

Infosys Volume & Price Risk Exposure Hedging Solution

Market competition, regulatory changes & environmental awareness is enforcing utilities to review their risk management strategies without compromising customer experience. In consequence of customer's inclination towards fixed price tariffs because of dynamic market prices and stringent regulations, future market trading has evolved as an inevitable option for utilities. Hedging precision for Volume & Price risk exposures plays decisive role for utilities profitability margins.

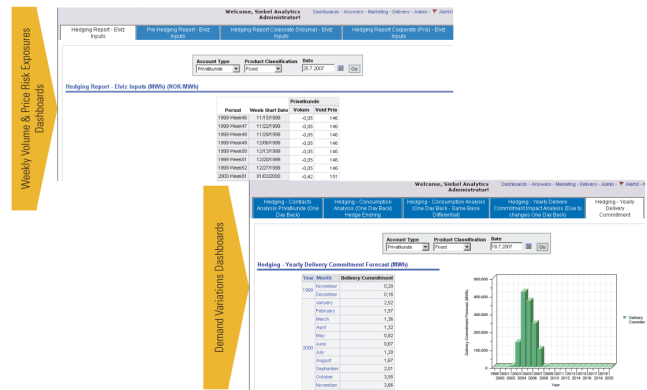
Hedging logic, customized tariffs plans, contracts consolidation, and differentiated profile amplify complexities from operations perspective. Portfolio centered processes and data volume imposes vulnerability from precision perspective. Immature tools and diversified portfolio centered procedure inflicts as additional hindrance blocks.

Infosys unique solution uses Oracle's industry-leading Siebel CRM application platform and leverages Infosys' rich domain expertise. Proven methodologies and implementation experiences facilitates higher precision factor for hedging volume & price risk exposures. Along with seamless integration platform between trading applications, enhanced Analytics platform provides in-depth root cause analytical capabilities for demand variance.

Solution Value Proposition

Infosys Volume & Price risk exposure hedging solution utilizes asset based contract management processes supported with 'unique service point' processing. Along with weekly volume & price risk exposure, enhanced features like daily snapshot history, graphical analysis for deviation analysis facilitates precision in hedging process.

Close loop controls for campaign execution and adjustable correction factors defend utilities against market response. Multi-dimensional cubes enable data analysis to perform root cause analysis on demand variations.

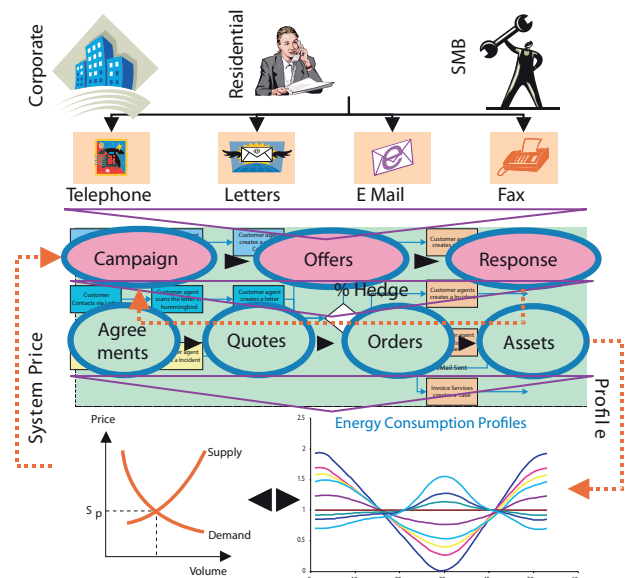


Solution Components

Infosys Volume & Price risk exposure hedging solution has been built using Oracle's Siebel eEnergy 7.8 CRM Application suites (CME Service 7.8, CME Marketing Automation 7.8, CME Analytics 7.8).

The solution is comprised of four components, order management module, campaign management module, hedging logic module and analytics module. Order management module captures complete customer life cycle with asset based ordering processes. Campaign management module provides tightly integrated execution to support forecasting based hedging. Hedging logic module consists of advanced data model and ETL based hedging calculation framework.

Analytics module facilitates pre-configured platform for hedging volume and price risk exposures and user friendly graphical tools for root cause analysis.



Solution Key Engagements

A large utility major in Europe partnered with Infosys for its ambitious organization level CRM initiative. The leadership envisioned to establish a seamless platform to leverage crosssell opportunities and seamless customer experience across portfolios. Infosys enabled a strategic CRM road map, implemented Siebel application suite and established best practices to enhance customer experience. Implementation of hedging solution was one of the biggest challenges for the success of this program. Infosys developed and implemented first of its kind Siebel based solution for hedging electricity volume & price risk exposures.

Key Features & Benefits

- Service point based volume consolidation for segments
- Integrated multi-channel service management processes
- Consistent order handling procedures across portfolios
- Consistent data captures / validation procedures
- Feedback loop for advance hedge %
- Hedging at contract initiation stage & campaigns
- Consistent tariff change processing and closures
- Differentiated contract staging for hedging consideration
- Volume distribution by profiles factors over 53 weeks
- System price variation monitoring for offer presentation
- Feedback loop on profile parameters
- Portfolio fragmentation on exposures
- Root cause analysis procedures for demand variations

Engagement Success Matrix

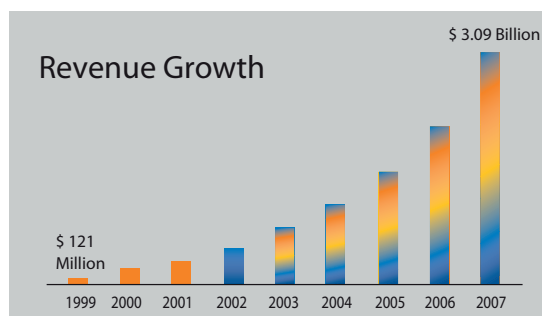
↓ Functionalities Vs. Maturity Level →	High	Medium	Low
Ability to link & track all stages of contracts across portfolio	☑		☀
Ability to calculate volume and price exposure with precision	☑		☀
Ability to consolidate volume exposure across portfolios	☑		☀
Ability to pinpoint contracts causing variation in exposures	☑		☀
Ability to change profile coefficients on regular basis	☑		☀
Ability to associate % hedge factors with campaigns & offers		☑	☀

Matrix Defined to Measure the Success of Siebel Based Solution

☀ Legacy Capabilities ☑ Expected Capabilities ☑ Post Implementation Capabilities

Infosys Snapshot

- FY 07 Revenue: USD 3.09 Billion
- FY 07 Employees: Over 72,000 (65 nationalities)
- Global Presence: 21 countries



as on 31st March, 2007

Allied services

Business Consulting

Provides you with strategic differentiation and operational superiority, assessments, proprietary industry analyses & projects structured around beating the competition.

Customer Operations

Focused on delivering end-to-end customer operations processes and system implementations on leading CRM packages, and transformational CDI solutions to achieve greater business agility.

Banking & Capital Markets

Bringing to bear deep experience in visioning, architecting and delivering business and technology solutions, helping financial services organizations increase operational efficiency, enable more effective customer management and lower operational risk profile.

Independent Validation

Gives your applications the third degree treatment and tests their robustness and ability to survive your business growth. A "must have" service if you are serious about long term leverage of your application assets.



Building
Tomorrow's Enterprise

For more information, contact askus@infosys.com | crm@infosys.com

About Infosys

Many of the world's most successful organizations rely on Infosys to deliver measurable business value. Infosys provides business consulting, technology, engineering and outsourcing services to help clients in over 30 countries build tomorrow's enterprise.

For more information about Infosys (NASDAQ:INFY), visit www.infosys.com.