

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.

January/February 2021



6 Tips for Reducing Business Bank Fees

There are more than 2,800 potential fees that a bank may charge a business client. The more services you use, the more fees you pay. Did you know you have options to pay less for the same services? The trick is to know what you are doing.

Get 6 tips to save you money on bank fees

Energy Procurement Report: February 2021

Economic Outlook

U.S. GDP fell by 3.6% in 2020. [IHS Markit](#) forecasts that U.S. GDP will increase by 4.2% in 2021 and 3.8% in 2022. The expected rise in GDP is a major factor in the [U.S. Energy Information Administration's](#) prediction of total energy use in the U.S. over the next two years. After dropping by almost 8% in 2020, the EIA forecasts that U.S. total energy use will increase by 2.6% in 2021 and 2.5% in 2022.

Electricity

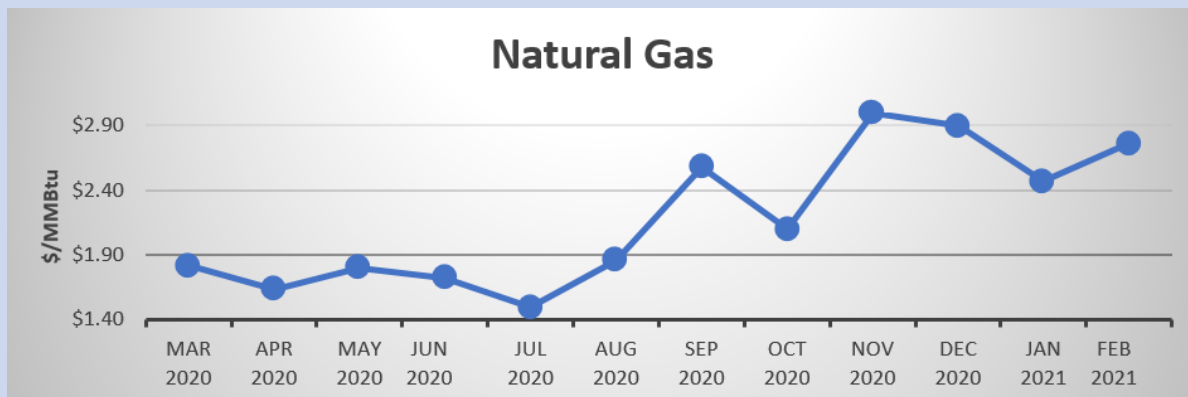
EIA predicts that the total U.S. consumption of electricity will increase 1.6% in 2021 after falling by almost 4% in 2020. In the commercial and industrial sectors, the pandemic particularly affected 2020 consumption, which fell by 3.8% in 2020. EIA estimates the commercial sector fell by 6% and the industrial sector by 8%. For 2021, EIA expects the commercial and industrial sectors to increase retail sales of electricity by 1.2% and 2.3%, respectively.

Natural Gas

Natural gas prices averaged \$2.03 per MMBtu in 2020, the lowest in decades. In the beginning of the year, prices were lower than average due to warmer winter weather. Prices remained historically low as the pandemic caused the economy to slow significantly and led to reduced consumption and natural gas production.

The Henry Hub natural gas price averaged \$2.71 per MMBtu in January, up from \$2.59 per MMBtu in December. EIA expects prices to climb in February to an average of \$2.98 per MMBtu. The February price increases can be attributed to colder temperatures across the U.S. and shrinking natural gas storage levels. EIA predicts prices will average \$2.95 per MMBtu overall in 2021, up from \$2.03 per MMBtu in 2020. Looking ahead to 2022, EIA predicts natural gas prices will rise to an average of \$3.27 per MMBtu in 2022.

The following graph shows pricing over the past year.



Natural Gas Production/Storage Levels

The EIA predicts total consumption of natural gas in the U.S. to average 81.7 Bcf per day in 2021, down almost 2% from 2020. EIA expects consumption in the commercial sector to average 9.1 Bcf, up 0.6 Bcf per day from 2020. Industrial consumption is forecast to average 23.0 Bcf per day in 2021, up 0.4 Bcf per day from 2020.

Natural Gas Consumption

Natural gas storage ended October at more than 3.9 TCF, 5% higher than the five-year average. It was also the fourth-highest level on record for the end of October. The EIA forecasts natural gas inventories to end March 2021 at 1.8 Tcf, very close to the five-year average.

How to Negotiate Your Telecom Contract



Negotiating a telecom contract that provides outstanding service without killing your budget is a delicate task. Telecom providers operate in a competitive marketplace, and this can give businesses an edge in negotiating pricing and services. However, there are many variable elements and contract clauses that are important to consider in your negotiations.

Telecom contracts are complicated. Unless you are careful and knowledgeable, it's easy to miss critical items when negotiating. While contract terms vary widely, there are several key characteristics you should watch for:

Read 7 ways to save on telecom

What is Energy Procurement?

If your organization conducts business over multiple geographies, you know all about dependence on energy utilities that dole out supply and distribution services under a variety of rates and programs.

If your business operations span deregulated states, your purchasing choices expand, because you have the choice of buying



energy from a third party supplier or a regulated utility company. We can help!

Here is what some of Cost Control Associates' satisfied customers said about our [Energy Procurement](#) services:

“Cost Control Associates completed a contract for natural gas supply for us
Over the 24-month agreement, we will save more than \$1,000,000 over
what we were paying our utility company.” (Grocery retail store chain)

“We are very happy to save \$153,000 over our previous utility rates
plus another \$63,000 over our previous contracts.”
(Network of community banks)

Get the Competitive Edge

Cost Control Associates has the industry expertise you need to get ahead. Our independence from suppliers and installers helps your business or organization pay less and understand more about its utility and other overhead expenses including energy, water/sewer, waste removal, telecom and so much more. We've been doing it almost 30 years, and our experience shows. Client satisfaction is our top priority!

For more information on any of our services,
please get in touch with [Brandon Sisson](#) at 770-307-7413
or complete the [contact form](#) on our website.



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