

MICHIGAN ENTREPRENEUR MAKES MONEY BY FINDING UTILITY BILLING MISTAKES

Timing truly might be everything in life. Just ask Michael Harrington. He believes the state's current economic outlook sets the stage nearly perfectly for Tenurgy, his Petoskey-based telecom and utility expense management firm.

The company, Harrington (pictured) says, can help any business with significant expenses for utilities and/or telecommunications, including natural gas, propane, electricity, deregulated gas or electric programs, water and sewer, trash removal and all aspects of voice and data, including cellular and Internet access.

Tenurgy helps by identifying billing errors, reviewing contracts and past bills, analyzing and negotiating with vendors, auditing rates and tariffs and quickly recovering overpayments in the form of credits or refunds.

Because of that, Michigan's uncertain economy actually could have a positive effect on Tenurgy's growth prospects, Harrington said. "Unfortunately – or fortunately for myself – this is a great time to be in the business we're in. If you can dig in and save somebody money, they're all for it."

Among its clients are manufacturers, grocery stores, hospitals and school systems. Harrington cites success stories such as:

- A \$307,000 refund for Tyson Foods, which also now is saving over \$400,000 annually on natural gas.
- A privately held Midwestern company that's realizing over \$61,000 in electric savings after receiving a \$41,000 refund.
- A 79-room hotel that landed a refund of over \$80,000 on water and sewer charges and now is saving over \$25,000 annually on all utilities.
- A Michigan school district that received over \$75,800 in utility credits and now is positioned to take advantage of over \$40,000 in annual telecommunication savings.

Some results are unexpected, like the Grand Rapids hospital that initially called about its electric and gas payments. During the audit, Tenurgy found meter changes done several years ago that weren't caught, resulting in a refund of \$47,000.

"Utilities are one of a company's top three operating expenses," Harrington says, citing a study that found 4 out of 5 commercial or industrial customers are over-billed by a utility at some point.

"These systemic, chronic-type billing problems, they exist all over the place," he says. "Significant savings can be generated through careful management of utility expenses."

COMPLEX RULES LEAD TO MISTAKES

"Suppliers think, 'as long as that bill of \$10,000 or so gets paid every month, so be it.' But I don't think any utility company intentionally over bills their customers."

Over billing happens, he says, because of things like meter changes, multiple tariffs, thousands of invoices and accuracy of inventory and consumption. "Customers can't keep up with all the things that can affect billing," he says. "You never know where you're going to find the errors."

When Tenurgy does find them, it splits the returned money 50-50 with customer, providing the company's source of revenue. Harrington says other firms that do what his does are supported by utility companies or have products to push.

"We're not trying to sell you something," he says, "and nothing is ever owed to us unless someone was to actually realize savings."

SAW AN OPPORTUNITY

Harrington, grew up in Petoskey, graduated from Michigan State University and went to Chicago, where he worked a couple of years as a financial analyst and project accountant for Ameritech. There he got the idea to start his company when he saw the types of billing errors and what could be done about them in order to save money for customers.

He then returned to his home state to work for a firm where he gained "a little knowledge about gas, electric water, sewer – the whole nine yards."

"I just kind of saw the opportunity and started to run with it," he says. After starting with a staff of just two including himself, the business has grown twofold in each of its three years of operation to its current size of "six or seven" employees, two of which are attorneys.

Harrington said while utilities and telecoms usually don't like hearing from him, relationships with them generally are cordial and professional.

"Everything's very black and white," Harrington said of his work on clients' behalf. "We've never had a problem once the analysis is done."

- *By Tom Tigani, Daily Dash contributing writer.*