



EDF Trading

Esker Fax powers multi-million euros confirmation processes at EDF Trading



EDF Trading Limited

When EDF Trading Ltd, a leading company involved in trading energy supplies, wanted a solution to automate its trade confirmation, often worth multi-million euros, the company selected Esker Fax. EDF Trading, rated A3 by Moody's, is the trading arm of Electricité de France, one of the world's leading electrical utilities with an installed capacity of 102,000 MW in France as well as significant investments across Europe and the World.

Deregulation of european energy markets

EDFT formed in 1999 was set-up to take advantage of the deregulation and liberalisation of the European energy markets. Every trade that is executed, whether it is physical or financial, required confirming with a counterparty.

The whole trading process involves risk and requires robust business processes, systems and procedures in place. If there is a confirmation failure a potential multi-million euro deal can be lost. The solution selected was Esker Fax.

Enterprise-wide fax solution

Esker Fax enables EDF Trading to deploy fax as a key strategic communication channel. It provides the company with a single enterprise-wide fax solution, enabling it to send and receive faxes from virtually any enterprise application - in this case, its bespoke trading platform. Esker Fax enables EDFT to send, receive and route high volumes of end-user and application-generated documents, including confirmation, all from a single server and without any modification to its existing applications.

Fax is a legal requirement, critical to the process

Gary Gleeson of EDFT's Information Technology department explained: *"Fax confirmation isn't just a nice-to-have for us, it's a legal requirement. To send confirmation to counterparties, it's critical that the fax server integrates with our main bespoke in-house trading platform. We record deals into our trading system and the confirmations are issued via fax to the counterparties. It's an absolutely critical part of the process for us to know that an accurate confirmation has been sent in a timely manner. If we don't do this, the penalties can be severe, so it has to work one hundred per cent. As a trading organisation we need a comprehensive auditable paper trail so we can not only track every stage of transmission, but have a record of each stage of the confirmation status. Esker Fax gives us all of that functionality in one solution."*

How a trade works

This is how a trade works. If an organisation puts a bid up to buy power for the winter period on the open market, EDFT will sell them the power - say, so many TWh of electricity. Gleeson added: *"We automatically capture the trade on our system from electronic exchanges, and then there is a whole series of trade confirmations that follow."*

These include:

- **Confirmation on the trading platform** to broker and/or counterparty
- **Confirmation of the fax being sent**, confirmation that the fax has been received
- **Signed acceptance** from broker or counterparty

Fax is an essential channel for business

While email is becoming prevalent in today's e-commerce world, fax is an essential channel for business communication within organisations such as EDFT.

It offers:

- immediacy
- efficiency
- reliability
- universal acceptance
- ease of use for both sender and recipient
- content-neutrality, and
- tight security

These factors make fax the medium of choice for EDFT's invoice operations. *"Esker Fax doesn't tie us in to any kind of email system,"* said Gleeson, *"it stands alone from all of that. It's got a great program interface that we can*

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Gary Gleeson ▪ Information Technology department
▪ EDF Trading

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Gary Gleeson ■ Information Technology department ■ EDF Trading

take advantage in terms of integration with our existing applications and platforms, it's a proven and robust product and is also very cost-effective and easy to maintain."

The benefits of automation

Moving its fax operations from a bank of disparate fax machines to a single enterprise fax server has provided EDFT with many benefits. *"On the contracts administration side it will stream-line processes,"* said Gleeson, *"and we've saved the costs of fax machines, paper, toner and support and maintenance. The estimated savings on replacing two of our busiest fax machines was £3,500 over one year. From business users' perspectives, automation means it is all being done for them. The whole process is now tailored exactly to the way they work - that in itself represents time savings and increased efficiency and productivity."*

The future

In the future, the company is looking to expand the use of Esker's solution for automatic faxing of power scheduling to grid operators, effectively booking electricity capacity on the lines.

Gleeson concluded: *"Esker Fax is a very reliable product. It's firmly bedded into how we do business."*

About EDF Trading

EDF Trading Ltd is a wholly-owned subsidiary of EDF (Electricité de France) Group. In 2003 EDF Trading, based in the UK, made a profit of £144M on a turnover of £8M in 2003, and traded 134 million cubic meters of natural gas, 161 million tonnes of coal and 970 TWh (Terra Watt hours) of electricity.