

Socar, Azerbaijan

State Oil Company of Azerbaijan Republic

Exceeding Service Excellence: Itron's Smart Payment Solution Improves the Customer's Experience and Increases Revenue Collection for the State Oil Company of Azerbaijan Republic (SOCAR)

BACKGROUND

The State Oil Company of Azerbaijan Republic (SOCAR) is the state-owned oil and natural gas corporation of Azerbaijan. SOCAR is involved in exploring oil and gas fields, producing, processing, and transporting oil, gas, and gas condensate, marketing petroleum and petrochemical products in domestic and international markets, and supplying natural gas to industry and the public in Azerbaijan.

"Azerigas" Production Union (PU), a sub-company of SOCAR that serves over 1.5 million consumers, intends to ensure full gasification of the country by 2021. As part of their plan, "Azerigas" PU entered into an agreement with Itron in 2007 to introduce smart payment solutions to Azerbaijan's energy utilities. At that time, "Azerigas" PU conducted a pilot project of 1,300 units in the city of Ganja.

Following the pilot's success, "Azerigas" PU decided to replace the city's 65,000 traditional meters with Itron's smart payment technology. This deployment tripled the revenue collection for "Azerigas" PU and significantly improved the consumer meter management. The successful deployment subsequently led to a decision being taken to implement smart payment technology throughout the country.

OPPORTUNITY

Smart Payment solutions have become a focus for Azerbaijan because of their efficacy in improving revenue collection. This has resulted in a number of pilot programs for smart payment solutions being implemented in a number of cities, with further long-term integration planned throughout the country.

SOCAR identified smart payment technology as a means to address revenue protection, theft, tampering, and payment automation in the country.

Consequently, the states' vision of improving the customer's gas service delivery experience, while simultaneously increasing revenue collection for SOCAR, has provided numerous smart payment opportunities for Itron. As a world leader in smart payment technology, Itron became the first company to introduce prepayment solutions to Azerbaijan's energy utilities in a phased nationwide roll-out plan.



CUSTOMER

State Oil Company of Azerbaijan Republic (SOCAR), "Azerigas" Production Union (PU) Republic of Azerbaijan

CHALLENGE

Increase Revenue Collection
Improve Customer Experience and Service
Improve Operational Efficiency

SOLUTION

SOCAR deployed Itron's 3E (Eclipse Enterprise Edition) Smart Payment System Solution, to improve consumer service while simultaneously increasing revenue collection.



“This new project is an important step forward in terms of developing Azerbaijan’s energy infrastructure and will make a significant impact on customer service and revenue collection.”

Farid Mustafazade

Head of Department of Implementation and Management of Prepaid Smart Meters

SOCAR, “Azerigas” PU Republic of Azerbaijan

SOLUTION

Through Itron’s 3E Smart Payment Solution, “Azerigas” PU, which is dealing with the transmission, distribution and sale of natural gas in the territory of the Republic of Azerbaijan aims to provide convenience to the consumers by improving the level of utility services rendered.

Itron’s smart payment technology offers an efficient and cost-effective method to secure revenue collection via full “two-way” prepayment, using a smart card to carry credit to the meter and meter readings back to the utility. The first phase of the nationwide roll-out included the delivery of 400,000 GALLUS G4 and 10,000 RF1 G6 smart payment meters along with Itron’s Eclipse prepayment management software. The project was a ‘first’ in Azerbaijan and allowed customers to use the existing ATM and kiosk vending infrastructure to conveniently buy credit for their gas meters.

The ambitious project included the installation of smart payment meters which now comprises of more than 500.000 smart gas meters and smart cards, Itron’s Eclipse prepayment management and vending software, and associated services. The solution also allowed consumers to purchase meter credit with their smart cards through a network of vending channels including self service terminals. By automating the utility collection process, this technology has helped to improve consumer services while simultaneously increasing revenue collection for SOCAR.



“Itron is very proud to be part of such a significant project, representing a genuine breakthrough in Central Asia,”

Muness Charara

Itron Regional Manager, Dubai



CONCLUSION

The completion of the project which has been implemented over a five year plan, will result in the entire installed base of prepayment exceeding 1.7 million users, making it the biggest ever deployment of smart gas payment meters. This project is a huge breakthrough for Central Asia. It will be looked on as a reference for new technologies to improve utilities' financial performance through more efficient collection, reduced human intervention and elimination of the billing cycle. Its success will open doors to other projects in countries in this region. In addition, it is regarded as the first worldwide reference of a nationwide deployment of a gas prepayment system.

Through the implementation of this smart payment system supplied by Itron, the world's leader in gas smart payment systems, Azerigaz PU is already providing more convenience to the consumers while dramatically increasing its cash collection rates. This is a significant project representing a genuine breakthrough in Central Asia and will be recognized as an important benchmark, both in the region and internationally.

Itron is a leading provider of energy and water resource management solutions for nearly 8,000 utilities around the world. We offer end-to-end solutions that include electricity, gas, water and thermal energy measurement and control technology; communications systems; software; and professional services. With more than 9,000 employees doing business in more than 130 countries, Itron empowers utilities to responsibly and efficiently manage energy and water resources.

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