



Commercial Utilities Program

Program Manager 256-895-1663

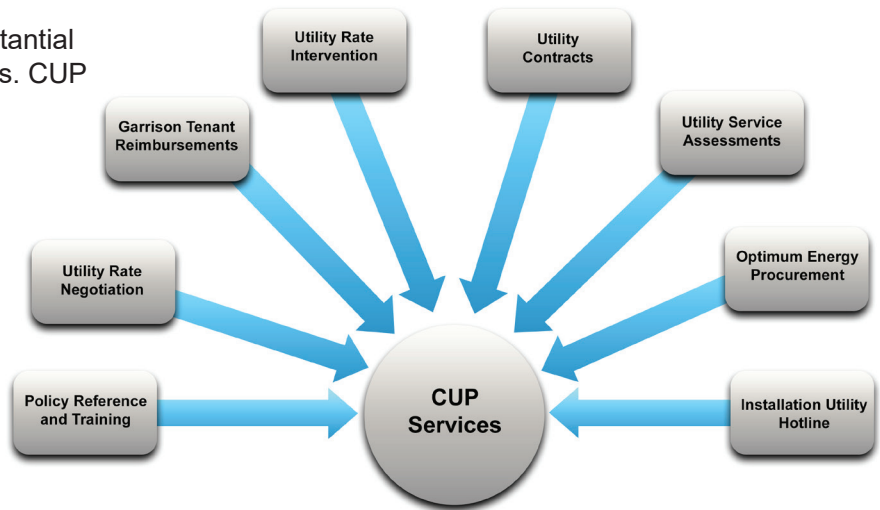
U.S. ARMY CORPS OF ENGINEERS

BUILDING STRONG.

The U.S. Army Engineering and Support Center, Huntsville Commercial Utilities Program (CUP) is the Army's utility service and regulatory expert. CUP helps the Army purchase reliable utility services at the best rates available, and helps installations resell utility commodities to tenant activities.

Benefits

A proven cost saver, CUP provides substantial utility service cost avoidance and savings. CUP staff and utility consultants provide utility contract negotiation assistance, utility provider issue resolution, installation utility data analysis, and technical support. CUP also provides expert witnesses to testify before state utility regulatory commission in opposition to rate increases. Additional cost savings and avoidance opportunities are identified through utility service assessments and utility contract review recommendations.



Year Rate Case was Completed	Project Cost	Annual Projected Cost Avoidance and Savings									ROI
		2017	2018	2019	2020	2021	2022	2023	2024	2025	
FY17-19	\$730,254	\$1,368,489	\$1,368,489	\$5,525,081	\$4,015,592	\$3,856,592	\$1,861,800	\$1,400,000	\$1,400,000		28
FY20	\$198,551				\$1,041,000	\$751,000	\$181,000	\$421,000	\$421,000		14
FY21	\$783,826					\$1,946,674	\$3,569,505	\$4,875,505	\$4,944,505	\$2,321,947	23
FY22	\$301,548						\$1,844,439	\$2,357,173	\$1,642,798	\$410,000	21
FY23	\$539,638							\$9,679,422	\$8,937,755	\$7,182,300	48
Annual Totals		\$1,369,489	\$1,369,489	\$5,525,081	\$5,056,592	\$5,959,592	\$7,456,744	\$18,733,100	\$17,346,058	\$9,914,247	

Customer Savings

CUP targets overall cost reduction in the Army's energy procurement process. The benefits extend beyond the year of initial investment — up to five (5) years in certain instances. Though CUP can assist with reducing energy consumption, its main target is reducing the cost of acquiring electricity, natural gas, water and wastewater.

Services provided

1. Utility Rate Intervention — Technical support, assistance and expert witness utility consultants assist the U.S. Army Regulatory Law staff that represents the U.S. Army during utility regulatory hearings. The Regulatory Law staff and expert utility consultants testify in opposition to rate increase petitions filed by regulated utility companies. Benefits of rate intervention are cumulative and are in effect for about three years or until the next rate case filing is settled. Rate assistance is also available to installations that contract their utilities with a municipality, Rural Electric Cooperative (REC), or federal Government organization such as the Tennessee Valley Authority (TVA), Bonneville Power, and other federal hydropower organizations.

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2. Utility Service Assessments — CUP conducts utility service assessments to evaluate installation functional relationships with utility service providers and make recommendations for improved utility management with regard to utility tariffs or contract rates. Utility service assessments verify or provide:

- a) An installation is on the best and lowest rate offered by the utility provider.
- b) Utility service rates are in alignment with installation operations and mission.
- c) Recommended courses of action to obtain the lowest rate available.
- d) Identification of utility/energy cost reduction opportunities.
- e) Optimization of on-site generation vs utility market procurement comparisons.
- f) Reliability issues resolution with utility service or infrastructure.
- g) Assessment of peak demand management and reduction opportunities.
- h) Customer/tenant utility reimbursement calculation and billing support

The CUP goal is to perform a utility service assessment of each installation no less frequently than every four years to track changes in utility industry services and energy markets and to reduce the cost of utilities.

3. Installation Utility Management Evaluations — CUP assists and trains installation personnel to review utility billings to ensure accuracy, such as billing charges at the appropriate rate, exclusion of taxes for which the Army is exempt, and the application of billing credits. CUP also assists and trains installation personnel in calculating fair and equitable rates for utility consumption by reimbursable customers/tenants. These benefits include tangible savings, cost avoidance and accurate reimbursement from non-Army tenants.

4. Negotiate Utility Contracts — CUP facilitates and provides technical support in collaboration with installation contracting officers during negotiation of utility service contracts.

5. Optimum Energy Procurement Analysis — CUP can determine the optimum sizing of onsite renewable generation by weighing the economics of existing and proposed onsite generation assets while maintaining favorable utility provider contract rates, terms and operating conditions.

6. Utility Contracts Review — The CUP Program Manager is the Action Officer for the Assistant Deputy Army Power Procurement Officer's (ADAPPO) technical reviews of Army utility services contracts with annual costs exceeding \$750,000.

7. Utility Service Officer (UTILSO) Training — In conjunction with the Defense Acquisition University, CUP provides Utility Services/Sales Officer (UtilSO) training videos for installation utility and energy managers, and other Directorate of Public Works (DPW) personnel.

8. Installation Hotline — CUP provides assistance to Army installation utility and energy managers and DPW employees for all CUP services. Call 256-895-1663.

9. Utility Bill Audits — A utility bill audit is a source of oversight that identifies historical billing invoice anomalies which may have caused some accounts to be overcharged or to have incurred improper charges. A historical utility bill audit provides a comprehensive analysis of usage and rate information/billing determinants, exposes errors and overcharges, uncovers hidden charges, finds opportunities for multiple billing schedules, recalculates utility bill invoices, and identifies refund opportunities.