

CASE STUDY

MRE Consulting Facilitated a System Integration Solution for Natural Gas Marketing Organization.



CHALLENGE

A natural gas marketing organization contacted MRE Consulting to replace the vendor product used to manage their complex trading portfolio. This portfolio included natural gas storage and transport assets, natural gas utility supply requirements, marketing to commercial and industrial customers, as well as a broad range of asset management agreements (AMA). Due to limitations in the vendor product, most daily and monthly activities were done outside of the system, and a large number of Excel spreadsheets were used regularly. This created significant process inefficiencies in month-end reconciliation, particularly in settlement and accounting activities.

SOLUTION

As part of our role as system integrator, MRE led the client to change many of their existing business processes. Similar to most implementations, the change in technology impacted the way business operated. However, in the case of this client and product, the implementation led to an opportunity for us to guide the client in a more efficient way of managing their business. The primary area of focus for this change was to shift the responsibilities of individuals in charge of accuracy, completeness, and timeliness of the transactional data.

RESULTS

The organization's legacy system was referred to as an "accounting" system, and most records were entered long after incidents occurred — typically not until the first week of the following month. As part of the implementation, responsibilities were allocated to the appropriate groups across the organization. These actions reinforced one of the guiding principles of the implementation — to have one, consolidated data recording system. Additionally, the client made the shift from having an "accounting" system to owning a tool to help make complex business decisions.

BENEFITS:

Based on these areas of focus, MRE increased the accuracy, timeliness, and efficacy of business process for six major areas:

1. Intraday, daily, monthly and term trading activities for natural gas supply, utility supply requirements, and commercial sales
2. Real-time position management for physical and financial trading analytics, physical logistics, storage management, and other services
3. Storage asset optimization, financial hedge profile management, forward valuation, and monthly general ledger accounting — including WACOG
4. AMA operations including:
 - Planned billing and virtual scheduling management
 - Storage and transport releases and optimization management
 - Monthly accounting processes, including virtual inventory management, invoice generation, and general ledger accounting
5. System generation of 1,500+ commercial and industrial customer invoices each month
6. Monthly generation of general ledger entries for all physical and financial activity

