

## **Electronic Data Interchange (EDI)**

### **What Is EDI?**

Electronic Data Interchange (EDI) is the computer-to-computer exchange of data in standardized, electronic formats. EDI is also a business strategy utilizing technology to achieve business objectives and enhance business relationships.

When data is sent electronically as EDI transactions, they can be exchanged between two companies (commonly referred to as Trading Partners) anywhere in the world within hours or minutes. The standardized formats make it possible for a variety of organizations from manufacturing firms to law firms, from universities to retailers to exchange information easily and without confusion.

### **Mapping Data to EDI Transaction Formats**

To exchange information using EDI, data must be translated into a format that complies with an EDI standard. Mapping is the initial process that describes how each element of the original data, such as an invoice relates to an “EDI transaction” complies with the standard being used. The transaction software uses this mapping to translate the EDI transactions so they can be used by the receiving organization.

### **EDI Standards**

The sender and receiver must use the same standards so that everyone is speaking the same language. The American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 defines EDI Standards. This is a cross-industry standards body with representation from many industries interested in EDI. The X12 standards serve as a common business language allowing all EDI trading partners to communicate electronically with one another. At Entergy we also follow guidelines developed by the Utility Industry Group (UIG), a sub-group of ANSI. It has been a key group in establishing standards for transaction commonly used by utilities.

### **EDI Process**

The EDI bill will contain the same information you currently receive on your paper bill and will still have the same amount of time to pay. With EDI the only difference will be how the bill will be received. The Entergy bill will follow the steps listed below during the EDI process:

- Invoice Data is generated on Entergy’s computer and processed through translation software to EDI standards.

- The invoice data is then SFTP to the Entergy server for customer to retrieve or Entergy SFTP the data to the customer's server.

### **Benefits Associated with EDI**

- Elimination of "Lost" invoices
- Reduction in cycle time
- Elimination of data entry errors
- Reduced clerical workload
- Reduction in form, postage, and handling expenses
- Greater emphasis on process improvements, and automated acknowledgement of data exchanged
- Customer remits payments electronically

### **Cost**

The cost of using EDI is limited to the type of translation software that is purchased. If you choose not to purchase software, EDI service bureaus can perform translation functions allowing your company to receive information and offer the EDI benefits.

### **Establishing an EDI Partnership with Entergy**

When a Trading Partner is ready to receive and send EDI transmissions with Entergy we will provide them with step-by-step assistance.

1. We will ask the customer to complete a Contact Profile Information Sheet this form will establish primary point(s) of contact for EDI within their company that will help with both the administrative and technical aspects of the partnership. At this time, we will also determine what transmission method they prefer to use.
2. Entergy will provide the Trading Partner with an Implementation Guide for EDI 810 Outbound Invoice transaction set. This document will provide the 4010 version guidelines for Entergy.
3. Conference calls will be established to determine mapping and schedule.
4. When both Trading Partners agree, a Parallel Testing period will begin in which they will receive both the paper bill and EDI transmission.
5. At the end of the parallel testing period Entergy will discontinue the use of the paper bill and begin Full EDI Production.