

Charting a Course to Energy Independence

Providence, RI
August 9-12, 2009





FUN WITH RATE SCHEDULES

CPS Energy

GENERAL SERVICE
RURAL CUSTOMER (RURAL ELECTRIC RATE)

APPLICATION
This rate is applicable to all electric service connections, including those for which no separate rate is provided, in any residential area of the county. This rate is applicable to all electric service connections, including those for which no separate rate is provided, in any residential area of the county. This rate is applicable to all electric service connections, including those for which no separate rate is provided, in any residential area of the county.

PL
This rate is applicable to all electric service connections, including those for which no separate rate is provided, in any residential area of the county. This rate is applicable to all electric service connections, including those for which no separate rate is provided, in any residential area of the county.

CPS Energy

LARGE LIGHTING AND POWER SERVICE
ELECTRIC RATE
LLP

APPLICATION
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TYPE OF SERVICE
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CPS Energy

EXTRA LARGE POWER SERVICE
ELECTRIC RATE
ELP

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Dollar Savings through Utility Rate Analysis

RATE SCHEDULES

- USUALLY PUBLISHED ON WEB SITES (BUT NOT ALWAYS)
 - ✓ get with your Utility Company Account Reps and request all of the rate schedules – negotiated rates, time of use, etc.

UTILITY BILLS

- GATHER UP YOUR UTILITY BILLS AND COMPARE TO THE RATE SCHEDULES
 - ✓ Rate schedules can be very clear or very murky.



ACTUAL RATE SCHEDULE

- Service charge: \$ 4.25
- Energy charge: First tier – first 1600 KWH of metered consumption @ \$.0631/KWH
Second tier – for each KW over 5, add 200 KWH per KW @ \$.0631/KWH
Third tier – all remaining KWH @ \$.0303
- Peak capacity charge:
 - Summer: metered KWH @ \$.015 for the four summer months of May, June, July and August.
 - Winter: metered KWH @ \$.010 for the eight remaining winter months



SUCCESS STORIES

CHECK ALL BILLING ACCOUNTS

- Unnecessary billing of \$11K annually
 - Two buildings formerly used by the school district still had separate accounts w/ additional service charges, account charges, and higher rate schedule
 - Just needed to have power fed from base grid instead of utility company line

CHECK ALL CHARGES

- Identified more than \$110K in incorrect late charges that were reversed by the Utility Company
- Identified an error in demand charges that would have resulted in almost \$400K in over billing



SUCCESS STORIES

RATE SCHEDULE REVIEW

- Area of leased facilities, individual metered accounts
 - All accounts on most expensive “PL” commercial rate schedule
 - Analysis of metered data (from bills) showed that 11 facilities qualified for different rate structure on “EPL” rate—based on KW consumption
 - Savings of more than \$65K per year
- Investigated the large reimbursable tenants
 - Many of the electric meter multipliers were incorrect
 - Unit conversions used for natural gas were incorrect
 - Host was under-billing tenants almost \$300K per year



SUCCESS STORIES

RATE SCHEDULE REVIEW w/ UTILITY BILL REVIEW

- Privatization agreement contained O & M fee with 4.1% per year escalation. Already nearly \$800K per year
- Arrangement with utility company allowed for eliminating the O & M fee if all buildings were metered and billed by the corresponding rate
- Commodity price would rise considerably
- Performed analysis using actual prior year consumption at alternate commodity price versus maintaining the status quo: FY10 Savings: \$ 217,905
- Eventually saving more than \$50 million over the 50-year-term of the privatization agreement



THINGS TO DO:

- Get to know your account reps. Electric companies often perform an annual rate analysis on every account that no one ever sees.
- Review the utility bills carefully. Compare to similar months in prior years and look for anomalies.
- Investigate late charges. Find out why and see if the process can be improved.
- Investigate the Rate Schedules. Look at consumptions. See if there are time of use or curtailment schedules.
- Learn what your demand charges are. See if peak load shaving is an effective cost savings opportunity.



FUN WITH RATE SCHEDULES

QUESTIONS ? ? ?

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