

UTILITY AND TELECOM
AUDIT 101



WasteConsultants

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INTRODUCTION

Why Utility and Telecom Audits?

Remember the story of the little Dutch boy who stopped the leaks in the dike? He's strolling along, sees the water pouring in and uses his fingers to plug the holes. The longer he stands there, the more holes there are. His hands get tired, and he's cold, but he doesn't stop until the townspeople arrived to mend the wall.

Audits are a lot like that persistent little boy. **They can find gaps in your utility and telecom management.** They find places you're overspending, or areas that really need more attention. They find the problems—and the good ones find solutions as well.

The ultimate goal of an audit is to:



Thoroughly examine your current resource management and eliminate oversight



Take advantage of every cost-reduction opportunity afforded to you

Good audits find cost-saving solutions. To put it another way, audits will help show you where potential savings can be found. What's the likelihood that you're sitting on savings? In the seventeen years we've been in business, we've seen that 80% of companies overspend on utility and telecom. **So you're likely overspending by hundreds or even thousands.**

But most companies are long on problems and short on time. So not one of our clients spends hours sifting through information, or trying to reconcile invoices. We put in the time, and you get to benefit from the savings.

Let's take a closer look at what this process looks like, and how it could benefit you and your bottom line.

By the time you get to the end, you'll know how an audit will benefit you—and we'll also give you some pointers about next steps to take.

Feel free to reach out to us at any point along your journey to savings. **We're here to help!**

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WHAT IS A UTILITY AUDIT?



WHAT IS A UTILITY AND TELECOM AUDIT?

A utility and telecom audit is **a thorough look at every aspect of your accounts.**

We scour your invoices, evaluate your actual usage, and even look at your tax rates for every location and every account you have. An audit finds billing discrepancies and reviews rate plan efficacy.

It's a deep dive into every aspect of your utilities and telecom management, all of which is geared toward finding you savings.

There are three parts to a utility audit: research, review, and recommendations.



PART 1: RESEARCH—GATHER INFORMATION FOR AUDIT

In our utility audit program, we first gather all the documents we need to review your utilities. You can give us your log-on information, or you can send us PDFs of your documents. For most companies, this means we need 12 months of bills for all telecom lines and utilities: electric, gas, water, and sewer. Looking at 12 months of history gives us the context we need to evaluate what your benchline costs currently are.

Oftentimes, we can get started with just the most current invoice copy for each account and then pull the historical invoice copies from the utility vendor's online billing portal.



PART 2: REVIEW—EXAMINE ALL UTILITY BILLS AND OPTIONS

Once we have all necessary documentation, we do the following for each location or property:

- 1. Analyze the energy usage number vs. the current meter reading.** Is there a discrepancy in these numbers? Is one much larger than the other? This is a really good indication that something is off.
- 2. Look for billing errors.** Do your rates or fees jump in the past year? Are there typos? Does everything add up like it should? Looking over the past year of expense trends makes price fluctuation much clearer.

After we've reviewed the documentation, **we're able to take a step back and evaluate rate structures, trends, and tax exemptions.**

A lot of companies have inefficient rate structures—and you may not realize that a better rate structures are available to you. We're able to find the best options for your business because we can match your needs with your best available opportunities.

We also evaluate growth trends. For instance, we expect your electricity use to spike during the cold months of winter. But there can be other reasons for utility price hikes. The utility supplier may have made a mistake, or you may have just renovated one of your buildings. We find the delineation between charges that are fair and those that are questionable.

Continuous auditing (in which current bills are compared against historical growth trends) ensures that any future mistakes are found and corrected.

But a really good utility auditor won't just examine bills, rate structures, and trends. They'll also look into tax exemptions. Different cities and states have different exemption opportunities in place, so a utility auditor that goes above and beyond will find the best options available to you.

Does this sound like a lot? It is, but a professional auditor will know where to look for the best cost reduction opportunities available to you. **A thorough audit will take 60–90 days and will identify cost reductions that will impact your bottom line for years to come.**



PART 3: RECOMMENDATIONS—TAKE ADVANTAGE OF SAVINGS OPPORTUNITIES

After we've looked over all of your utility bills and reviewed additional savings opportunities, we present them to you. We always show the bottom line—how much you can potentially save in each utility area by taking these recommended steps.

And based on your unique situation, we may show you some or all of the following:

- Different vendor recommendations
- Rate structure options
- Tax Exemption options
- Credits due



The findings vary, but we have identified cost-reduction opportunities for over 80% of the companies that engage our services.

A man and a woman in business attire are seated at a table, smiling and looking at documents. The man is on the left, wearing a light blue shirt, and the woman is on the right, wearing a dark blazer over a light blue shirt and a pearl necklace. They are both looking down at a document on the table. The background is a solid light blue color. The text "WHY DO I NEED A UTILITY AUDIT?" is overlaid on the image in white, bold, sans-serif font.

WHY

DO I NEED A UTILITY

AUDIT?

Why Do I Need a Utility and Telecom Audit

If you knew you had an 80% chance of winning the lottery tomorrow, would you buy a ticket? I sure would! Based on our experience with utility audits, we conservatively estimate that 80% of companies are overspending on their utilities. In other words, you need an audit because there's a really good chance you're sitting on savings.

From a statistics point of view, it's probable that you:

- **Need a Different Utility Rate Structure**
- **Have Confusing Invoices**
- **Could be Missing Out On Tax Exemptions**
- **Likely are Paying for Unnecessary Services or Meters**

So we've compiled our best market knowledge in this section to help you know where to look. The more you know, the more you'll see savings opportunities.

YOU LIKELY NEED A DIFFERENT UTILITY RATE STRUCTURE

Utilities bills are different than other bills—like cable, for instance. You can usually pick your internet and cable provider, but you won't typically get a choice with your electric company.

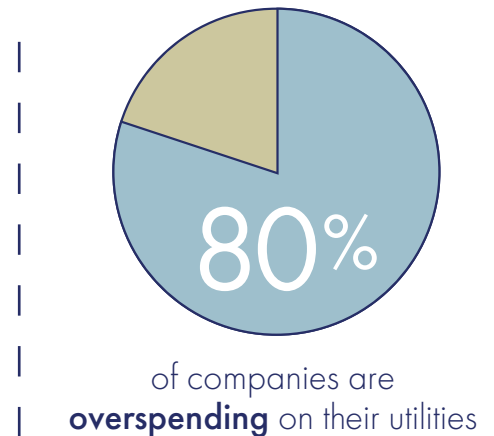
For most areas of the country, utilities companies are, in effect, state-controlled monopolies. What they charge is carefully regulated and monitored. But in other areas of the country, utilities are deregulated and you can pick your vendor. We've had success in both areas.

But while the government mandated prices are fixed, the rates you pay are not. You may be paying at a tier you don't necessarily need to be paying.

There are three parts to utility rate structures: customer charges, demand charges, and supply charges.

We find the best rate structure that's right for you. We keep typical market rates in mind so when we see charges that are significantly above the normative average, we know that's a sign of potential savings.

As often as we can, we also try to standardize pricing for utility and telecom. If you have multiple locations that are serviced by the same company, try to get standard rates.



YOUR INVOICES ARE CONFUSING

Most people just don't have time to evaluate their invoices. They may glance over them before they pay them, but they may not!

In order to understand your bill, you have to know what you're being charged. That can be really difficult, because line items aren't always clear.

Examples of some telecom line items are:

Access Recovery Charge: this is basically a made-up charge; it's not technically associated with any real cost. It's not a tax, and it's not a government fee. They charge it to make up for lost revenue.

Universal Service Charge: this charge supports telecommunications services at affordable rates for people in high-cost or rural areas.

Minimum Monthly Charge: you incur this cost when you don't make long distance calls.

Some of these charges are legitimate, others are not.

Reviewing your utility bill history brings clarity; it makes price hikes and errors apparent. Say you've been charged \$500 a month for the past six months, but this month you get a bill for \$700. You'll know you need to investigate! Maybe the larger bill is the result of a usage spike—or maybe not.

Know your bill history, and these anomalies will stand out to you.

In order to know if your invoices are accurate and reflect your ideal usage status, they need to be analyzed for:



Meter usage vs energy usage



Line item status



Potential errors

When discrepancies are found, you are owed credits!

And to really find where you're overspending, your invoice history needs to be reviewed. We typically examine the last 12 months of all utility and telecom invoices for each of your locations. We occasionally go beyond the last year, but most states operate under a statute of limitations of 36 months. This means that if we found that you were due a credit on a bill that is more than 36 months ago, you probably aren't legally eligible to receive it.

YOU'RE MISSING OUT ON TAX EXEMPTIONS

Business utilities can be tax deductible. Some companies can include them on the "other deductions" line item on their tax return. But you'll want to make sure that filing as such complies with state regulations.

When it comes to tax exemptions, it's often ideal to have expert help. Different business can qualify for different statuses—depending on which state you're in and which government regulations apply.

Tax codes can be complicated and overwhelming, but the business that know how to take advantage of the savings opportunities in them can come out ahead—way ahead, in some cases!

YOU HAVE MULTIPLE METERS OR PHONE LINES

How often do you audit your meters? As companies grow and jobs change hands, meters can be forgotten in the shuffle.

The more meters you have, the more likely it is that you have billing errors for them. Meters gauge your energy consumption and your power quality measurements.

Examining your meters can yield billing credits or savings as the result of identifying errors or overcharges.



REAL TALK

ON UTILITY AUDITS: WHY

OURS WORK



Real Talk on Utility Audits: Why Ours Work

We've tailored our audit process to maximize cost reduction opportunities and minimize strain on your time and resources.

Every audit we do is:



Strategic



Savings-oriented



Safeguarded



It can be so draining knowing that you're overspending—and not knowing what to do about it! With these three keys in mind, we ensure that every client can find savings and peace of mind knowing that those savings are protected.

WCI'S STRATEGIC UTILITY AUDIT PROGRAM

If an audit isn't effective, there won't be any savings in it for you. So we're very thoughtful about how we go about doing one.

We are thorough: We examine your bills, your rate structures, and trends in your 12-month invoice history. (We often find credits for our clients!) We also look at tax exemptions, standard pricing options, and vendor options.

We are intentional: We find recommendations that make the most sense for you and your company by examining all the options available to you given the market you are in.

We are practical: After we complete our review process, we provide recommendations to maximize your savings. We show you how to take advantage of cost-reduction opportunities—but we don't stop there! After we get your go-ahead, we set them up on your behalf and ensure all implementation goes smoothly. Then, you can start collecting on the savings!

WCI IS SAVINGS-ORIENTED

Every one of our audits maximize cost-reduction opportunities. The majority of companies across most industries are overspending on their utility audits—at least 80% of them are! So there are almost always savings to be found; it's just a matter of doing the work to find them.

We wouldn't offer audits if they didn't benefit companies.

WCI SAFEGUARDS YOUR SAVINGS

We don't stop at simply finding savings; we ensure that those savings are *protected*.

After you've approved the recommended changes, we protect those changes. After all, what's the point of making cost-cutting changes to your utility management if those changes aren't permanent? If your vendor agreed to standardized pricing, but then kept charging you at your old rate, that would quickly become a problem!

How do we protect your savings? By closely monitoring them. When we find a discrepancy or error, we call the company, and have any issues credited to you. So you can always rest easy knowing that your billing is accurate—and your savings are secure.

UNDERSTANDING YOUR SAVINGS: NOW AND LATER

We encourage our clients to think of our savings not just in terms of now, but later. You'll save once our recommendations are in place; of course. But the changes you put in place by having an audit will affect your bottom line almost immediately. But there are long-term effects as well. Think of the big picture: any savings you enact will be cumulative! The \$100 you save this month, will be \$200 next month and so on. The savings you enact today will affect your company's bottom line for years to come.





WHAT OUR

UTILITY AUDITS

LOOK LIKE

What Our Utility Audits Look Like

You know you're likely sitting on savings. At this point, you're probably wondering: **what are my next steps?**



LET'S CHAT

First, sign up for an informal call. We'd be happy to see what your needs are and evaluate how we can help you. If it sounds like our services could benefit you, we'll walk you through our service agreement - step by step.



DATA ANALYSIS

After you sign the agreement, you'll send us copies of your invoices or your log-on information. For the next 60–90 days, we evaluate and analyze all of the data for your locations, keeping you in the loop along the way.

We find all the savings opportunities afforded to you, and we compile them into a report called the WSS. We go over your options with you, and answer all your questions about your next steps forward.



SAVINGS IMPLEMENTATION

Then, we implement the savings on your behalf. We make calls, we create new contracts as necessary, and we make sure those savings hit your bottom line like they're supposed to.

Only when the savings materialize do we bill you. We use performance based pricing, which means we share in the quantifiable cost reductions that our clients realize upon execution of our recommendations.

We share in the savings we find at a rate of 50%. That means if we find you \$20,000 in savings a year, you'll keep \$10,000 and we will be compensated \$10,000.

This model makes us better partners and it provides you with better services—we have a huge incentive to produce results. And on the rare occasion we find no savings, you don't owe us a dime. Why pay for a service you don't benefit from?

And as an on-going service, we monitor your invoices to make sure your savings are secure.

WRAPPING UP



FREQUENTLY ASKED QUESTIONS

How long will it take?

We typically take 60–90 days to scour your portfolio. Then we present a savings report called the Waste Savings Summary (WSS) and present our findings and recommendations.

How much could I save?

We wish we could give you an exact number!

Savings differ from client to client based on a whole range of variables - the number of locations, the state they're in, how vigilant they've been about their contracts, etc. But what we can say is that it's pretty rare for us to complete the audit process and not find savings opportunities. (If that happens, by the way, you aren't billed for our services. It's our zero-risk proposition!)

But I don't have the time!

If you knew only 2 hours stood between you and savings, would you wait?

You may not have the time or expertise to complete a thorough utility audit, but you can absolutely reap the benefits of one.

Our utility audit program takes so little of your time. Most companies can assemble and send us the needed documentation in 1–2 hours. Then we do all the work for you and present you with solutions—actionable next steps that allow you to take advantage of savings.

I have lots of locations—will that make things more complicated?

Have more than just a few locations? Whatever changes you make to your utilities and telecom will be that much more amplified because you're doing it at multiple sites. Greater savings are possible since there are more cost-cutting opportunities.

Utility audits can massively benefit your bottom line—and can ease any residual fears you may have about billing mistakes and price spikes.

WRAPPING UP

Thanks so much for diving into the world of utility audits with me!

Now you know the basics of a utility audit. And you likely know exactly how one can have a significant impact on your bottom line.

There are so many companies overspending on their utilities. You don't have to be one of them.

We've helped companies across the nation save on their utility and telecom bills—and we can help you too!

Ready to dive into an audit? Shoot me an [email](#) or sign up for a [15 minute call](#)! I'd love to hear from you.

Tyler Brunson, CEO
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