

## Case Study: Tariff Review Results in Year-Over-Year Savings

### OPPORTUNITY

During a tariff review for a multi-national consumer-goods client, Fellon-McCord determined the company had been placed on an incorrect natural gas utility tariff rate. Once we identified the correct tariff rate, we identified a further opportunity to move the company's natural gas procurement away from its current utility provider to a third-party supplier.



### SOLUTION

Fellon-McCord's energy sourcing team reviewed 10 months of historical utility invoices and analyzed usage to identify the company's load profile. We then consulted with the utility to determine the client's ability to switch rates, which confirmed our assumption that there was an opportunity for third-party supply.

We recommended the client issue an RFP to evaluate third-party supply options. As part of the RFP process, Fellon-McCord:

1. Reviewed the credit requirements of potential suppliers,

2. Compared bid prices and supplier reliability of four different counterparties,
3. Presented our sourcing recommendation to the client,
4. Facilitated the client's switch to the third-party supplier they selected, and
5. Tracked year-over-year savings.

### RESULT

Our recommendation to the client that they move off of utility tariff-rate natural gas and put their natural gas supply requirements out for competitive bid resulted in estimated year-over-year savings of more than \$30,000. The savings were a result of Fellon-McCord's direct negotiation with four reputable suppliers, as well as our market knowledge and final procurement recommendation, which was based on the client's unique energy needs.

### CONCLUSION

Fellon-McCord's expertise in natural gas markets enabled us to recommend a course of action that led to significant savings. Using our experience in negotiating with numerous third-party suppliers and executing these transactions, the client received pricing at a much more competitive rate than if the client had remained with the utility.

*Fellon-McCord is a global energy and sustainability management firm headquartered in Louisville, Kentucky. To learn more, please visit our website at [www.fellonmccord.com](http://www.fellonmccord.com).*