



Customer:
Washington Mutual Bank (WaMu)

Web Site: www.wamu.com

Customer Size: 38,000+

Country or Region:
USA in 42 States

Industry:
Financial Services & Banking

Customer Profile: WaMu is the largest thrift bank in the USA with over 3100 retail locations. Retail Banking & Financial Services, Home Loans, Commercial Lending, Card Services.

Services:
Data & Information Management
Analytics
Load profiling
Forecasting & budgeting
Supply Management Support
Commodity procurement
Aggregation
Rate analysis
Risk Management
Criticality assessments
Risk management planning

Energy Commodity Procurement

Situation

After the accelerated expansion of Washington Mutual Bank (WaMu) with dozens of acquisitions, hundreds of sites were in deregulated utility markets. Sites had been selecting and purchasing utilities site-by-site.

Actions

The historical utilities for sites in deregulated utility service areas, such as Texas, were collated and analyzed to determine the collective load profile.

The first step was to conduct an in depth analysis of each sites' historical utility consumption and rate schedules to develop a collective load profile. A consultant was engaged on a fixed fee based on a scope matrix. The scope matrix defined various incremental scopes and considered the various scenarios that could be encountered to ensure a known fee basis.

The energy companies were screened and a short list of providers was engaged to provide pricing and proposals for the aggregated sites.

Results

Negotiations with the energy providers resulted in the selection of the optimal provider with various opt out and extensions to allow WaMu to fully take advantage of changing market conditions.

The final results were:

1. Annual savings was **over \$2,000,000** in electric and gas operating costs;
2. A stable energy rate allowing accurate forecasting and budgeting;
3. Various points of change in the contracts allowing vastly better strategic planning and action to market conditions;
4. Tiered maturities in the contracts reducing risk in a volatile energy market place; and
5. Scalable and fixed fee commodity consultants that did not get paid based on procurement scale but work performed.