

## **Case Study – Major Bank**

*“Cost Control Associates brought significant value to us by reducing energy costs by over \$500,000. Not only did we appreciate the great amount of cost savings they produced, but we also appreciated their direct help in getting us released from an unauthorized energy supplier arrangement.”*



### **Background**

This Bank is one of the nation’s largest and strongest financial holding companies with total assets approaching \$200 billion. With over 1,700 retail branches and over 2,500 ATMs throughout the eastern United States, the Bank was spending significant amounts for energy.

In response to a corporate initiative to reduce energy costs, the Bank engaged Cost Control

Associates (CCA) to perform a review of all energy bills to identify refunds and cost savings with existing utility providers. This program was particularly attractive because it could be provided to the Bank on a contingency fee basis – fees were based entirely on the refunds and cost savings produced. An additional phase to the project included an evaluation of energy procurement opportunities in developing deregulated markets.

### **Constraints**

Through a centralized bill processing facility, each month the Bank was tasked with processing over 3,600 energy bills to various utility providers throughout 12 states. The Bank saw the benefits of performing a complete review of rate structures and tariffs but staff time for such a project was not available. Additionally, the Bank recognized that certain geographic areas within its footprint were recently deregulated, but time and resources to identify possible procurement opportunities and structure an RFP process were not available.

### **Solutions**

CCA’s Cost Recovery and Reduction™ and Source Analysis™ Programs offered the

solution that the Bank sought. CCA began the process by reconstructing incomplete billing records using histories obtained from the utility providers. A master database of meter, usage, and billing data for all 3,600 accounts was compiled. Through its Cost Recovery and Reduction™ program, CCA was able to identify 215 separate refund/savings opportunities which were approved for implementation by the Bank.

Using its Energy Source Analysis™ program, a new electric supplier was secured for the deregulated Maryland and District of Columbia energy markets. As an added benefit, CCA, in conjunction with the Bank, was able to identify certain “slamming activity” and was successful in negotiating a release from an existing unauthorized energy supplier.

### **Results**

The combined efforts of CCA and the Bank successfully reduced first year energy expenses by over \$500,000. With the success of this initiative, a framework has been established to better control energy costs, and to take advantage of future procurement opportunities.