



**Rural electric coop gains stronger controls with Fuelman and...
Earns a rebate on each gallon and enjoys better fueling choices**

“We earn a rebate on every gallon of fuel we purchase. Plus, our drivers can pick fueling locations that are more convenient and have better pricing.”

— Director, plant accounting
Midwestern rural electric coop

CASE STUDY

50+ vehicles — Utility

Midwestern rural electric coop

Utility coops have played an important role in the history of pastoral America. In the mid-1930s, most of the U.S. countryside had no electricity. Bolstered by a federally-funded rural electrification program, the concept of electrical coops became the means of ensuring utility infrastructure for these regions. During this era, one rural electric coop was founded in a midwestern state and, ever since, has been providing electric services to its members and local communities. The coop sells electricity at cost to its approximately 19,000 residential and commercial consumers and takes great pride in its commitment to efficiency.

Challenges

The coop’s CFO, explains, “This is an era of increasing utility rates, even as providers are encountering rising environmental and new-generation costs. For us, this translates into a strict focus on cutting costs and streamlining processes. We have more than 52 vehicles traversing our state, and sometimes crews driving longer distances to assist other regional electric coops after ice storms or tornado and hail damage. With this much on-the-road time, we needed to better manage our own use of energy — fuel energy, that is.”

The coop was using an oil-branded card to fuel all vehicles, but this was not a perfect solution. “There were so many things to track and reconcile manually,” says the director of plant accounting for the coop. “I was spending a lot of time each week reconciling receipts and dealing with tax rebate issues.”

In the field, crews did not have enough convenient fueling sites — driving out of the way to find an approved station and often paying higher prices. The coop’s fleet manager, explains, “I didn’t have the ideal reporting and tools to control our fueling expense.”



Challenges:

- Crews were wasting time driving to find branded fuel — there just weren't enough stations.
- The fleet manager lacked the ability to control and manage fuel purchases real-time online.
- Fuel prices at the branded stations were not always competitive.
- Reconciling fuel receipts and tax rebates took too many hours each week.

Results:

- Consolidated management reports provide “at a glance” information — and it's always accurate.
- Convenient, flexible refueling sites exist across the entire state and adjoining service areas.
- There is a 5-cent volume rebate on each gallon of fuel purchased.
- Tax exemptions at-the-pump eliminate tax-rebate paperwork and improve cash flow.
- 24/7 online access is available to change pin codes and other security parameters — effect is immediate.
- There is a higher level of security controls.

Solution

In November 2009, the coop made the switch to *Fuelman Advantage eServe*, which incurs no transaction or card charges and also requires no monthly or annual fees.

The coop's accounting director explains that after a brief training with her local Fuelman rep, she was immediately able to use the online system to assign a card to each vehicle and set up restrictions on fuel type, quantity and number of fill ups per day. The switch occurred over a single evening. For the drivers, the fueling process didn't change — they simply key in a pin number and an odometer reading; the rest is handled by Fuelman.

Results

The transition to Fuelman was quick — and so were the benefits. What the users liked immediately was the wider choice of fueling locations.

Less time is spent reconciling fuel receipts. And, no one has to deal with tax-exemption and rebate paperwork. Fuelman handles that by subtracting out the taxes “at the pump.”

The plant director states, “Our coopeb earns a rebate on every gallon purchased. Plus, our drivers can pick fueling locations that are more convenient and have better pricing. Our coop is committed to saving our members in every way possible, and Fuelman has become a contributor to that goal.” She also likes the consolidated management report at her fingertips. At a glance, she can better understand fleet patterns, manage and control better; and more accurately budget for costs and plan for future needs.

The electric coop is even saving in one way that was not anticipated. “We are seeing less fill-ups with more gallons per fill-up. Crews can now trust that there will be a convenient service station as the tank approaches empty. This, alone, saves productivity, which means even more cost-savings to our members,” says the coop's fleet manager.

The accounting director says she's heard good things about Fuelman's customer support, but she hasn't called her CSR even once in six months. She can easily change or add restrictions and pin numbers, knowing that the changes go into effect instantly. She sums it up, “I guess the best support is when the product is so well designed that there is no need to use the support.”

