

Energy Case Study – National Account



“Because of the successful results we had already realized in tracking and controlling energy costs, we were uncertain how much CCA’s program could produce. The \$2.5 million in annual savings was quite an answer!”

BACKGROUND

This major global telecommunications carrier ranks in the top five telecom companies in the U.S. With diverse operations including wireless, local, and long distance, utility costs are substantial – exceeding \$100 million per year.

In 1999 this major telecom carrier established a utility bill processing group to process all utility bills for payment and track usage and cost history utilizing FASER software, which was later upgraded to EnergyCAP Enterprise. In 2002, it published a Request For Proposal (RFP) for the handling and payment of the company’s energy bills. After careful review of the applicants’ submissions, they decided to continue to perform these bill payment functions internally at a substantial savings over outsourcing.

By use of their in-house tracking systems, they hoped to attain a high degree of efficiency and accountability for the company’s energy costs.

GOALS

Four basic goals were established by the carrier’s Energy Team:

1. Provide a method of tracking and paying on time the company’s more than 45,000 individual monthly energy bills.
2. Review all bills for potential errors.
3. Provide the information necessary to make demand side energy management decisions and to better purchase energy supply in those states where deregulation provides that opportunity.
4. With the assistance of utility suppliers, review for cost-saving rate reclassifications.

CONSTRAINTS

The challenges were daunting. One of the first obstacles that had to be overcome was the sheer volume of the bills. Invoices ranged in amounts from a fixed fee of a few dollars to thousands of dollars. Also, the bills arrived in various formats ranging from EDI (computer image) to a hand written note.

Although the Energy Team met their initial goals, the huge volume of bills and the rapid growth of accounts as the company continued to expand made it impossible to research and review rates internally with the available staff.

SOLUTIONS

The Company’s Energy Team Leader felt that the company’s tracking and payment system had reached the stage that it could benefit from a comprehensive review for additional cost savings from an outside source; particularly if that outside source would be paid only on the refunds and cost savings it produced.

Cost Control Associates’ (CCA’s) Cost Recovery and Reduction™ program offered a perfect solution. CCA assigned a dedicated team of its seasoned professional energy analysts to review each of the client’s 45,000 energy accounts. Combining its own unique software with special software created by CCA to accommodate the client’s imaging system, invoices from utility providers in all 50 states were carefully analyzed for possible refunds or cost saving opportunities.

RESULTS

CCA’s Cost Recovery and Reduction™ program identified thousands of rate changes and other refund and cost saving opportunities. Not only did CCA locate the refunds and cost savings, but after the client’s approval of the recommendations, CCA fully implemented and verified the changes. Since fees for CCA’s program were paid out of refunds and savings produced, there was no out of pocket cost for the services.

The results speak for themselves - over **\$2.5 million** in refunds and annual energy cost reductions.