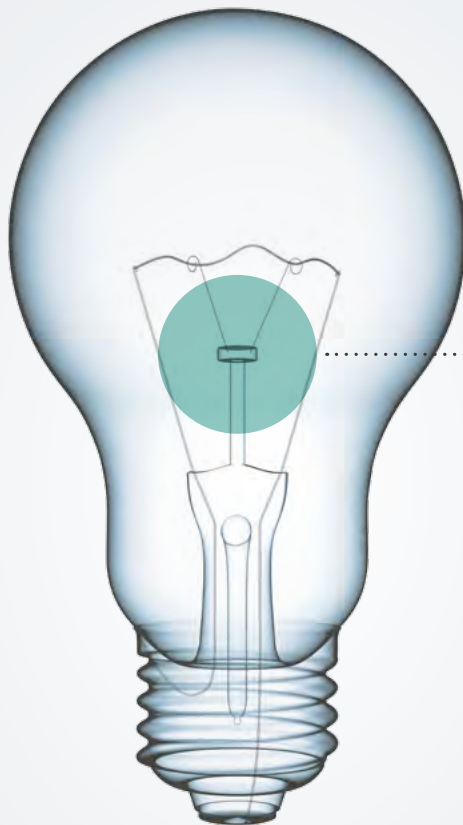


What
really lies
beneath your
***energy
spend?***





BEWARE OF SACRED COWS

It's very clear that PCMG's Energy team have no qualms when it comes to asking awkward questions of suppliers. In fact it's something of a specialism.

"We're what you might call tenacious." says Kerry Downie whose experience of cost recovery spans nearly 25 years. "Sometimes we'll spend years pursuing a line of enquiry and we'll keep challenging, from every angle possible until we get a result. Very few other companies will ever take a fraction of the time and trouble we do. It's a matter of pride for us."

The biggest mistake it seems, in the world of billing in the energy industry is to assume anything is correct. *"It's very commonplace for our clients to assume that if they have a contract with an energy supplier, then the bill is right. More often than not the whole supply chain underneath will be riddled with errors."* explains

Martin Chitty, whose encyclopaedic knowledge of energy market regulation means he's in demand when giving seminars at industry events such as The Energy Management Exhibition. In fact, it's this formidable knowledge that has led to regulatory policy being changed on metering and how electricity suppliers may charge customers. *"He probably knows more about the regulations than the regulators do!"* laughs Kerry.

“
Our incentive is saving our clients as much as possible and they get as excited about it as we do because they're amazed at what we're able to find.
”

So what is it that often catches businesses out when it comes to paying for their energy?



Martin Chitty

Director of Energy Analysis

“Well for example, customers often falsely believe that changing suppliers is the best way to save money. Or that regulated charges set by the industry and passed through by the supplier are fixed and can’t be challenged. They’re bizarrely sacred cows that are never questioned and it costs companies a great deal every year.” says Martin. *“It’s the same for things like industry-set figures such as gas correction factors. Ironically they often need correcting.”* This is where PCMG’s depth of knowledge and willingness to look deeply, beyond the detail of a contract or bill really pay off. *“A recent example was the simple position of a meter. Due to the vague wording of a regulation it meant one of our clients was overpaying for distribution charges. We advised they pay £60,000 to relocate the metering equipment but **it’s saved them £400,000 every year since.** No other company would have spotted that.”*

Why should PCMG be more likely to find savings than other similar businesses? *“We’re truly independent, unlike many others. For example, we don’t have comfortable arrangements with suppliers to put business their way.”* explains Adam Tuck who leads the team of PCMG analysts who pore over their clients’ bills and contracts to identify anomalies. *“Our incentive*

is saving our clients as much as possible and they get as excited about it as we do because they’re amazed at what we’re able to find.”

It’s not pure analysis however. Another aspect of the team’s approach is field based surveys and physically inspecting a site to understand what is causing an anomaly in billing for example. *“We’ll have a specialist field engineer visit a client’s site and see for themselves what’s in place and report back. Sometimes there’ll be a meter that’s being paid for that’s simply been forgotten about over the years or the technical characteristics of the supply simply don’t match what’s being charged for.”* explains Martin.

What would be your advice to a company when it comes to checking their energy expenditure? Kerry is quick to answer

“Question everything. There’s a high chance it’ll be wrong and needs challenging. Then get an independent specialist like us who won’t let it lie to manage the recovery for you!”

DIG DEEPER AND FIND OUT MORE ABOUT US ON PAGE 4 >

Depth like no other.

PCMG is a world-class consultancy in financial health for organisations. Many companies are slowly bleeding precious cash through billing errors and hidden contract anomalies.

Our job is to restore financial health and maintain it for the future by looking more deeply at your operational expenditure and thoroughly checking every detail.

Our Energy specialism is at the heart of what we do. By employing the leading specialists in this complex area of cost management, we'll identify and stop cashflow leaks in their tracks, seek to recover your money and optimise future arrangements.

Cost Recovery & Optimisation

Recovery Audit involves an audit of historical and current Electricity & Gas billing data (typically 6 years' data). We'll identify all cost recovery opportunities, ongoing savings and undercharges and then handle all refunds from suppliers and third parties on your behalf.

Our close involvement in regulatory policy development really comes into its own here, helping us to go further into the detail. This is borne out by the fact that 85% of our recoveries are from so-called second or third pass audits, where one or two other consultancies have already reviewed a client's billing data.



To date
we've **recovered**
OVER £144m
in **energy billing errors** for our
clients.

How the **PCMG Energy Audit** works

The audit is in three stages:

- **Data collation:** We obtain all the billing data we need from your suppliers and load it into our proprietary analysis systems
- **Analysis:** We'll examine every single line of data for billing and set up errors and other cost recovery opportunities
- **Cost recovery:** We'll produce, submit and agree all claims with your supplier

PCMG Open Energy Consulting

Looking more deeply into our clients' energy spend, focusing on non-commodity charging and leading regulatory change have secured over £144m in refunds and savings for our clients. It all means that we're uniquely qualified to deliver 'Open Energy Consulting'; PCMG's end-to-end energy cost management and advisory service.

In contrast to a traditionally opaque energy consultancy market, PCMG's Open Energy Consulting services are a transparent and independent offering, managing energy costs on your behalf, whilst seeing you and your team develop your understanding of the complex utilities landscape, enhancing your internal expertise.

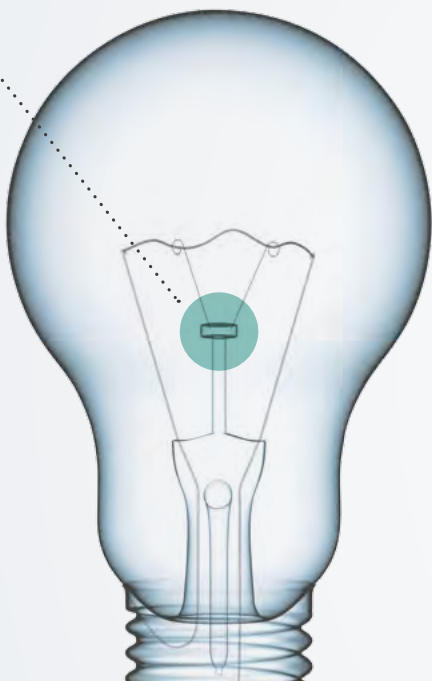
Spend Management

Invoice Validation

Complex energy charging structures inevitably produce a multitude of errors. Despite this, we know that checking the detail of invoices can present an administrative burden, so why not let us take the hassle away and save you money at the same time? As invoices are raised, our Invoice Validation Service combines best-in-industry software to perform in-depth checks, with our leading energy experts then checking manually; all combining to stop errors happening on the spot.

Site Works

We offer expert advice and project management support with site works projects, helping you to avoid the industry pitfalls leading to budget and timescale overruns.



Dispute Management

Expert advice through the time-consuming and complex issue of dealing with disputes with suppliers, DNOs and other industry third parties, on hand from our Energy Team. We'll also help with contractual and regulatory matters, guiding you towards the most beneficial outcome possible for your organisation.

Spend Intelligence

Reporting & Analytics

Energy and water data can be disparate, delivered to you in a multitude of formats, often from a string of suppliers and other third parties. We'll pull it all together for you in an easy-to-read, visual format, designing and giving you access to your own bespoke online dashboard that transforms your raw data into clear, understandable business intelligence. With this you'll be able to:

- View high level reporting data relating to your overall spend and then drill down by utility, cost centre or site
- Monitor your energy consumption, identifying inefficiencies
- Monitor your energy expenditure against budget

Usage Monitoring

You may have a sizeable energy estate, which will present you with a problem in keeping track of usage. To help you gain full control, we'll agree usage benchmarks and targets for each of your sites and then provide you with alerts when these are breached, as well as a monthly executive report and site league table, to compare how all your sites are performing.

Commodity Market Intelligence

Energy markets change from one day to the next but you will nevertheless need a consistent, comprehensive picture of the market and where it's going to plan and make the right decisions on your energy strategy. We'll provide you with a weekly market intelligence report including current energy commodity prices and an expert commentary on the current and future state of the energy and gas markets.

Regulatory Policy Market Intelligence

Regulatory policy is constantly evolving. Combine this with ever-increasing non-commodity charges, in some cases outweighing commodity charges and it can be challenging to stay on top of things. A weekly market intelligence report including analysis of all energy regulatory changes, alongside all energy non-commodity costs, their current levels, with a forecast for these charges will ensure you remain fully abreast.

Procurement & Sourcing

Procurement

We support you to set and execute your energy procurement strategy based on your organisation's estate and attitude to risk, advising you on the available energy contract types and which would be suitable for your organisation, from traditional fixed price agreements through to a range of flexible options.

We'll manage your energy contract tendering process, analysing offers and negotiating both prices and terms and conditions, to secure you the most competitive deal available to your organisation.

We are fully independent, with no commercial ties to any specific supplier, so you can be sure we're working for you and you alone.

Insight

Helping your organisation to build upon its previous achievements and industry trends, our Insight Service will provide you with a report, plotting your historical energy procurement performance against PCMG benchmarks, markets highs/lows/averages and the performance of similar organisations.

Energy Services Sourcing

We don't just procure energy, with Energy Services Sourcing you will see our energy expertise brought to bear on the full end-to-end RFP process for any energy services you require other than energy supply, including:

- Metering , DC/DA, BMS, energy consulting
- Support in authoring an appropriate specification for your needs
- Support with the detailed analysis of tenders

Training & Development

We offer a tailored training programme, designed to empower your organisation to improve your energy management practices, reduce your costs and cut down your carbon emissions. Each course is bespoke to you, with the programme delivered on your site, in an interactive format, with a training workbook for all attendees.

- Topics that could be covered include energy markets, energy regulation, energy cost analysis, water management and energy procurement
- We also offer a more flexible programme in the form of an energy helpdesk, connecting you directly to our experts as and when issues arise

Consulting & Strategic Transformation

Energy Strategy

We'll hold interviews with key stakeholders in your organisation to gain an understanding of your business needs and how you use energy, accompanying this with a detailed analysis of your energy consumption and spend. Following this, we will create a bespoke Energy Strategy Plan for you.

The plan will include high level identification and assessment of energy saving initiatives, insight into high value/low cost measures and a strategic implementation plan.

Energy Management Transformation

We will review your internal and external energy management processes through a combination of interviews, data and contract analysis. Following this, we will create a bespoke Energy Transformation Plan, aimed at developing your internal energy cost management capabilities and expertise, empowering your organisation to navigate the industry and reduce reliance on suppliers, brokers and other third parties.

Alternative Sourcing

We'll review the potential options for alternative sourcing of your energy/water requirements and report back, with a strategic feasibility review of options, covering energy and water. This could mean, for example, reviewing renewable energy or on-site generation options.

Profiles

Martin Chitty

Director of Energy Analysis

Martin has 10 years of experience in the Energy Cost Recovery industry. He is responsible for a team of 8 analysts who handle all Energy Cost Recovery audits nationally. Martin is one of the UK's leading experts in regulatory costs within the electricity and gas industries, including Distribution Charging Policy. Martin is a strong advocate of major energy users in his work within the MIG (Methodology Issues Group), DCMF (Distribution Charging Methodology Forum) and various DCP (DCUSA Change Proposal) workgroups.



Adam Tuck

Energy Analysis Team Leader

Adam has 10 years of experience in the Energy Cost Recovery industry. As Energy Analysis Team Leader, he is responsible for the project management and delivery of Energy Cost Recovery audits on behalf of some of PCMG's largest customers.

Adam is regularly invited to speak on the topic of energy cost recovery at national and regional events relating to sustainability and facilities management. He holds a bachelor's degree in Physics and an MBA.

Kerry Downie

Post Production Manager

Kerry was one of the first employees in Professional Cost Management Group (PCMG) back in 1993, playing a key role in shaping the business whilst expanding her experience and skill-sets across a number of roles. During her time at PCMG, Kerry has overseen the negotiation of customer refunds and savings worth more than £15 million.



Next steps

To look more deeply beneath the surface of your energy spend contact our **Business Development Team**

+44 (0)1772 675100 | www.pcmg.co.uk

for a **free consultation** on how we could help your financial health recover.