

## Multi-Jurisdiction Utility Enhances Data Categorization and Reporting in SAP

*Pepco Holdings gains unmatched cost allocation flexibility and line of business reporting from HPC America's SAP-certified solution Utility Financials Accelerator.*



Pepco Holdings, Inc. (PHI) is one of the largest energy delivery companies in the Mid-Atlantic region, serving about two million customers in Delaware, the District of Columbia, Maryland, and New Jersey. PHI subsidiaries Atlantic City Electric, Delmarva Power, and Pepco provide regulated electricity service; Delmarva Power also provides natural gas service. In addition, PHI provides energy efficiency and renewable energy services through Pepco Energy Services.

### Challenges and Opportunities

Running on the SAP ERP solution for more than a decade, PHI had a fully functioning, multi-company code FI/CO landscape utilized for internal management and all standard FERC and SEC reporting. PHI wanted to enhance its processes of categorizing and reporting accounting data. Because of constraints of the SAP configuration, splitting data into the desired categories within SAP-FERC would have required significant changes. As a result, like many utilities, PHI maintained a growing number of Excel spreadsheets outside of SAP to accomplish the categorization of data. To address these issues, PHI had explored various options over the past several years, but never went beyond the blueprinting phase. In 2011, the Company decided to identify and implement a comprehensive solution, one that would deliver automation and reduce the number of spreadsheets being used.

### The Solution

PHI's investment in SAP warranted a solution that would coexist with its existing infrastructure. After conducting extensive research and analysis, the Company chose HPC America's Utility Financials Accelerator (UFA) and engaged HPC to implement it. Written in SAP's native ABAP, HPC UFA is certified by SAP as powered by the NetWeaver® technology platform and integrates seamlessly with the IS-U/FERC module to increase its capabilities.

### Initial Results

Nine months after project kickoff, all of PHI's initial objectives were achieved. PHI Assistant Controller Kathleen White said, "The reports are comprehensive and provide all of the information the Company desired. And we beat our one-year deadline—HPC did all of this on our accelerated schedule with very little disruption to daily business." The Company's new SAP-based report process significantly expedites the process of data categorization and reporting. Reflecting further on the project, White commended HPC America for its creative approach and accommodation of special requests that arose over the course of the collaboration.

Other innovations that HPC delivered included special functionality for enhanced FERC budgeting. PHI now has its choice of using the "out of the box" FERC budget, or creating a custom budget based on amounts entered directly; tools for improved table maintenance, to easily copy one month's splitting rules for a specific account to another; and a dynamic report group generator that enables PHI to specify allocation categories and level of detail before running custom reports on the fly.

"Given today's renewed emphasis on utility regulation, PHI's needs illustrate the importance of institutionalizing data categorization and reporting," said Jerry Cavaliere, CEO of HPC America. "HPC UFA facilitates that by extending the financial close's highest standards to the data categorization and reporting process. We bring categorical data integrity up to par by keeping it in SAP longer, and by creating a controlled, flexible allocation model that seamlessly extends the FERC solution so many utilities rely on."

HPC America is a certified SAP partner, utility industry expert, and the original developer of the IS-U/FERC module. Our customers include Pacific Gas & Electric, Southern California Edison, Sonoma County Water Agency, Trans Bay Cable, We Energies, NTUA, AEPCO, City of Palo Alto, and other utilities and municipalities.