

An Energy Case Study – City of Cleveland

“Because Cleveland’s current electric service is provided by two separate utility companies (both overlapping and in some cases, utilizing the same infrastructure) we knew that the process of reviewing bills might be difficult. The \$627,000 in refunds and annual cost savings that CCA’s review produced shows they were up to the challenge.”



BACKGROUND

Located on the shores of Lake Erie (the nation’s “North Coast”), the City of Cleveland is a great place to live, work and play. Fortune magazine ranked The Greater Cleveland Area as one of the 10 best centers for business in North America and Partners for Livable Communities named Cleveland one of four “most livable cities” in the U.S.

Cleveland also boasts diverse neighborhoods and trendy downtown living, short and sweet commute times, topped off with a friendly and warm community spirit.

GOALS

The goals established for the Cost Control Associates (CCA) Team were to review the records for both the City’s energy and telecommunication bills to:

- ✓ Identify and obtain all refunds that might be due the city for erroneous billing.
- ✓ Help put in place any cost savings that might be available through rate and other reductions.

CONSTRAINTS

A major constraint on the review process was the fact that the City’s electricity was supplied by two separate utilities. Cleveland Public Power (CPP) is Cleveland’s municipally owned utility. The second supplier, The Illuminating Company (CEI), is a privately owned utility providing electricity services for the City. Because in many instances these two utilities provide overlapping service territories using the same transmission infrastructure, it was sometimes difficult to designate ownership or responsibility.

A second constraint on the review process was the decentralized management of utility costs. Since each department had responsibility for its own energy costs, there was no one “go-to person” for questions on energy usage and costs which often delayed the review process and decision-making.

A third constraint on the review process was that the City had no funds from which to pay a consulting firm to undertake this sizable project.

SOLUTIONS

CCA’s Cost Recovery and Reduction™ program produced maximum results by utilizing a combination of its own unique software and its team of seasoned professional analysts to review all energy and telecom accounts. CCA created its own databases and relied on its vast utility knowledge and relationships to affect savings.

In addition, since CCA works on a contingency basis, the company’s fees were funded from the refunds and savings CCA produced.

RESULTS

One of the most interesting discoveries was that the utility company continued to bill the City based on estimated readings for a 10-month period after a building was torn down. This discovery led to a \$63,000 refund. In addition, there were numerous other errors and cost savings identified including meter reading errors, optional electric rates, and optional gas rates.

The CCA Cost Recovery and Reduction™ program produced \$468,807 in refunds and \$657,803 in annual energy and telecom cost reductions for the City of Cleveland. That is a combined savings of over \$1.1 million.

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