



Plastics Manufacturer Achieves \$66,000 in Savings with Utility Bill Analysis and Sophisticated Energy Strategy

Ensinger Manufacturing, based in Washington, PA, is a global leader in the field of engineering plastics. With their cutting-edge solutions, Ensinger serves diverse industries such as automotive, aerospace, medical technology and mechanical engineering. Unaware of several critical issues in their energy management, Ensinger engaged Usource, a leading energy advisory firm, to explore cost-reduction opportunities.

~\$66,000

in savings by correcting sales tax classification*

~\$15,000

in savings by securing a two-year-old agreement rate*

~\$355,814

in savings over the term of the agreement*

Challenge

Ensinger's primary goal was to reduce energy costs, but they were unaware of the extent of their energy-related challenges. The company had been operating under the assumption that their energy strategy was sound, focusing solely on negotiating directly with suppliers. However, Usource's thorough analysis revealed several hidden issues that were impacting Ensinger's bottom line.

Solution

Usource conducted a comprehensive review of Ensinger's energy strategy, uncovering three major issues previously unknown to the company. First, Usource discovered that Ensinger had been misclassified as a non-manufacturing entity, resulting in unnecessary sales tax payments on their utility invoices. Secondly, Usource identified that Ensinger's supply agreement contained escalating pass-through charges that would lead to rising costs. Lastly, Usource noted a recent 100% increase in gas usage due to a new ventilation system, which was causing a substantial surge in gas invoices.

To address these newly discovered challenges, Usource implemented a multi-faceted approach. They facilitated Ensinger's reclassification as a manufacturing entity, enabling them to qualify for sales tax exemption in Pennsylvania. Usource then renegotiated Ensinger's energy supply agreement, incorporating pass-through charges into a



*Savings may vary.

fixed pricing structure to provide cost certainty. Finally, Usource leveraged their supplier relationships to renegotiate Ensinger's gas agreement, securing favorable historical rates despite the increased consumption.

Result

Usource's analysis and strategic interventions yielded significant benefits for Ensinger. The company achieved a tax recovery of approximately \$355,800 over the course of the agreement by rectifying their misclassification. The restructured utility contracts led to substantial cost savings, with the new agreement providing better cost predictability. Ensinger also avoided potential additional gas costs of up to \$15,000 in the first month alone by securing a price lock based on a rate from a two-year-old agreement.

Impressed by these unexpected savings and Usource's proactive approach, Ensinger expanded their collaboration, entrusting Usource with the management of their energy strategy across all North American locations. Furthermore, with Usource as their trusted energy consultant, Ensinger is now actively exploring potential renewable energy opportunities to enhance their energy goals. This case demonstrates how Usource's expertise can uncover hidden inefficiencies, deliver substantial cost savings, and provide a foundation for long-term energy optimization.



About Us

Usource is an unbiased, independent energy consulting firm for large businesses and organizations in the U.S. With a focus on market intelligence and comprehensive energy solutions that support a smart, forward-looking energy management strategy, Usource provides a comprehensive suite of energy consulting services to its clients.

Usource, a member of the NextEra Energy family of companies, serves as a trusted advisory group. With a firm commitment to objectivity, Usource leverages the vast resources and expertise of NextEra Energy, the nation's largest capital infrastructure investor, to offer customized energy consulting services to large commercial, industrial, institutional and governmental organizations. Clients can trust Usource to deliver tailored solutions and unparalleled support in their energy-related goals.

