

The SAVINGS Spark



Cost Control Associates helps your organization reduce and better manage your energy, waste removal and telecom expenses. This monthly newsletter shares industry-related news, tips and updates.

May 2020



Utility Cost Reduction in a Covid World

Our Utilities Expert Answers Your Questions

Many organizations are suffering, and their economic pain causes a ripple effect that hurts suppliers and other related businesses all the way down the line. Reduced revenue leads to sluggish cash flow, and that makes it harder to pay the bills. The money you find through better utility expense management can help shore up other aspects of your organization. [Keith Laake](#) explains why now is the ideal time to look at utility and telecom costs. [Read the Q&A...](#)



Lighten Your Load

Relieve Your Stress

Whether your business is extra busy or not busy enough, Cost Control Associates offers utility cost management solutions that will improve your bottom line without burning up your precious time or manpower.

To help make ends meet, choose from these **FREE SERVICES**:

- **Quick Analysis** of your utility bills to look for errors and savings opportunities
- **Expert Energy Contract Review** of your existing energy supply contracts
- **20-minute Consultation** to talk about your organization's specific situation

Contact [Jason Checkla](#), regional manager, at 518-798-4437.

Energy Procurement Report

May 2020

Electricity

According to the [EIA](#), shut-downs related to COVID-19 will cause retail sales of electricity in the commercial sector to fall by 6.5% in 2020. Because many factories have stopped operations, the EIA predicts that industrial retail sales of electricity will decline by as much as 6.5% in 2020.

Weekday electricity demand in the central region of the U.S. has decreased by 9-13%. This is similar to declines seen in New York at 11-14%. Some areas of the country, such as Florida, have not experienced significant changes; this may be partly due to the varying effects of COVID-19 mitigation efforts. As the economy reopens and temperatures rise around the country, the demand for electricity will start to increase, and prices should move higher in the short term.

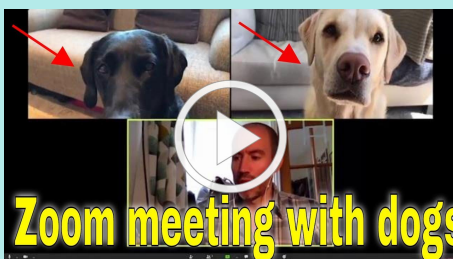
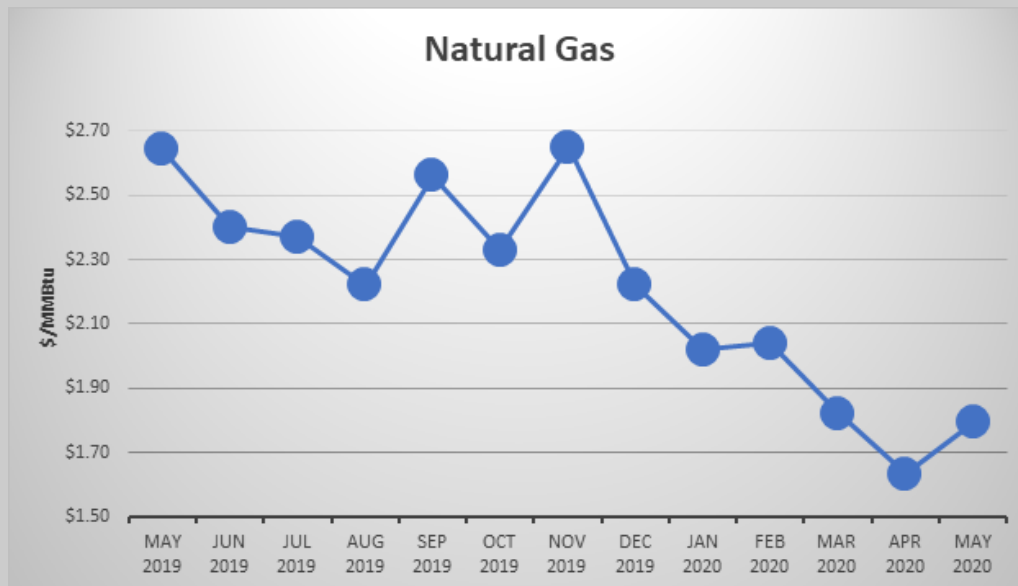
Natural Gas

Natural gas prices will likely rise through the rest of the year as U.S. production continues to decline. The EIA forecasts Henry Hub natural gas prices will average \$2.14/MMBtu in 2020 and then increase in 2021, reaching an annual average of \$2.89/MMBtu. As the economy continues to reopen in June, natural gas prices should continue to rise due to increased demand after hitting a 52-week low point March 22 at \$1.537/MMBtu.

Natural Gas Storage Levels

The EIA estimates that total natural gas storage in the U.S. ended April at 2.3 Tcf, which is 20% more than the five year average. The EIA predicts inventories will rise by 2.1 Tcf during the April-to-October injection season to reach a record-level 4.2 Tcf at the end of October.

The following graph shows pricing over the past year.



For Laughs Working From Home

After three months of working from home, this British journalist felt it was time to give his canine colleagues a performance review. If you've been on a lot of Zoom meetings, you'll understand completely!

Get the Industry Expertise You Need

Cost Control Associates is an independent consultant that helps businesses and organizations pay less and understand more about their utility expenses. We've been doing it almost 30 years, and our experience shows. Your interests are our top priority!

CostControlAssociates.com

518-798-4437

Cost Control Associates, Inc., 310 Bay Road, Queensbury, NY 12804

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