



Of Note in Energy for September 16, 2003

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InStep Software has formed integrations and alliances with **Matrikon** and **SmartSignal**, which should both bode well for the company. It is often difficult for data platform vendors to show their business value, but in conjunction with partners, the value of the technology shows through. **The Takeaway:** InStep's compression methodology is worth a look, especially for owners of nuclear generation fleets looking to operate more efficiently but unable to afford to miss a beat collecting status, time, and other time-series point data to meet the demands of the Nuclear Regulatory Commission (NRC).

Even though weather patterns didn't strain capacity at the time of Blackout 2003, some positive publicity regarding demand response occurred, particularly since time-of-use controls made it easier to get New York back online. AMR Research expects a temporary resurgence in the interest in demand response technology, mainly from vendors, such as **Itron**, **SAP (EDM)**, **ABB (Energy Interactive)**, and **NewEnergy Associates** (a subsidiary of **Siemens Westinghouse**). **The Takeaway:** Energy companies should start to involve their IT departments in demand response initiatives as reliability takes center stage.

Customer Information Systems (CIS) deals are still rare for vendors of the products, but some are being made. **SPL WorldGroup** recently won its first contract for post-implementation support at Knoxville Utilities Board while **Indus International** signed an agreement to expand its licenses for the *Indus Advantage Customer Management Suite* at **ONEOK**. **Peace Software's** recent win at Dayton Power & Light (DP&L) is probably the most notable, as DP&L was previously pursuing a componentization strategy. **The Takeaway:** In the next year, there will be more evidence to support (or not support) the componentization strategy. It is worth it for utility companies to wait for more evidence to make long-term decisions about CIS replacement.

Vendors such as **Alliance Data Systems**, **Wipro**, and **ORCOM** would be pleased if everyone could believe that utilities are ready for outsourcing business processes, such as billing and customer service. In fact, other outsourcing vendors are flocking to the industry, convinced of the market potential. Witness the entrance of **Sykes** and **PRC Energy**. Recently, Southern Company Gas signed an outsourcing agreement with **Accenture**, which along with **Cap**, **Gemini**, **Ernst and Young**, is clearly the powerhouse for Business Process Outsourcing (BPO). Still, this agreement is with a retail market participant in the Georgia gas market and not with a traditional utility. **The Takeaway:** While the retail marketers may be ripe for outsourcing because the retail energy market is not ready to make a commitment to technology, utilities should not automatically assume that there is a strong business case for BPO for customer service.