Commodity Margin and Monthly Settlement Management

Planning of commodity margin and monthly gas and electricity settlements

mib:con working together

innogy

Situation

- innogy Česká republika a.s. is a market leader in natural gas and one of the largest electricity suppliers in the Czech Republic (approx. 1.7 million contracts).
- When planning the budget and updating forecasts, it is necessary to calculate the commodity margin – the difference between planned sales revenues and commodity procurement costs.
- Revenues need to be pre-calculated using known contractual prices and estimated future/upcoming sales prices supplied by the pricing department.
- In addition, at the end of each month it is necessary to determine the value of Settlements for large and medium offtake points (VO/SO), based on the supplied list of offtake points, i.e., the value of revenue that has not yet been invoiced.

Challenges

- Importing the offtake and consumption plan from various sources.
- Matching individual procurement commodities with planned offtake volumes and supplementing any missing volume, with the ability to flexibly adjust the calculation formulas.
- Monthly cut-off: calculating settlements for selected VO/SO offtake points, including distribution, with the ability to define specific offtake points for a given settlement based on the inserted list.
- A unified view of projected realized margin, with auditability of both inputs and outputs.
- Implementing the models during the ongoing migration to SAP BW/4HANA.

Solution

- Implementation of 2 models in SAP Analytics Cloud (SAC): Commodity Margin and VO/SO Settlements.
- Use of the SAC Excel Add-in to support flexible client-side calculations.
- The models draw data from SAP BW/4HANA (offtake, prices), Snowflake (procurement), and Excel files stored on SharePoint (future sales prices).
- Commodity Margin model: import of planned offtake, calculation of revenue and margin, matching of procurement tranches, supplementing missing offtake, verification of sales prices, and cost analysis from various perspectives.
- VO/SO Settlements: flexible offtake-point selection for large and medium customers, settlement calculation by commodity (gas/electricity), including distribution.

Benefits

- Unified data source: consumption plan → procurement position → sales prices → margin, with no parallel Excel files.
- Transparent volume matching: an overview of which procurement tranche covers which group of planned offtake, and where volume remains open.
- Faster monthly closing thanks to targeted settlement calculation for VO/SO, including distribution.

Future plans and development

- Expansion according to user needs.
- Further integration with new data sources.

Insdustry
Energy – commodity trading

LoB
Finance a Controlling
Pricing

Customer
innogy Česká republika a.s.

Headquaters
Prague, Czech Republic

Products and services
Gas and electricity trading, heat, clean mobility (CNG)

Number of employees
~ 1,520 in Czech Republic

Revenue
CZK 44,1 billion (CZ group, 2025)

System environment
- SAP BW/4HANA
- Snowflake
- SAP Analytics Cloud

Project duration
11/2024–9/2025

Reference
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