

# Xcel Energy's Treasury Modernization in Regulated Utility World

## KYRIBA SUCCESS STORY

### Regulatory Requirements Created Unique Challenges

At the onset of the pandemic, Xcel Energy embarked on a mission to upgrade out of legacy systems and spreadsheets and into a cloud-based treasury management system to modernize and automate its operations.

#### Goals of the Modernization Included:

- Reduce manual processes across treasury and finance
- Embrace system automation and centralization
- Enhance fraud protection
- Leverage consistent data across all entities and positions
- Create automated reporting that automatically feeds to general ledger
- Physically move cash through wire transfers

This last goal fulfilled regulatory constraints that utility companies face in having to move actual cash from one entity to another as opposed to a common practice of using a virtual banking structure. This was just one of many unique requirements of Xcel Energy's transition to operating in a regulated environment with multiple entities.

Another unique requirement was Xcel Energy's reporting needs. It was necessary to see each company's net position both day-to-day and monthly. Kyriba enables Xcel to view each entity's cash position inclusive of forecasted payments, fulfilling another regulatory requirement.



#### Industry:

Utilities Company

#### Headquarters:

Minneapolis, MN

#### Number of Employees:

12,000+

#### Operations:

100% US Domestic operations in 8 States

Xcel Energy is a holding company that owns and operates 4 regulated utility companies, a service company, and numerous non-regulated entities, servicing 3.7 million electric customers and 2.1 million natural gas customers across 8 states in the Midwest, Southwest and Western United States.



### Kyriba Implementation:

- 14 Kyriba Modules
- 15 integrations
- 4 connected reporting banks
- 1 connected payment bank
- 100+ bank accounts

### Big Bang Approach to Implementation

With the guidance of implementation partner ClearSulting, Xcel Energy went live with Kyriba for all modules and entities on March 1, 2022. This 'big bang' approach enabled a simultaneous embrace of Kyriba as the system of record and the official replacement of three legacy systems. Thanks to a three-month parallel implementation, Xcel Energy has performed six month-ends and two quarter-ends without issues across multiple facets of treasury.

### Debt and Investment Management

- Maintained five types of required external instruments in a centralized system:
  - 5 commercial paper programs with authorized issuances of \$3.1B USD
  - 5 syndicated credit facilities at \$3.1B USD
  - 76 long term bond issuances at \$24B
  - Short-term bank loans
  - Short-term investments – overnight sweep accounts and money market funds for investment of excess cash

**“Xcel Energy’s treasury function has never been more centralized and automated, and there’s now a structure to scale. Modernization shouldn’t stop with an implementation; it should evolve.”**

— Kevin Koeneman  
Treasury Manager at ClearSulting

- Leveraged the relationship between Kyriba and ICD to streamline management of all money market investments under one portal
- Reduced the need for human intervention and eliminated the risk for human data input errors through automation and reporting

### Intercompany Management, Payments and Customer Rebates

- Established 2 types of intercompany borrowing structures: In-House Banking and Utility Money Pool (UMP)
- Enabled seamless and compliant borrowing between holding and operating companies as well as between operating companies
- Leveraged multiple payment templates in Kyriba to reduce repetitive data entry and automatically sync new payments to specific intercompany positions
- Automated reconciliation of more than 500,000 vendor payments and customer rebates each year across five payment systems and seven different integrations
- Facilitated the escheatment of thousands of uncashed check payments each year as required by law



**“We have benefited immensely from centralization and uniformity. For the first time ever all external debt instruments are managed in the same system. It’s been nice to not have to maintain huge spreadsheets now that we transitioned to Kyriba.”**

— Eric Gray  
Director of Cash Management for Xcel Energy