

# Enerplus Resources Fund



## Sun Consolidates Energy Trust Systems for Lower TCO

### Key Highlights

**Company:**  
Enerplus Resources Fund  
[www.enerplus.com](http://www.enerplus.com)

**Industry/Market:**  
Energy

**Products:**

- Sun Fire™ 4800
- Sun StorEdge™ 9960
- Solaris™ 8 Operating System

**Key Business Challenges:**

- Maintain delivery of shareholder returns
- Keep operational costs low by simplifying IT environment

**Key Business Solutions:**

- Sun™ Services helped design, implement and tune consolidated server and storage environment and port business-critical applications to new Sun platform
- SunSpectrum Gold™ agreement for on-site support
- Sun training courses in Sun StorEdge and Sun Fire administration

**Key Business Benefits:**

- 100% ROI in 30 months
- Reduced TCO with more than CA\$250,000 in annual savings currently and potential for more than CA\$500,000 in annual savings
- 100% storage uptime and 99.999% server availability
- Greater staff productivity, with ability to free up more than 150 person-days annually
- Enhanced application performance with one application experiencing 83% reduction in runtime and contributing to greater productivity
- Consolidated solution completed within 2- to 3-month period and on budget
- 75% reduction in processing time in business intelligence environment
- 65% reduction in database maintenance time for financial application

*“All of the RAS [reliability, availability and serviceability] features in our Sun Fire™ server are excellent. And application performance on this hardware platform has improved—one application is exhibiting an 83 percent reduction in runtime. That helps us boost productivity.”*  
– Heather Culbert, Senior Vice President of Corporate Services, Enerplus Resources Fund

For any business that has shareholders riding on its every move, lowering expenses is essential for survival. That’s the driving force that motivates Enerplus Resources Fund (Enerplus), a leading Canadian oil and gas royalty trust, to maintain a lean-running operation. After all, the less it spends, the more it can provide in returns and cash distributions—and the better it can please its demanding investors.

Created in 1986, Calgary, Alberta-based Enerplus is North America’s largest conventional oil and natural gas income fund, with CA\$3 billion (US\$2.2 billion) in managed assets, 400 employees and field sites in Alberta, British Columbia and Saskatchewan. The fund provides monthly cash distributions to its investors (which it refers to as unit holders) based on profits generated from the oil and gas interests that it purchases.

“We strive to give our unit holders top-quartile returns and, because we’re not spending any money directly on exploring for assets, we’re the lowest risk on the energy spectrum,” says Heather Culbert, Senior Vice President of Corporate Services, Enerplus. “This year, we’re targeting at least a 15 percent return and, over a period of 3 years, we’ve delivered as much as 52 percent return to our investors.”

Enerplus is highly sensitive to the fact that whatever it spends on its internal operations cuts into profits, which, in turn, impacts the value of its distributions. Currently, its operating budget is between CA\$400 million and CA\$500 million (US\$291 million and US\$364 million), with IT expenses in the CA\$4 to CA\$5 million (US\$2.9 to US\$3.6 million) range.

“The IT segment of our overall budget wasn’t exorbitant, but there was a potential for it to grow,” says Brian Baldwin, Manager of Information Systems, Enerplus. “We recognized opportunities to simplify our IT environment to further drive down costs and preserve our resources. For example, the time it took to manage our systems became onerous and system performance was taking a toll on our applications and impacting the efficiency of our end users and IT staff. We were in a cycle of exponentially increasing maintenance and procurement costs, because we were moving into end-of-life products.”

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Brian Baldwin,  
Manager of Information Systems,  
Enerplus Resources Fund

Enerplus Resources Fund stands to save at least CA\$500,000 annually by simplifying its systems onto a Sun Fire™ and Sun StorEdge™ platform.

Says Culbert, “By consolidating our server and storage environment with a more stable, scalable platform, we could lower our maintenance costs and deliver higher returns to investors—our primary objective.”

After planning and architecting an environment to support its business objectives, Enerplus called on its long-time vendor, Sun, to help complete the design and implement the consolidated infrastructure based on a Sun Fire™ 4800 server and a Sun StorEdge™ 9960 system. “We sought a solution that would provide the most value, which means a system offering high performance, availability and scalability, as well as ease of management and redundancy to protect against data loss,” says Baldwin. “Sun was the only vendor that met our needs with a holistic approach to server and storage consolidation, offering innovative, best-in-class solutions.”

#### Cutting Costs Substantially

Enerplus previously maintained numerous servers and direct-attached storage systems in its data center. Such an environment was becoming resource-intensive to manage, so the company initially looked at consolidating its storage environment. Essentially, Enerplus needed its storage environment to be as dynamic as its business is. The business grows constantly through acquisitions of oil and gas companies to maintain year-to-year oil production levels, so data volumes are always changing. Rapid access to this oil production-related information is an imperative, for everything from tracking oil and gas production volumes from Enerplus’s interests to determining cash distribution payout rates.

The company engaged an independent consulting firm, Stark Consulting, to conduct an analysis of its storage and CPU requirements. Stark Consulting evaluated current costs, predicted future expenses and provided return on investment (ROI) calculations. Enerplus couldn’t ignore the hard numbers—consolidating its server environment could save at least CA\$500,000 per year (the company is already saving CA\$250,000 annually) by cutting operational and maintenance expenses and downtime, and by raising staff productivity.

Even though Enerplus has been a Sun customer for several years, the organization still wanted to do its due diligence in selecting a storage solutions vendor. Following an extensive request for proposal (RFP) process, Enerplus narrowed its choices to Sun, EMC and NetAppliance. A site visit and demonstration of a Sun StorEdge 9960 system proved to be an impressive showcase of Sun’s well-rounded expertise, sealing the deal for Sun.

Once it had established its presence on the storage side, Sun recognized that Enerplus could further simplify its IT environment and drive down TCO by consolidating its servers. Says Baldwin, “By taking an all-encompassing approach, Sun provided better value than the other vendors, which were more narrow in their scope. So, we gained the benefit of the total Sun solution, with storage as well as servers, software, services and support to back up our business objectives.”

No longer does Enerplus’s IT staff need to have weekly meetings about system performance. Instead, the company is experiencing dramatic improvements in availability levels — 100 percent for the storage environment and 99.999 percent for the servers. The company has freed up at least 150 person-days annually, and expects to achieve 100 percent ROI in just 30 months.

#### **Better Application Performance Means Greater Productivity**

Enerplus completed much of the planning legwork for its consolidated IT environment before calling on Sun for assistance. “We handled much of the preliminary architectural design work because we wanted to test out our specific ideas,” explains Baldwin. “When Sun Services came in, its consultants supported us in the design and then the implementation and tuning of our new storage and server systems in a new data center that we built ourselves. Together, we launched our consolidated systems after two to three months of development, on time and on budget.”

Sun Services retired several of Enerplus’ older servers—a mix of Sun Enterprise™ 3500 and 4000 servers running Solaris™ 2.6 Operating System as well as Ultra™ workstations, which hosted databases and business applications and functioned as file servers. The Sun consultants then ported the company’s key applications—including those for financial accounting, business intelligence, and oil and gas production tracking—to a Sun Fire 4800 server running Solaris 8 Operating System and Oracle8i database. The company’s newer legacy machines support its development environment.

“We’ve gone from five primary database servers to one Sun Fire 4800 connected to 20 instances of Oracle to serve our entire workforce,” says Culbert. “All of the RAS [reliability, availability and serviceability] features in our Sun Fire server are excellent. And application performance on this hardware platform has improved—one application is exhibiting an 83 percent reduction in runtime. That helps us boost productivity. And in the Solaris 8 Operating System, we’ve got a stable environment that can easily be hardened to guard against vulnerabilities and attacks, which helps ensure the sanctity of our business-critical information and applications.”

“This is our second major purchase from Sun over the past six years, and Sun has made it clear to us that its customers are number one. With its expertise in technology as well as in the oil and gas industry, Sun has proven to be a vendor we can trust to fulfill all of our expectations.”

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The Sun Fire 4800 is connected to the Sun StorEdge 9960 system. In addition, Microsoft Windows-based servers, which house application-level information such as executables and forms, are also connected to a Sun StorEdge 9960 system. “We were impressed with the capacity, scalability and high performance of the Sun StorEdge 9960 system, which provides a cost-effective solution for consolidating storage,” says Culbert. “We also like the fact that it has multiple ports to which we can connect—that makes it easier for us to manage than a storage area network with its switches. Its high-availability strengths include its redundancy and its ‘call home’ functionality, which proactively alerts Sun support professionals of any maintenance issues that might arise. When there is an issue with our Sun StorEdge system, we simply get a phone call from a technician, who tells us what the problem is and that he or she is on the way over with a part.”

### No Worries with Business Continuity

Enerplus has a single point of failure in its IT environment that gives it much more control, not to mention peace of mind. “The only time we’d have to recover any data is if we had an operator error or a catastrophic physical disaster,” notes Baldwin. “From the storage subsystem perspective, we’ve encountered some failures but the built-in redundancy has allowed us to continue working uninterrupted while repairs are completed during business hours.”

Enerplus’s key business applications reside in a three-tier architecture, while legacy, off-the-shelf geological applications remain in single tiers. With the financial application—which 300 users leverage for financial accounting activities related to oil and gas—the company is experiencing a 65 percent reduction in the time required to perform associated regular database maintenance tasks. As for the oil and gas production tracking application, which provides a central gathering point for all of the oil, gas and liquids produced by Enerplus wells, it yields high availability and fast results for 230 users. The company’s other key application, for business intelligence, is powered by Oracle Express Analyzer and enables Enerplus to integrate information from the financial and oil and gas production applications to examine the company from both operational and financial perspectives.

When creating and aggregating three-dimensional data rollups, the company has experienced a more than 75 percent reduction—from eight hours to two—in the processing time required since consolidation. Notes Baldwin, “This has been a tremendous benefit as we are able to refresh the information on a more frequent basis within a relatively narrow time window.”

### Investing in Sun Pays Off

By collaborating with Sun Services to develop its consolidated IT environment, Enerplus gained some great insight that’s helping its IT team manage its new systems. To complement what it learned from the Sun consultants, the team has also taken on-site Sun training courses in Sun Fire and Sun StorEdge administration.

Enerplus further protects its Sun Fire investment with a SunSpectrum Gold™ support agreement, which provides telephone, online and on-site support for business-critical systems. The company took advantage of the service recently when it encountered a performance glitch that turned out to be a database tuning issue. “Our experience with our SunSpectrum Gold agreement was exceptional,” recalls Baldwin. “We called Sun, were promptly connected with a very skilled analyst and, within 20 minutes of sharing information, we identified the problem and were ready to troubleshoot and resolve it.”

With Sun, Enerplus has a total solution that covers its needs throughout the lifecycle of its primary server and storage environment. “This is our second major purchase from Sun over the past six years, and Sun has made it clear to us that its customers are number one,” says Culbert. “What we look for in an ongoing vendor relationship is a company that understands our changing needs and is there with us, offering support and value-added service. Innovation is also important, because we’re expected to be innovative every day. With its expertise in technology as well as in the oil and gas industry, Sun has proven to be a vendor we can trust to fulfill all of our expectations.”

Sun Microsystems, Inc. 4150 Network Circle, Santa Clara, CA 95054 USA Phone 1-650-960-1300 or 1-800-555-9sun Web [www.sun.com/service](http://www.sun.com/service)



**Sun Worldwide Sales Offices:** Africa (North, West and Central) +33-13-067-4680, Argentina +5411-4317-5600, Australia +61-2-9844-5000, Austria +43-1-60563-0, Belgium +32-2-704-8000, Brazil +55-11-5187-2100, Canada +905-477-6745, Chile +56-2-3724500, Colombia +571-629-2323, Commonwealth of Independent States +7-502-935-8411, Czech Republic +420-2-3300-9311, Denmark +45 4556 5000, Egypt +202-570-9442, Estonia +372-6-308-900, Finland +358-9-525-5611, France +33-134-03-00-00, Germany +49-89-46008-0, Greece +30-1-618-8111, Hungary +36-1-489-8900, Iceland +354-563-3010, India-Bangalore +91-80-2298989/2295454; New Delhi +91-11-6106000; Mumbai +91-22-697-8111, Ireland +353-1-8055-666, Israel +972-9-9710500, Italy +39-02-641511, Japan +81-3-5717-5000, Kazakhstan +7-3272-466774, Korea +82-2-2193-5114, Latvia +371-750-3700, Lithuania +370-729-8468, Luxembourg +352-49 11 33 1, Malaysia +603-21161888, Mexico +52-5-258-6100, The Netherlands +00-31-33-45-15-000, New Zealand-Auckland +64-9-976-6800; Wellington +64-4-462-0780, Norway +47 23 36 96 00, People's Republic of China-Beijing +86-10-6803-5588; Chengdu +86-28-619-9333; Guangzhou +86-20-8755-5900; Shanghai +86-21-6466-1228; Hong Kong +852-2202-6688, Poland +48-22-8747800, Portugal +351-21-4134000, Russia +7-502-935-8411, Singapore +65-6438-1888, Slovak Republic +421-2-4342-94-85, South Africa +27 11 256-6300, Spain +34-91-596-9900, Sweden +46-8-631-10-00, Switzerland-German 41-1-908-90-00; French 41-22-999-0444, Taiwan +886-2-8732-9933, Thailand +662-344-6888, Turkey +90-212-335-22-00, United Arab Emirates +9714-3366333, United Kingdom +44 (0) 1252 420000, United States +1-800-555-9SUN or +1-650-960-1300, Venezuela +58-2-905-3800

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