

## HOW DO YOU RATE?

### The answer could elevate utility cost savings to the next level!

Here is a dirty little secret most utilities don't want you to know. Rate-related errors and overcharges can cost commercial-industrial customers thousands of dollars per year. Large industrial facilities, hospital campuses, casino-hotel developments, data centers, and other complex organizations with large electric loads and multiple service points are particularly at risk. A typical rate analysis conducted by a utility service provider or utility consultant can be a good first step, but likely will not find all of the rate-related cost savings that are hidden from view. The solution requires rate analysis taken to the next level.

#### **THE CHALLENGE: A TYPICAL RATE ANALYSIS CAN'T CUT THROUGH COMPLEX UTILITY RATE STRUCTURES AND METERING CONFIGURATIONS**

Utilities have worked hard over the past decade to remove or reduce their responsibility for customers' rate selections. It seems each new rate case brings modified tariff language, shifting the burden of choosing the right rates to the customer. At the same time, utilities have added complex options such as time-of-day rates and real-time pricing to their rate schedules, muddying the waters and complicating the rate selection process. In most states, there is no guarantee and few protections to ensure utility customers get the lowest rates available.

A standard rate analysis based on published utility rates and 12 to 24 months of billing data can identify ways to save money and should be part of any plan to reduce utility costs. However, such analyses have significant limitations. Some contain basic formula and computation errors in rate comparisons. In addition, they often miss the best opportunities for rate-related cost savings—those that do not appear on utilities' glossy rate brochures.

A typical rate analysis fails to identify, examine and consider some (or all) of these important factors:

- Surcharges that vary greatly from rate to rate, giving a false perception of which is the most favorable option
- All pertinent rates and riders that could apply to a particular business or industry
- Multiple metering points and how they are combined, totalized, or split for billing purposes
- Key equipment and operational requirements that create peak loads and determine load factors and rate opportunities

As a result, many commercial-industrial utility customers pay far more than necessary for the services they need.

*Continued on back*

#### **TYPES OF BUSINESSES THAT CAN BENEFIT:**

- Large industrial plants
- Hospitals and medical complexes
- Casino-hotel developments
- Data centers
- Multi-facility campuses
- Expanded facilities where services have been added over time

#### **ERS INCLUDES NEXT-LEVEL RATE ANALYSIS WITH EVERY UTILITY AUDIT:**

- Existing metering configuration
- Equipment loads and hours of operation on each service
- Billing history, usage trends, demand patterns, and seasonal factors
- Rates and tariffs for each utility service provider
- Metering and billing practices of each utility (including past practices)

## **THE SOLUTION: NEXT-LEVEL RATE ANALYSIS BY ERS UTILITY SOLUTIONS FINDS AND CORRECTS HIDDEN OVERCHARGES UNIQUE TO EACH CUSTOMER**

ERS Next-Level Rate Analysis can deliver \$10,000s or even \$100,000s in annual savings, depending on the size and complexity of a customer's operations. Even smaller facilities can see big benefits. ERS Utility Solutions builds these cost-saving opportunities into every utility audit—it is simply standard practice.

Each ERS utility audit includes an onsite inspection of utility meters. During the course of this visit, trained personnel thoroughly assess existing service configurations. Back at the office, ERS combines the first-hand information gathered on site with historical usage data provided by utility service providers, plus knowledge of utility rates and tariffs. Its team also considers the past practices of utility service providers with current and former clients. Then ERS performs "what-if" analyses on all potential metering configurations that would be practical for the facility or facilities being audited. This can be a complex process, depending on the number of services, rates, and tariff provisions.

Results speak for themselves! ERS often identifies changes that can produce major cost-savings, often just within utilities' billing systems. Cost-saving opportunities are detailed in a comprehensive audit report so customers can decide the best course of action for utility rate and service optimization.

Follow-up is important. When customers move forward with Next-Level Rate Analysis recommendations, ERS works with utilities to implement the changes. Billings are monitored for the term of agreement so customers realize the savings they are due. ERS collects fees only when customers achieve savings that are measurable, quantifiable, and verifiable.

### **CONCLUSION**

Few other utility auditing or consulting firms can achieve cost-reduction results anywhere close to ERS and its Next-Level Rate Analysis. Utility providers rarely identify or implement these types of cost-saving opportunities for customers without being pressed. It is helpful to have a strong advocate with a proven track record in your corner.

**Take your utility rate-related cost savings to the next level.**

# Contact ERS Utility Solutions today!

ERS Utility Solutions  
Tom Thackery  
218.590.4687  
tomt@ers-audits.com



### **CASE STUDY: Spectro Alloys**

**Spectro Alloys, a secondary aluminum recycler in the Upper Midwest, is saving more than \$80,000 per year due to ERS Next-Level Rate Analysis. The process pinpointed opportunities to convert secondary electrical services to a more beneficial time-of-day rate, identified a sales tax exemption for a recently added service, and secured conjunctive (combined) billing for electrical services on multiple meters to significantly reduce demand charges.**

#### **OTHER EXAMPLES:**

##### **Connecticut Hospital**

Sub-metering of water services—\$120,000+ annual savings

##### **Medical Device Manufacturer**

Meter consolidation—\$32,000+ annual savings

##### **Midwest Food Processor**

Separating services to segregate low load-factor equipment allowed use of alternate rates—\$300,000+ annual savings

##### **Plastics Manufacturer**

Separating services to move off the utility's time-of-day rate—\$11,500 annual savings

*“ERS was knowledgeable about how utilities are billed. They also understood how meters work, how different transformers operate, how many you need at your plant, what the different demand is for each, and so on. Plus, they were familiar with the Public Utilities Commission, which helped convince our utility to give us combined billing and has resulted in significantly lower demand charges.”*

Kevin Haney, EHS Manager, Spectro Alloys