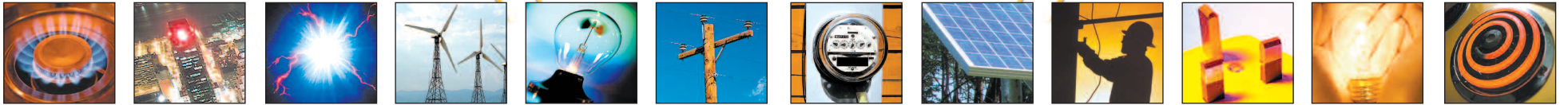


ENERGY UPDATE



West Lawn firm finds profit in cutting energy costs for clients

By **BRIAN PEDERSEN**
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Keeping track of a moving target is par for the course for a firm that helps businesses cut rapidly changing energy and technology costs.

"This is a science," said Emmett Lien, president of UtiliTech Inc. in West Lawn. "It's knowing where the markets are, knowing the customer's risk tolerance, making sure they are paying the best possible rates."

UtiliTech, a utility and telecommunications firm, works with both public and private organizations to control their utility management costs. Electric rate caps recently expired for Met-Ed, which serves Berks County, and for PECO, which serves Philadelphia, Montgomery and Bucks counties. Consequently, many businesses are seeking fresh ways to save on their energy bills.

From UtiliTech's inception in 1991, numerous changes have come forth in the diversity of technology, according to Steve Bobick, UtiliTech's former president.

As Lien explained, information technology is a "moving target," and the evolution in technology has brought problems for many businesses in terms of technology upgrades, added lines, and data communication improvements. Mergers and acquisitions often play a role in presenting challenges for his clients, leading to oversights and unnecessary costs that are not discovered until a closer analysis is performed.

As an example, UtiliTech recently worked with Berks County government to reduce

their energy costs per year, in excess of \$400,000, according to Lien. Though they are already fixed for their 2011 costs, Bobick added that this savings for Berks County would be in effect for 2012-13.

Another example of cost savings involved a client with an antiquated telephone system. UtiliTech provided the client with "Voice-Over Internet Protocol" and a new telephone system. They found a provider to perform the work at a reasonable rate and netted the client about \$1,000 in savings each month, even with the new system, said Lien.

According to Lien, when UtiliTech studies a client's electricity and telecommunications costs, they often discover an area in which money could be saved.

UtiliTech personnel go through the client's accounts to look for mistakes and unnecessary costs and also get copies of bills and contracts to compare both and to make sure they match up, explained Bobick. Furthermore, they take a detailed inventory of the entire infrastructure of each client.

Lien himself became a customer of UtiliTech about seven years ago before coming aboard in 2008 to eventually head the company. Lien said that after using UtiliTech's services, his cell phone bill dropped from \$3,200 to \$2,000 for the year.

As Lien explained, the reason why UtiliTech succeeds in reducing cell phone costs for customers is because the people examining their telecommunication bills are experts in their field.

"We are watching our customer contracts and markets every day," said Lien. "We have to have a competitive edge in the industry."

"It's very challenging to look at the rate structures," added Bobick. "It was a real challenge for us. Most people qualify for at least two or three rates."

According to Lien, one crucial step in successful electricity cost procurement is that UtiliTech doesn't stop the oversight once a deal has been made, and goes beyond waiting the standard two-year period.

"The real value is the ongoing monitoring and figuring out when it's time to move onto other deals," said Lien. Often, many companies stop at procurement, he added.

UtiliTech has found cost-cutting opportunities for many manufacturers who do not



Photo by Brian Pedersen

Emmett Lien, left, is president of UtiliTech Inc. in West Lawn. Here he chats with Steve Bobick, the firm's former president. UtiliTech specializes in finding ways for their clients to cut energy costs.

take advantage of tax-exempt percentages, according to Lien. Also, companies that are undergoing an outside audit often seek help from UtiliTech, which results in further savings.

"We have the ability to go back and get refunds if they have underestimated the proper tax exemption percentages," Lien said. "It happens fairly often."

UtiliTech has 15 employees, including former UGI and Met-Ed employees who work across the country, with no territorial limitations, though Lien said they do more work in deregulated states and have done work for clients as far away as California.

While they do not offer residential work, they do perform work for organizations of all sizes, from tiny businesses to major corporations.

According to Lien, 2011 is a good time to buy electricity, with the seven-to-eight year low the market is currently experiencing. Market conditions for Met-Ed and PECO will still be "shoppable," he said, and not be as dramatic as those for PPL shoppers. When the market recovers, the prices will rise, he said.

Several factors could drive electricity prices up; he said, including economic recovery, a geopolitical event that brings a major global impact, or natural disasters. As an example, energy prices spiked when hurricanes Rita and Katrina struck, he added.

Currently, the company is studying green energy and examining the possibilities with solar power auditing, procurement, and consulting.

While UtiliTech started to forge a path in areas of green technology several years ago, they discovered there was not a lot of savings to be had.

"Now, we are starting to see opportunities to take a second look at solar because our clients are starting to get interested in it," said Lien. "I think you are going to see the technology in solar improve, and costs go down. We definitely need to evolve this business as the markets evolve."

UtiliTech does not charge clients for energy audits unless measurable, tangible savings can be found, which, according to Lien, happens about 95 percent of the time in their engagements with clients.

For energy procurement, UtiliTech takes a finder's fee from whoever the successful bidder becomes, according to price, terms, and conditions.

"Having us as the advocate for them should only result in reduced costs and assurance that utility and telecommunication budget dollars are used wisely," said Lien. "The number of people contacting us has gone up dramatically, part of that is the uncertainty of the price cap situation, up about 50 percent from 2008 to projections for 2011 in business."

Business basics

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