

Energy Company Realizes 18% Treasury Fee Savings and Improves Banking Relationships

Cost Reduction



Client

A leading U.S. energy company focused on safely, reliably, and affordably providing electricity and natural gas to more than 3.5 million customers in the U.S.

Challenge

Operating across three states with multiple utilities, the energy company works with a broad, distributed network of vendors, banks among the most critical. As part of a centralization and cost-savings initiative, leadership identified potential savings across four of its six banking partners. However, maintaining strong banking relationships remained a top priority throughout the process.

Solution

SIB was engaged to provide an independent review of the company's banking fees. Our treasury experts analyzed six banking relationships and identified savings opportunities at four. We supported requests for better earnings credit rates (ECRs), reduced line-item fees, and rate locks. Three banks accepted the proposals outright. For the fourth, SIB led negotiations to secure a revised agreement.

This resulted in an improved ECR and significant savings across 13 fee categories, including account maintenance, connectivity, and deposit fees.

Results

Through rate reductions, fee locks, and earning credit rate increases, SIB helped the energy company implement and validate new pricing and rates at four different banks in a matter of months, resulting in just over \$350,000 in annual savings.

✓ Rate reduction annual savings: \$272,000

- 18% savings.
- 52 line item reductions across four banks.
- Three-year rate locks implemented on some line items.
- No changes to service levels or banks.

✓ Earning credit rate annual savings: \$80,000

SIB will continue to proactively monitor and validate the implemented rate reductions and ECR increases, including ensuring all credits are posted to the energy company's account as agreed. The oversight includes revisiting fees and earnings credit rates regularly to take advantage of new savings opportunities and maintain positive banking relationships with all the energy company's treasury partners.

Savings Highlights:

- ✓ \$350,000 in annual treasury fee savings.
- ✓ 18% total savings.
- ✓ Enhanced relationships with four key banking partners.