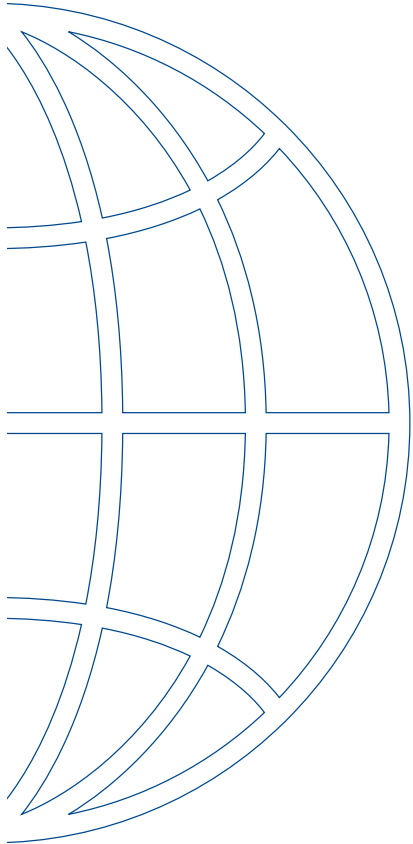


## Alagasco Saves Half-Million After Server Consolidation Project

*System p servers from Mainline bring savings, flexibility and efficiency*

Alagasco distributes clean-burning, energy-efficient natural gas to more than 460,000 customers in central and north Alabama. As the largest natural gas utility in Alabama, it is very important that the company manages costs, runs efficiently and provides top level service to its growing customer base. Having the best information technology systems in place to manage its massive infrastructure and large customer base is critical. As a company that is regulated by the Alabama Public Service Commission, Alagasco could face fines and penalties for inefficient practices.



### The Challenge

For several years, Alagasco ran its Oracle software on a non-IBM infrastructure. Although Alagasco's relationship with its hardware provider started off strong, the company noticed dwindling customer support and rising operational costs, shortly after implementation.

When Ron Payne, director of infrastructure services for Alagasco, discovered compliance issues with the company's Oracle licenses, he was determined to make some changes.

"Our problems with our hardware provider were snowballing," said Payne. "Rising energy costs, the need for additional servers, poor support and lack of reliability on top of the license issue led us to the decision to make the change to an IBM solution."

### The Solution

Payne partnered with Mainline to assess their current environment and find several ways to improve operations and reduce costs for Alagasco.

The Mainline and Alagasco team determined that by virtualizing their current environment on IBM System p servers, an immediate impact could be realized. Payne was very familiar and comfortable with IBM's virtualization and LPAR technology after years of experience on IBM's mainframes. Specifically, Mainline recommended using Advanced Power Virtualization with LPARs on System p servers to consolidate their entire environment. Short for logical partitioning, an LPAR takes a computer's total resources – processors, memory and storage – and splits them into smaller units that each can be run with its own instance of the operating system and applications. Logical partitioning is typically used to separate different functions of a system, such as Web serving, database functions, client/server actions or systems that serve multiple time zones and/or languages.

The virtualized, or partitioned, System p environment allowed Alagasco to consolidate its 25 non-IBM servers to just two System p 570s. The under-utilized servers were then able to share resources in the two System p 570s to increase performance, increase reliability and reduce costs among multiple applications. Also, additional environments can be added to the partitioned System p servers on the fly without having to purchase new hardware.

As for the Oracle licensing issue, Mainline recommended a processor-based license model instead of the user-based model that had put them out of compliance and resulted in a hefty expense. After the conversion to Oracle's CPU-based licensing, Alagasco was able to go from 54 licenses to 28 across the entire enterprise. With the reduced number of processors, the new System p environment created a significant TCO savings for Alagasco within the first year.



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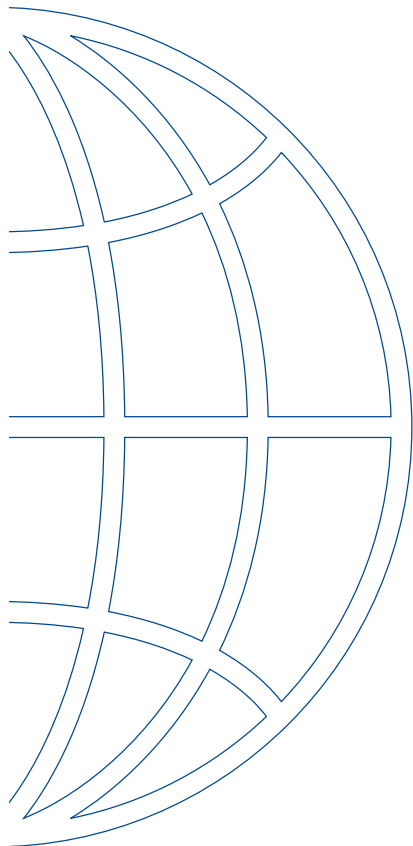
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### The Results

"Since implementation, we have already experienced lower operational costs," said Payne. "We have removed 17 non-IBM servers; our cooling expenses are way down; and we have created needed floor space."

And, by moving to the processor-based Oracle license model, the company has saved more than \$500,000 in software licensing and support, according to Payne.

In addition to cost savings, Alagasco's operations have been streamlined.

"A batch process that formerly took 12 hours to complete is down to four hours," added Payne. "We have now found reliability and flexibility with our System p solution from Mainline."

As with any major change, Alagasco business leaders were nervous about the switch to IBM servers. However, it did not take long for these leaders to realize that the right decision had been made, Payne commented.

"Rising energy costs, the need for additional servers, poor support and lack of reliability on top of the license issue led us to the decision to make the change to an IBM solution."

- Ron Payne,  
Director of Infrastructure  
Services for Alagasco

"I knew that Mainline would not let us down, and once the entire company saw the improvements to operations and to our bottom line, everyone was sold on Mainline and IBM," Payne said.

### Why Mainline

"Mainline won our business based on cost, quality of service, expertise and dedication to the customer," Payne said. "Mainline proved itself quickly and delivered above and beyond our expectations. We have never completed a project that has so quickly generated as much return on investment as this one."

**For more information about this solution, call your Mainline account representative or call Mainline directly at 866.490.MAIN (6246).**



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