

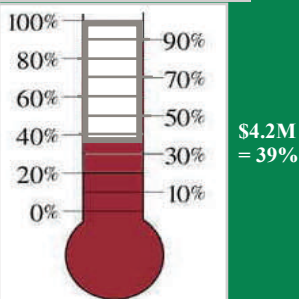
Congratulations!



supplySAVINGS Training Summary

Thanks to all who participated in the recent supplySAVINGS Training Webinars facilitated by Tim Underhill, President of Strategic Business Solutions. We held a total of eleven sessions over a three week time period: four 101 sessions, four 201 sessions and three vertical specific 301 sessions. The participation and involvement from our Owner-Members was good and the sessions were well attended; we had a total of 269 attendees and many companies maximized their "seat" by participating in a group setting. For those who participated, please look for the post webinar satisfaction survey that we will be sending out this week and provide your feedback regarding these trainings. We hope you felt these sessions were valuable and on target towards your companies cost savings objectives / initiatives.

'09 Savings Goal - \$10.8M



State Electric Implements Process Improvement Savings for NewPage

This past February Jim Roberts, an Account Manager for Tolley Electric Co. (a subsidiary of State Electric Supply) in Clarksburg, WV, identified an area for improvement in the NewPage paper mill in Luke, MD which he has been servicing for seven years. The plant was experiencing at least three hours a day of lost manpower in the unwind stand areas of the mill due to workers forgetting to turn off an occupancy light indicator. Throughout the day gantry crane operators drop spools of paper into these areas. There is a worker in these areas every 30 to 45 minutes. When a worker enters this area, they flip a switch for a light which indicates to the crane operator that someone is in the area as there is no overhead protection. When exiting the area, the worker is supposed to turn the switch off so that the crane operator knows that it is safe to continue with their work. It was found that most times the workers are forgetting to turn the switch off. The crane operators would generally sit around for 15 to 20 minutes before sending someone down to the area to make sure it is clear and turn off the switch.

The total cost of the lost time is calculated at three hours a day at \$40 per hour for 365 days a year which results in \$43,800 in lost manpower. As there are four areas where this situation occurs, that is a total cost of \$175,200.

Jim Roberts recommended to Mike Sanders, Senior Planner at the mill, that they install Hubbell occupancy sensors into these areas. These sensors will automatically switch on when someone enters the area and then automatically switch off a few seconds after the worker exits the area.

Each occupancy sensor costs \$250, making the total "one time" cost to NewPage \$1,000 for the four affected areas. By installing these OCC sensors, the mill now saves three hours a day in each unwind stand area in lost time which was resulting in the delay of getting the product out and wrapped for shipment.

The total savings is calculated as \$175,200 minus the \$1,000 cost for the sensors, totaling \$174,200 in yearly savings.

Highlights

TCO-100 Winner: State Electric Supply Co.
TCO-50 Winner: J.F. Good Company
supplySAVINGS Training Summary
2009 sF Cost Savings Goal vs. Actual

J.F. Good Proposes Heat Recovery Savings to Oscar Meyer Plant

The Kraft Oscar Meyer plant in Coshocton, OH has been looking for ways to save money on energy costs in an effort to make their systems more efficient. As a way to educate the plant and help them with their cost savings initiatives, Jack Benjamin, Manager of Business Development at J.F. Good Co., coordinated a steam trap survey in March of this year. The survey was conducted with key personnel at both J.F. Good and Spirax Sarco.

As a result of the survey, there was an identified need for heat recovery which will provide major long term cost savings in energy and utilities. A proposal was submitted to Emil Pisch, Engineering Manager at Kraft, to install a Spirax Sarco Heat Recovery System.

Calculations were done to show the total energy savings using current fuel costs and boiler efficiency by installing this system. It was determined that the flash steam recovered by installing this system will give direct water savings. The water savings in turn will reduce the amount of water going to the sewer treatment plant. This will further result in a reduction in softener throughput as well as in boiler chemicals.

A comprehensive proposal documenting the various parameters of the savings has been submitted to the Oscar Meyer plant for review. The estimated savings is as follows:

- Water Savings = \$224.71 per year
- Water Savings from elimination of drain cooling = \$1,394.61 per year
- Steam Savings = \$4,893.42 per year
- Fuel Savings = \$83,604.00



Total Savings = \$90,116.94 per year

The initial equipment investment would be approximately \$30,000 resulting in a payback for the equipment of three months. The labor to install the system would be approximately \$20,000 to \$25,000. This heat recovery system, therefore, demonstrates a substantial Internal Rate of Return (IRR) once it is installed and operational.