



# The E Group

A Division of  
FirstEnergy Solutions Corp.

- Eliminate Performance Gaps
- Increase Profits
- Improve Business Performance

## Transportation

### Project:

Implement strategy for energy procurement, utility bill reconciliation and energy efficiency measures

### Situation:

A large national transportation company realized that its energy expense line item could no longer be treated like a fixed cost. The volatile electric and natural gas markets adversely affected its largest accounts. Missing was a strategy for procuring energy and a plan for maximizing the opportunities and minimizing the exposures inherent in a deregulated environment. This posed several problems:

- 1 The client could not effectively audit current energy expenses because of the large number of facilities across the nation.
- 2 The client could not develop a comprehensive energy procurement strategy because it had little understanding of how to take advantage of usage rates and patterns.
- 3 Utility bill errors were not being identified or reconciled because the client did not have the resources or expertise to understand local tariffs, contract provisions and rate codes.
- 4 The client had not considered the various on-site opportunities to conserve energy with modern energy saving technologies.

### Objectives:

- Develop an energy procurement strategy for one of the country's largest rail companies
- Develop an energy database with query capabilities to provide a comprehensive and detailed management reporting system
- Eliminate late fees
- Eliminate billing errors
- Identify, model and implement effective rate change opportunities

### Challenges:

- Limited capital budget with very aggressive ROI expectations
- Labor relations

### The E Group Solutions:

- Direct utility bills to The E Group for monthly processing
- Capture usage and rate code data from each bill for data mining
- Audit bills for savings opportunities
- Audit bills and utility vendors for rate change opportunities
- Challenge late fees with utilities and establish rapid response system for bill payment to avoid future late fees
- Implement a procurement strategy optimizing tariff and transition period savings opportunities
- Use forward market hedging to minimize exposures within predefined risk tolerances
- Conduct site surveys to identify energy conservation measure savings opportunities in areas such as lighting and HVAC controls, as well as transport-related air and thawing devices

### Results:

- Bill auditing captured over \$600,000 within the first 12 months
- Energy Procurement strategy saved more than \$400,000 within the first 12 months
- One industrial site-audit/analysis identified energy conservation opportunities that would produce positive cash flow in the first year and savings over 10 years of more than \$8 million in present value
- First year ROI of 138% with a 3-month payback

