



Lane On – The Facts About Energy Costs

“Just the facts ma’am.” That’s what Joe Friday used to say in the hit TV series *Dragnet*. If you don’t remember it, it’s OK. Think black and white television. The quote comes from Joe Friday’s frequent encounter with a chatterbox woman who would ramble on about unimportant things while Joe was trying to collect clues to find a suspect or missing person. It’s definitely bad stereotyping, but I love the quote, because it gets to the heart of Redbank’s approach to challenges; you can’t craft a long term solution to a challenge if you haven’t taken the time to collect some data about it.

If you are a large consumer of power, you may have received calls from companies purporting to be able to save you money on your electric utility. Shortly even smaller power consumers will be getting bombarded with calls to reconsider their approach to buying power. Savvy companies are taking the time to assess their situation and determine the Joe Friday of the situation before they commit. The beauty of this approach: it costs them nothing!

We added an advisor to Redbank that can do an electric energy cost audit. It’s very fast and looks at less costly alternatives to your current contract. For smaller companies, they even buy electricity at bulk rates. Small consumers of electricity normally get stuck paying higher rates. They can’t negotiate like big buyers. Our energy cost advisor has essentially made a bulk purchase for smaller clients. This allows them to pool their demand and get the bulk rates of a much larger firm.

Here are some examples of what others have saved by taking this approach:

Large Power Consumer – Manufacturing

A large manufacturing plant in southern Ohio that is spending \$900,000 a year, and using 14,000,000 kWh per year. New rate of \$.0569 per kWh vs. their current rate of \$.0668 /kWh represents a savings of 14.8% for the balance of 2010, and almost 20% for 2011/12. This equates to \$523,715 in savings for a 36 month contract.

Medium Power Consumer – Distribution

A 300,000 square foot distribution center located in central Ohio that is spending \$160,000 a year, and using 2,200,000 kWh per year. New rate of \$.0599 per kWh vs. their current rate of \$.0686 /kWh represents a savings of 12.7% for the balance of 2010, and almost 18% for 2011/12. This equates to \$ 75,041 in savings for a 36 month contract.

Small Power Consumer – Distribution

A 16,000 square foot distribution operation located in central Ohio that is spending \$3,500 a year, and using 36,600 kWh a year. Taking advantage of our exclusive pool price for small businesses, new rate of \$.0729 /kWh vs. their current rate of \$.0930/kWh represents a savings of 21.8% for the balance of 2010, and almost 28% for 2011/12. This equates to \$2,000 for the 30 month contract.

If you're interested in getting the Joe Friday on energy cost reductions, give me a call at 614.221.1120. We'll tell you how to do it at no charge.

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