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Cox cuts energy costs from the ground up

Switching to nitrogen to fill fleet's tires just one of company's initiatives

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Three percent is an unimpressive number, Cox Communications officials admit.

That's the amount of gas mileage one might save by properly inflating the tires on an automobile. It might translate into an extra mile per gallon in a truck.

But spread across a fleet of 1,400 service vehicles that are darting around Arizona to keep customers connected to their Internet, cable and telephone lines, a little tire pressure can translate into thousands of dollars in fuel savings, especially at current gas prices.

So Cox is paying \$2,000 to set up a nitrogen-filling system for its vehicles. The gas leaks out a little slower than regular air, doesn't expand as much in heat, and reduces tire wear. Officials said it is safe because nitrogen is an inert gas and won't burn.

The project is part of a broad effort at Cox to cut energy costs, from adding solar electricity to its communications system and headquarters to reducing the fuel used in its fleet vehicles.

"The benefit is that some of it is green, but a lot of it is just improved business operations," said Farid Melki, director of fixed-asset management for the company. "It is a better way of thinking about and managing our business. It is inseparable from our business."

Parent company Cox Enterprises encourages sustainability and environmental projects. But like other large corporations overhauling their energy needs, Cox is finding the financial savings alone justify the effort. And officials said keeping the company's costs down allows them to keep prices in check.

If gas prices fall to \$3.25 a gallon (about where they were a year ago), Melki needs to get just 615 extra gallons out of the fleet to break even on the nitrogen investment.

Penske services the Cox fleet and is chipping in an additional \$5,000 on the investment because officials predict they will have to replace fewer worn tires on the trucks, Melki said.

"Even if we save one mile per gallon, that is fantastic," Melki said. "The non-tangible part of it still is very exciting, reducing the wear and tear on the vehicle from weight distribution, wear on the ball joint, steering and on and on."

Consumer Reports published a study in October on filling passenger-vehicle tires with nitrogen instead of air and found that nitrogen-filled tires retained their pressure slightly better.

Solar plans

Cox also is exploring a tradeoff where customers would allow the communications company to install solar panels on their roofs and in return get a cut of the electricity generated.

The rest of the electricity would help power the company's massive infrastructure, including substations and about 20,000 power boxes, the beige rectangles that route its network in neighborhoods.

Cox's power boxes cost the company about \$85 a month each in electricity, Melki said.

Melki said he is hopeful that by adding a few solar panels at a few hundred dollars each and sharing the power, Cox could persuade homeowners or even cities and parks to share some roof space. Cox is testing the idea at six sites in the state that are a combination of parks, homes and bus stops, he said.

"There is an opportunity not only to gain a power source, but also a partnership with the community," Melki said.

That type of business and residential partnership hasn't been done, said Lori Singleton, manager of sustainability initiatives and technology for Salt River Project.

The utility provides rebates to businesses and homeowners for projects that feed excess electricity into the power grid.

"It's an interesting concept," she said. "I'm not sure how it would work."

Cox also is installing a 150-kilowatt solar array at its Deer Valley headquarters, and plans to expand solar energy among many of its 92 offices in the state, Melki said. By comparison, most home solar systems are three to nine kilowatts.

Cox headquarters is in Arizona Public Service Co. territory, which splits service in the Valley with SRP, but many other Cox installations are in SRP territory.

Large commercial solar installations have been slower to take off in the Valley than home systems, Singleton said, but SRP is seeing more.

"We expect a couple announcements in coming weeks related to big systems," she said. "One in particular is by far the largest SRP has ever done."

If Cox is looking to keep costs low and increase its business sustainability, it wants the same from its suppliers, Contract Services Manager Jason Giali said. That could include contracting with a company that washes fleet vehicles with recycled water instead of one that doesn't, he said. Even if the cost is slightly higher, companies with more sustainable business practices are a safer bet for the company to partner with, Giali said.

"We look at it from all angles," he said. "Is the pest-control service using hybrids? Even if that service is not green, is it supporting green aspects? Is it using environmentally friendly chemicals?"

Others go all in

The Cox initiative resembles that of another national company operating in Arizona with aggressive cost-cutting efforts,

Frito-Lay, which is trying to make its Casa Grande snack-chip facility self-sufficient for energy, or nearly so.

Both Cox and PepsiCo Inc., Frito's parent company, have been able to reduce energy with easy steps.

Simple energy-saving solutions are commonly overlooked among companies more focused on strategic issues and competition, said Brad Allenby, a civil and environmental engineering professor at Arizona State University.

"Most companies put almost all their attention on strategic issues rather than housekeeping," he said. "When prices get high enough, or when social concern gets high enough, and they turn to housekeeping, you can find a lot of low-hanging fruit."

Allenby has helped Frito-Lay officials with the net-zero project, and said he's impressed with the proposals from Cox. He said the fact that the companies find ways to profit from green initiatives makes it more likely they will maintain their efforts.

"Environmentalists tend to react badly if something is done for profit motives," he said. "But if I'm doing something and it's not saving me money, and an economic downturn comes along, I'm going to stop doing it. The more it is done for profit motives, the more likely it will be successful at the end of the day."

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