

CASE STUDY

Energy Supply Advisory Team Delivers Tangible Results From Tariff Analysis



DRIVEN
BY
DELTA

SCOPE

A world-leading automotive manufacturer utilizes Edison Energy for comprehensive energy management services, with the exception of invoice auditing, which is handled by a pre-existing third party.

At the onset of our business relationship, our Energy Supply Advisory team performed an initial round of annual tariff analyses for the client. Through thorough analysis of historical data and forward charges, it became apparent that a facility in New York was experiencing an abnormal and suspicious increase in monthly reactive charges. Our account managers were immediately on the case to understand the reason for the increase.

Similar to the level of detail provided as part of our invoice auditing service, we investigated the accuracy of utility and supplier charges along with the validity of meter readings, reactive demand, and subsequent calculations such as power factor as part of our standard tariff analysis service. In this example, our team identified ongoing issues related to the reactive energy for this facility, resulting in erroneous reactive demand readings at the meter.

We contacted the utility, and learned they had recently changed their billing structure, a move that involved recalibration of the meter in order to collect additional variables used in calculating distribution costs. As a result of the concerns raised by Edison Energy, the utility examined the meter and discovered that it was improperly configured and not netting out the previous month's reactive energy readings as it should, thereby resulting in an inaccurate reactive energy calculation.

PROJECT RESULTS & KEY METRICS:

Customer received \$180,000+ reimbursement

CLIENT

World-leading automotive manufacturer

MARKET

Industrial

> Manufacturing

OFFERINGS

Commodity Advisory & Procurement

> Tariff Analysis



CUSTOMER VALUE

Due to our digging deeper into historical data and modeling each variable used in utility billing—including line item charges, usage, demand and reactive demand—we were able to identify this error and petition the utility for retroactive reconciliation of the over-charge. **This resulted in the customer receiving reimbursement in the amount of \$180,000 plus interest for the error.**

The client's independent invoice auditing service did not verify rate calculations for utility invoices, as they are often merely accepted as correct. Without our attention to detail and proprietary rate modeling used in verifying every aspect of the utility and supplier invoices, the faulty charges would have continued to accumulate. Not only did we identify the error, we represented the customer throughout the utility negotiation to recover damages from the erroneous charges.

Edison Energy is an independent energy advisory and solutions integration company with the capabilities to develop and implement a broad portfolio of energy services for commercial, industrial and institutional organizations. We help customers reduce their energy costs, improve the environmental performance of their operations, ensure energy resiliency and manage exposure to energy price risk.