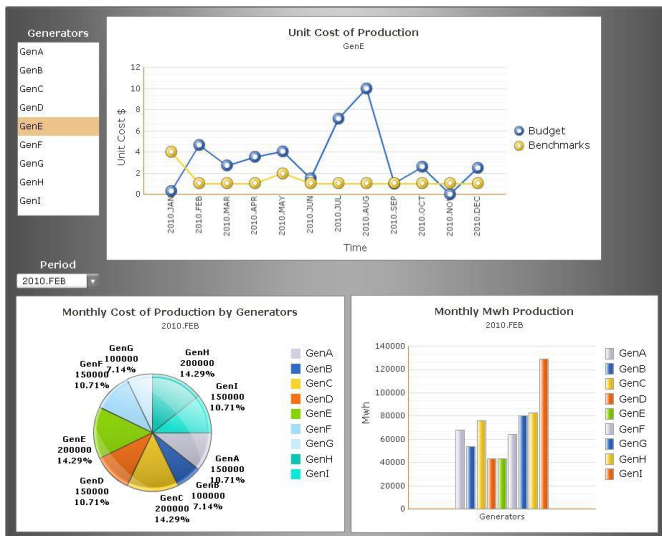
- OPEX schedules to input other expenses.
- Run consolidation to update calculations in all modules.
- Income Statement.

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Dashboard integration

The BPC Utilities Planning Starter Kit comes with built-in integration with Xcelsius Dashboards.

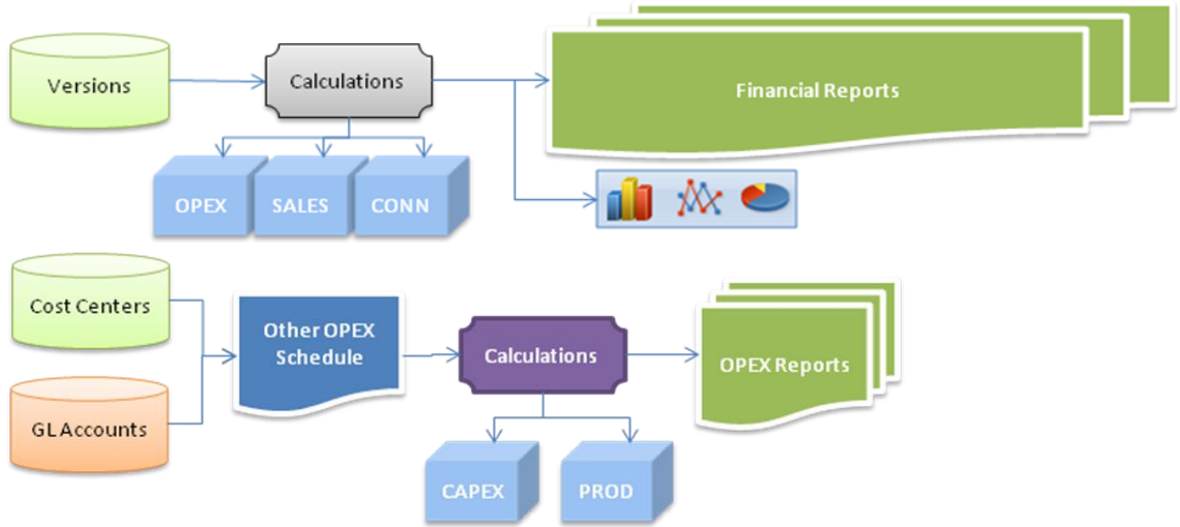
- Pre-packaged dashboard models
 - Production & Acquisition – Compare unit cost of production with benchmark figures.
 - Sales - Multi-dimensional analysis of sales amounts.
 - CAPEX – Alerts for projects going beyond targets.
- Flexibility to add more customized models as per requirements.



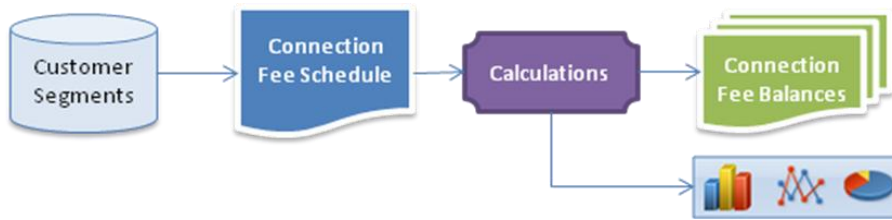
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System Process Flows

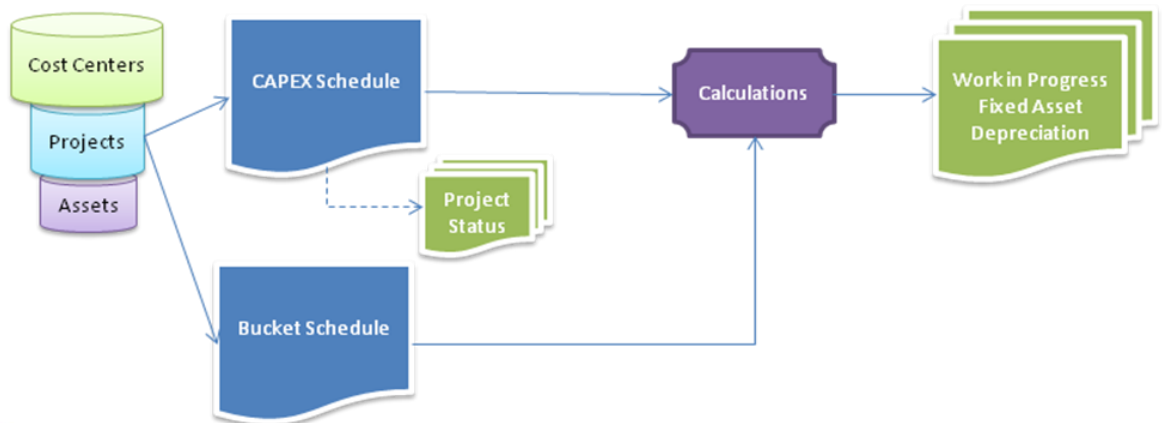
OPEX and Reporting



Connection Fees Planning

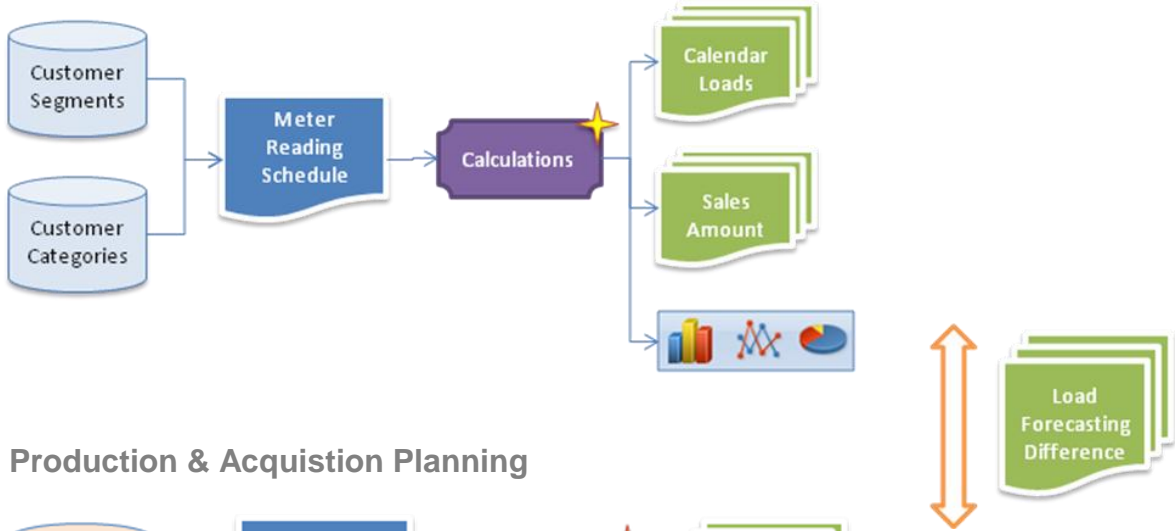


CAPEX Planning



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Sales Planning



Production & Acquisition Planning

