



\$50,000

in annual savings from an analytical approach and industry expertise*

“ As part of our standard process, we review all client utility bills for accuracy — this is especially important for clients with multiple locations spanning different utility companies and states. For this hotel client, Usource identified the discrepancy and successfully worked with the utility company to correct the problem. ”

Tom Dyer

Senior Director
Procurement & Analysis
Usource

Rate Code Analysis Delivers \$50k in Savings for a Hotel Group

Usource identified an incorrect utility rate code for the hotel group, resulting in large annual saving after correction

The hotel group with many locations spanning across the continental United States wanted to ensure that they were being charge the accurate amount when it came to their energy spend.

Challenge

When Usource began working with this multi-state owner/operator hotel group, our Advisors reviewed the utility bills for any errors. The energy advisor quickly noticed a rate code discrepancy with one of the client's locations during the rate code analysis; the utility distribution portion of the bill was coded in a way that charged the client a significantly higher rate than appropriate.

Solution

A company's rate code is based on how much the facility uses for natural gas and electricity, and what some tariffs will allow. Typically the utility company is responsible for ensuring that the rate code aligns with the facility's usage, however they are not required to make adjustments if it is incorrect. Usource reached out to the client's utility company and submitted a request form on behalf of the client to get the rate code reviewed and changed. By changing the rate code from small commercial to industrial size it would provide a lower cost per unit basis.

Result

Ultimately, through this analysis, Usource worked with the client's utility company, and assisted the client in completing the necessary paperwork in order for the rate code to be changed. This enabled the client to save over \$50,000 annually at this location on their gas utility invoice. In addition, correcting the rate code also had a positive impact on the supplier basis pricing when it came time to issue energy procurement bids.

*Savings may vary.

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