

ABOUT EXELON CORPORATION

Headquartered in Chicago, Exelon Corporation is one of the nation's largest electric utilities with approximately \$19 billion in annual revenues. Exelon distributes electricity to approximately 5.4 million customers in Illinois (ComEd) and Pennsylvania (PECO), and gas to 485,000 customers in the Philadelphia area (PECO).

In addition, for energy delivery Exelon's operations include energy generation and power marketing.

Exelon has one of the industry's largest portfolios of electricity generation capacity, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic. Exelon operates the largest and most efficient nuclear fleet in the United States and the third largest commercial nuclear fleet in the world.

INDUSTRY

Nuclear & Conventional Generation

DEPLOYMENT COUNTRY

United States

VENTYX SOLUTIONS USED

- Asset Suite

EXELON ACHIEVES RECORD RESULTS BY REDUCING INVENTORY LEVELS

Asset Suite Implementation Reduces Inventory from \$121 Million to \$56 Million In A Major Business Unit

The Opportunity:

Exelon is one of the world's largest electric utilities, serving over 5 million electricity customers in Illinois and Pennsylvania, with an expanding footprint from the acquisition of PSE&G. As one of the world's largest power producers and wholesale marketers, Exelon has access to more than 48,000 megawatts of electricity. Exelon is also one of the largest operators of nuclear power plants in the United States, including one of the most efficient nuclear fleets. In addition, Exelon operates a variety of businesses that compete nationwide in the areas of energy supply, infrastructure services, integrated communications, thermal technologies, energy-efficient offerings, turnkey solutions and capital funding.

In late 1999, the merger between Philadelphia Electric Company (PECO) and Commonwealth Edison (ComEd) created Exelon. While most believed that shareholders would benefit from the merger, the public voiced concerns about how reliability and the cost of electricity would be affected. In addition, how would a giant, multi-state utility respond to environmental and safety concerns and varying state requirements?

The Business Need:

By themselves, PECO and ComEd were formidable companies. Each managed a broad range of assets, including nuclear, fossil, coal, hydro and natural gas plants in addition to providing energy delivery services. Prior to the merger, both companies had entrusted their Enterprise Asset Management needs to Ventyx and its Asset Suite Solution. Both companies believed that Ventyx solutions enabled them to manage their diverse range of assets more effectively than any other software.

The Challenges:

The merger occurred during a time of great transformation in the utility industry. American companies were facing deregulation and a wide range of competitive pressures. Exelon would have to manage not only the merger of PECO and ComEd but industry challenges as well.

The fact that both companies used the Ventyx Asset Suite solution facilitated the consolidation of operational and financial information. By integrating with PeopleSoft Financials at a corporate level, Exelon immediately gained visibility into operations at the two companies. In doing so, Exelon was able to provide the kind of support that the ComEd and PECO plants required while improving operations while reducing costs.

Despite the organizational demands that the merger created, Exelon continued to seek out new acquisitions. In partnership with British Energy - another Ventyx Asset Suite customer - Exelon formed AmerGen and purchased three more nuclear power plants, and then implemented the same solution successfully at those sites.

The Solution & Recognized Benefits:

So how has Exelon performed since its creation? Exelon, PECO, and ComEd have achieved record results in terms of profitability, reliability, safety, generation capacity and customer satisfaction on both their generation and energy delivery businesses. Those results are reflected as follows:

- Inventory was reduced from \$121 million to \$56 million in a major business unit
- 90% materials invoice automation
- 73% Automated Purchase Orders
- Reduced supply facilities from 49 to 28 (4 limited services)
- Seamlessly integrated Work Planning, Work Execution, Supply, Supplier, and Payment
 - “T – X” Work Task Planning and Execution supported by Need Date Integration
 - Supplier Integration – direct delivery to end user of material, eliminating intermediate hand-offs
 - Evaluated Receipt Settlement, internal automated invoice generation
 - EDI and Web-based invoicing
- Enabled fully integrated “Req. to Check” (Material Demand through Accounts Payables) work flow
- Eliminated business silos
- Significantly decreased interface requirements
- Significantly reduced hand-off gaps
- Greatly reduced manual processes
- Facilitated sharing best practices across Exelon (Energy Delivery, Nuclear and Power) and standardized business processes

- Reduced operational cost through headcount / inventory holding reductions, and consolidation of supply facilities
- Expedited subsequent upgrades and reduced IT costs
- Enhanced contract administration
- Provided detailed price/volume variance analysis