

Case Study: **Manufacturing/Food Processing**

Client: **Bongards' Creameries**



Creamery Audits Find Utilities Skimming Off the Top

Bongards' Creameries is a cooperative owned by Minnesota dairy farmers with plants in Bongards and Perham, Minn., as well as Humboldt, Tenn. Originally formed in 1908, the cooperative converts farm-fresh milk into natural and processed cheeses, plus a variety of whey products.

Cheese making is an energy-intensive business, with most processes requiring natural gas, electricity, or steam. Each year, Bongards' Creameries spends millions of dollars on energy utilities, delivered by multiple service providers. The cooperative also requires advanced telecom to serve a broad range of customers from its various locations.

Recently Bongards' Creameries engaged The Evergreen Energy Group Utility Solutions (TEEG-US) to audit its utility and telecom services. Bongards' officials were familiar with the concept of expense auditing from an earlier experience, but had never found a utility and telecom auditing company with TEEG-US' depth of expertise. TEEG-US forensic auditors examined billings, usage histories, and meters for services at the cooperative's two Minnesota plants. The process identified substantial errors and issues in energy billing, plus opportunities for dramatic rate reductions on long distance services.

Among the key findings were an energy company's failure to apply a primary service discount to one plant and another utility double billing for transformer losses. The first resulted in a refund of more than \$450,000, plus ongoing savings of around \$30,000 per year. TEEG-US is advocating on the client's behalf to resolve the double billing issue, which could yield an additional six-figure refund and ongoing annual savings. TEEG-US also has recommended telecom service changes that could save Bongards' Creameries \$3,200 per year.

"TEEG found cases where utilities were overcharging us for many years. Refunds and savings added up to hundreds of thousands of dollars."

Brent Jewett, Vice President of Operations, Bongards' Creameries

Call TEEG at 800.608.5341 or visit us online at www.teeg.net.



Utility Cost Management

STRATEGIC ENERGY MANAGEMENT

- Energy and utility audits, including review of billing, rates, and tariffs; taxes, fees, and surcharges; and demand charges and power factors
- Onsite electric, gas, and water meter inspection and verification
- Recovery of past overcharges and correction of billing errors
- Comprehensive utility service inventories
- Rate negotiation and procurement services

STRATEGIC TELECOM MANAGEMENT

- Comprehensive telecom service inventory, itemizing all accounts, vendors, and charges
- Onsite verification of all telecom lines, trunks, circuits, and networks
- Telecom audit, including evaluation of tariffs, rates, taxes, fees, and surcharges
- Call record and traffic study assessment
- Network mapping and diagramming of wide area network (WAN) and site-specific connections
- Recovery of past overcharges and correction of billing errors

Customized, ongoing service packages also available.

Contact:
TEEG

Office: 218.786.0540
Toll Free: 800.608.5341
E-Mail: info@teeg.net
Web: www.teeg.net

Bongards' Creameries

CHALLENGES

- Help a growing food-processing company with multiple facilities and numerous utility providers clarify, streamline, and manage costs related to energy and telecom
- Ensure proper rates and discounts were applied to services through growth, utility transitions, and regulatory changes

SOLUTIONS

- Examined billings, usage histories, and meters for utility and telecom services at two food processing plants, dating back nearly 10 years
- Provided comprehensive service inventory to help Bongards' Creameries understand and track its utility and telecom services, providers, and expenses

RESULTS

- Found utility primary service discount was omitted 2001 to 2010; recovered refund of \$466,439; corrected billing for ongoing annual savings of \$30,000
- Discovered utility double billing for transformer losses, resulting in overcharges of \$70,000 to \$110,000 since 2003; advocating for refund and billing resolution
- Identified opportunity to save \$3,200 per year on long distance services

“TEEG-US got down to a great depth of detail without requiring a lot of our time or resources. We gave them basic information and billing history, and they ran with it and made things happen.”

Brent Jewett, Vice President of Operations, Bongards' Creameries
