



MOBILE TELECOMMUNICATIONS



FIXED LINE



PBX & NETWORKING



ENERGY



CONVERGED SOLUTIONS

Catalyst

Procurement, Audit, analysis and sourcing

Catalyst is one of the UK's largest independent utilities companies. We offer a complete business consultancy service offering bespoke utilities solutions and strategies for the management of commercial utility requirements. We evaluate business needs and work with our clients to find solutions that meet their immediate and future requirements. We can advise on day-to-day requirements and consider how our clients can maximise efficiency whilst lowering overheads and ongoing costs.

Key Services

We have four core services, each designed to increase value in different ways:

- Energy Procurement
- Invoice Validation
- Energy Management
- Account Management

Our energy consultant's work with your purchasing staff to advice on contract type and market conditions. Then we'll build purchasing strategies and action plans that will deliver lower total cost and reduced risk of supply chain failure.

- Invoice Validation

We can then provide monthly invoice validation services and liaise directly with your accounts payable department.

- Energy Management

From smart meters to full energy management surveys.

- Account Management

Your Account Manager will become your single point of contact for any queries.

Risk Managed - Wholesale Market Commodity Trading

A typical high energy user in the UK will be on a whole of delivery energy contract, with a supplier. All costs including energy, metering, and delivery are wrapped up into a single or several kWh figure, along with a standing charge (cost to serve) and a demand charge. These types of contract are typically a minimum of 12-months and rely on a single purchasing decision up to 12-months in advance of a contract start date. With the actual energy cost wrapped up with all the other charges - metering, transmission and so forth. These types of contracts rely on making the right purchasing decision at the right time in the market cycle. Without the right market intelligence it's a 1 in 365 day chance of getting right. However these types of contracts provide budget certainty and odds can be reduced with the right kind of market intelligence.

Risk managed wholesale energy purchasing contracts - a customer enters into a contract with an energy supplier who undertakes to deliver and meter the power purchased by the user, but not for the purchase of that power. This type of delivery contract is entered into on a specific date (**1st October 2010**), usually for a specific period of time - **3 year contract** being the typical.

The contract then allows the user to contract separately for the actual power he requires, directly with a supplier, through a trading desk over the lifetime of that delivery contract. If a contract covers a 36-month ahead period, then the holder of the contract can choose when to buy power - typically in tranches of months at any point in that forward looking 36-month period.

These types of contract are generally only applicable to extremely large users of power (e.g. over 100GWh of electricity or over 1million therms of gas) able to have a dedicated purchasing team studying market data and trends, who will pick the best time to buy power for selected periods ahead - "**fixing**". However by joining with other businesses to purchase your energy collectively you may benefit from access to a solution that you wouldn't normally be able to access. One of the other advantages of this type of product is the ability to sell back to the market - "**unfixing**" and considerable gains can be made against traditional energy purchasing methods.

Additional Key Benefits

- Remove the risk of buying your energy on one given day
- Access wholesale market prices
- Purchase your energy from a position of knowledge
- Each member of the group will receive their own invoice for the gas or electricity they have consumed.
- Companies who are too small on their own we can arrange to put you into a basket with other companies, where the combined total qualifies for a collective supply arrangement.
- Each member of the basket delegates authority to Catalyst who makes ongoing purchasing decisions on a collective basis for the entire basket.
- No direct fee to our clients, we receive the remuneration directly from the supply company in the form of a brokerage fee per kWh consumed.

This type of purchasing can provide benefits over a fixed contract, but it does not suit everybody. The key areas are your company's attitude to risk, the importance of knowing what your energy spend will be at the outset of the contract and, if you are part of a basket arrangement, your willingness to delegate authority for purchasing decisions to a third party. To find out how a flexible contract could help your business. Contact your account manager or call us on 0870 710 7560.

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