



CCH® Tagetik case study

£200M of energy spend, finally explained.



Company

Severn Trent

Industry

Water Utility (UK)

Size: ~5M customers · ~£2.5B revenue · 10,000 employees

Uses of CCH® Tagetik software

- Financial Close & Consolidation
- Budgeting, Planning & Forecasting
- Predictive forecasting with Expert AI
- Unified platform across Finance and Operations

Key facts

- UK-based leading water utility provider
- 140+ users across multiple business units
- Highly regulated environment with strict reporting requirements
- Large-scale operational footprint with thousands of sites

How Severn Trent turned its 2nd-largest and most volatile cost into its most predictable one, with CCH Tagetik Expert AI

“We’re already seeing quicker answers to key questions and faster decision-making. The models are helping teams understand what’s driving costs and enabling more informed planning across the business.”

Darren Fellows – Finance System Manager Severn Trent

At a glance

By the numbers	The business impact
£200M energy spend	The 2nd largest P&L cost, now predictable
90%+ target forecast accuracy across all sites	From estimates to evidence
36x faster model training (12 hrs → 20 min)	On demand, real time forecast – not static, periodic
14 drivers — financial, operational, environmental	Explains why costs change, not just what
24M+ rows · 100+ datasets · 4 years of history unified	Single version of the truth across finance and operations
1,100 cost centers · 7,000 meters · 6 site classes modeled	Scaled from a 5-site PoC to enterprise-wide
140+ users on one platform	Consolidation, FP&A and AI in a single environment

Requirements

- Single, unified platform for finance and operational data
- Improve forecast accuracy on high-impact cost drivers
- Leverage AI to enhance decision-making
- Enable faster, insight-driven planning
- Build trust in AI across finance teams

Benefits & results

- Improved forecasting accuracy for critical cost drivers (e.g., energy)
- Faster, more informed decision-making
- Greater visibility into cost drivers and business performance
- Stronger collaboration between finance and operations
- Scalable foundation for expanding AI use cases

The challenge

For Severn Trent, forecasting energy costs is business critical.

As a leading UK water utility operating in a highly regulated environment, the company manages approximately **£200 million in annual energy expenditure**. Yet energy consumption is influenced by far more than financial data alone. Weather patterns, water treatment activity, reservoir levels, chemical usage, wastewater flow, and bio-generation all play a role in determining costs. The challenge was not simply generating more accurate forecasts. The challenge was understanding *why* costs changed.

Critical operational and environmental data was spread across multiple systems and teams, making it difficult to identify cost drivers and respond quickly to changing conditions. Analysts spent **days gathering and reconciling data** from across the business.

Traditional planning approaches provided limited visibility into the factors influencing energy spend, reducing forecast accuracy and limiting finance's ability to support strategic decision-making.

Finance struggled to be a **proactive business partner** to operations.

Severn Trent set out to:

- Improve forecasting accuracy for a major P&L cost category
- Create a single version of the truth across finance and operations
- Integrate operational, financial, and environmental data
- **Turn finance into a strategic decision engine**
- Build trust in AI through measurable business outcomes

The solution

Building on its existing CCH Tagetik platform, Severn Trent deployed predictive planning with Expert AI to transform energy forecasting.

The organization created a single, explainable, forecasting model combining financial, operational, and external data to identify every drivers of energy consumption – known and hidden. The solution incorporates:

- Daily power consumption
- Weather and rainfall data
- Water supply metrics
- Wastewater flow data
- Reservoir levels
- Chemical consumption
- Bio-generation metrics
- Additional operational drivers

In total, the model evaluates **14 key business and environmental drivers** across **7,000 energy meters, 1,100 cost centers, and six site classifications**.

The project consolidated:

- More than 100 unique datasets
- More than 24 million rows of historical data
- Four years of operational history

into a single predictive planning environment.

Using CCH Tagetik with Expert AI, finance teams can see not only what is likely to happen, but also the operational and environmental factors driving future outcomes. This transparency helps users trust recommendations and take action with confidence.

The solution also enables scenario modeling through intuitive planning levers, allowing users to evaluate the impact of changing weather patterns, operational conditions, or demand fluctuations across the business.

“You feed the model 14 different drivers and it reveals things. Why is soil moisture important for that site? Things hidden in millions of rows of data now there's a graph that shows what's driving them.”

David Evans
Financial Planning Systems Lead, Severn Trent

The results and benefits

More accurate forecasting

By combining financial, operational, and environmental data into a single predictive model, Severn Trent is targeting **more than 90% forecasting accuracy across all sites**, improving confidence in planning, budgeting, and resource allocation.

36x faster model training

As the project evolved from proof of concept to enterprise scale, Severn Trent reduced AI model training and execution times from **12 hours to just 20 minutes**. Faster model execution allows teams to refresh forecasts continuously and respond rapidly to changing business conditions.

Hidden cost drivers revealed

Expert AI uncovered relationships previously hidden within millions of rows of data. Finance teams can now identify and understand the operational and environmental factors influencing energy consumption across thousands of sites.

Better business decisions

With quicker access to answers and deeper insight into cost drivers, finance is moving beyond historical reporting to become a more proactive business partner. Teams can evaluate scenarios, challenge assumptions, and support faster operational decisions with greater confidence.

A foundation for enterprise-wide AI

Following the success of the energy use case, Severn Trent is expanding predictive planning with Expert AI into additional areas, including chemical consumption, leakage management, and other operational forecasting scenarios.

About Severn Trent

Severn Trent is a leading UK water utility company, providing essential services to millions of customers. Operating in a highly regulated industry, the company is focused on delivering high-quality service while maintaining cost efficiency and sustainable operations.

www.stwater.co.uk

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