

Fortum Deploys Automatic Meter Management Across 860,000 Customers in Sweden

Managed Business Services from Capgemini enables the utility to realize business benefits

“Capgemini has under an extremely tight time schedule and challenging circumstances been able to carry out the transition of AMM Service from Cinclus to Capgemini in a successful way. With a solution oriented approach they have been able to deliver on time with high quality on all critical milestones for the transition.”

Anna-Carin Joelsson,
Fortum Transition Manager

The Situation

Fortum is a leading utilities company focusing on the Nordic countries, Russia and the Baltic Rim area. In Sweden, the Fortum group distributes electricity to approximately 860,000 customers. When the Swedish Electricity Act mandated that all electricity consumption meters be read on a monthly basis, Fortum approached an IT services provider for automatic meter management (AMM) services. Following the IT services provider's liquidation, the company awarded the contract to Capgemini. Capgemini had to render its services facing varying climate, geographic, and demographic characteristics as well as working on multiple technology and process solutions.

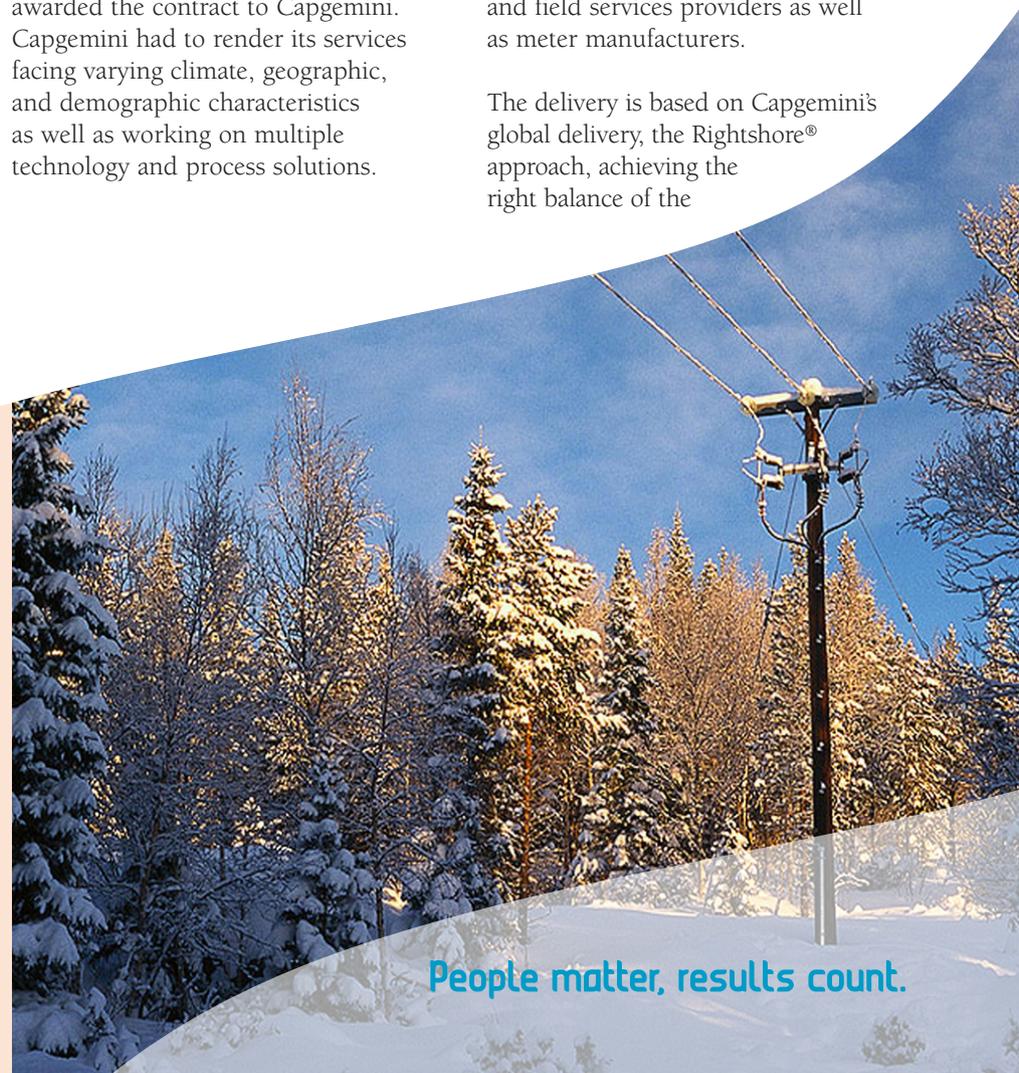
The Solution

Based on the company's proprietary Managed Business Services usage-based pricing model, Capgemini operates a solution that meets Fortum's challenging requirements. The service includes regular and scheduled meter reading, network operation services, field services, service desk, management reporting, data center hosting and application management. Capgemini is also responsible for managing sub-contractors which includes telecommunication, software and field services providers as well as meter manufacturers.

The delivery is based on Capgemini's global delivery, the Rightshore® approach, achieving the right balance of the

“The team was able to do an excellent job in difficult circumstances. We exceeded Fortum's expectations in delivering a high risk and complex transition on time. Since the transition, the team worked month on month to deal with the operational backlogs inherited from the previous service provider. Performance against the Service Level Agreements has been the best ever. As a consequence, Fortum reported the lowest ever Grid / Settlement losses, which has a direct impact on its bottom line performance.”

Ari Koponen,
Fortum Vice President, Distribution



People matter, results count.

best talent from multiple locations, with services provided from countries including Sweden, Norway, Finland, Poland and India.

The Result

Fortum has been able to record a high number of monthly meter reads with accuracy, thereby ensuring satisfaction of the company's customers as well as accomplishment of business goals.

The company also enjoys benefits like:

- accurate electricity consumption forecasting
- reduction in grid loss
- maximizing revenues based on higher volume of reads
- stable IT infrastructure managed by Capgemini.

How Fortum and Capgemini Work Together

Capgemini used its Collaborative Business Experience (CBE) and Account Management approaches to establish the governance structure for rendering services to Fortum. Both companies ensure mirrored roles for all key operations, implying that every direct Fortum user of the service has a Capgemini counterpart to provide service support. This approach also ensures the participation of all key stakeholders and staff in operations, process improvements, and reporting.

The service to Fortum is lead by an overall service delivery manager (SDM) who is responsible for ensuring that all service levels across both business and technical operations are maintained for the life of the service. The SDM, supported by a contract manager is also responsible for managing all subcontractor relationships needed to support the service. Additionally, Capgemini has a business operations team that mirrors the responsibilities of Fortum's business stakeholders providing pre and post production support for meter operations. Capgemini's technology team is lead by an IT manager, who is ably supported by a telecommunications specialist and a team with good understanding of the meter's applications.

The initiation of Capgemini services coincided with two key events; the completion of Fortum's four year smart meter implementation project and transition to business operations, as well as the replacement of existing AMM service provider with Capgemini. To ensure successful transition to Capgemini operations, the services were extended in a phased manner:

- **Phase 1** - planning of all transition activities from Fortum project to operations, and planning of all transition requirements from the previous AMM service provider to Capgemini
- **Phase 2** - cut-over of all meter operations to Capgemini hosted services without operational disruptions

- **Phase 3** - transformational improvements to business processes and metering applications to support Fortum's smart grid requirements.

This complex service is managed through a highly structured managed service delivery model including detailed service levels with associated rewards and penalties. Capgemini activities are aligned to service level requirements and the performance of the support staff is measured and aligned to these same requirements. Service levels are based on Fortum's business and technical requirements and form the basis for managing all aspects of the contract execution.

For more information on the project, please contact:

success.uk@capgemini.com



About Capgemini and the Collaborative Business Experience™

With 115,000 people in 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services.

The Group reported 2010 global revenues of EUR 8.7 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization,

Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at www.capgemini.com

Rightshore® is a trademark belonging to Capgemini

Capgemini Sweden
Energy, Utilities and Chemicals
Smart Energy Services
Managed Business Services

Approved by
Ari Koponen,
Vice President,
Distribution, Fortum

Tommy Holmkvist,
Account Manager,
Capgemini

In collaboration with



Fortum is a leading utilities company focusing on the Nordic countries, Russia and the Baltic Rim area. Activities cover the generation, distribution and sale of electricity and heat and the operation

and maintenance of power plants. The company employs approximately 11,500 people.

More information is available at www.fortum.com