



# DISTRIBUTION & TRANSMISSION COST REVIEWS

MAKING THE COMPLEX SIMPLE



EXPENSE MANAGEMENT



# DISTRIBUTION AND TRANSMISSION COST REVIEWS

Every customer pays distribution and transmission (D&T) costs for the supply of electricity and natural gas to its facilities. Although D&T costs are regulated, they have been steadily increasing in recent years, particularly for electricity, and now make up a significant portion of your energy bill, sometimes totaling over **60% of the final billing amount.**

D&T costs are expected to continue to rise well into the future. It is important for businesses to understand the D&T billing components as there are **potential savings opportunities** that lie within this expense line. Potential areas of review include:

- Rate classifications
- Billed/contracted demand levels
- Rate riders
- Metering irregularities
- Peak demand levels
- Power efficiency

Our review process will ensure that your D&T costs are optimized and appropriate for your business. Saving potential could be significant.

## OUR REVIEW PROCESS IS SIMPLE

Our focus is to make the complex simple which means 8760 will do all of the heavy lifting when it comes to completing this review. Here is how it works.

- STEP 1** 8760 will prepare all authorization letters/forms required by the regulated delivery providers that enable 8760 to obtain required information for the detailed review.
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- STEP 2** 8760 will review the D&T data for selected sites, identify potential opportunities, calculate potential savings, and make initial inquiries with the delivery providers.
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- STEP 3** Customer signs a consulting services agreement outlining scope, reporting obligations, fee arrangements and confidentiality requirements.
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- STEP 4** 8760 will prepare a written report outlining identified opportunities, potential annual savings, related 8760 contingency fees, and the recommended course of action.
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- STEP 5** If approved by the customer, 8760 will work with the delivery providers to complete negotiations and implement the agreed upon recommendation(s).
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- STEP 6** 8760 will validate the savings, calculate any fees owing, and present various payment options.

IT'S THAT **EASY!**





## WHAT IS THE COST OF THIS REVIEW?

8760 keeps payment terms simple as well.

- If no cost saving opportunities are identified, or if identified opportunities are not approved for implementation, no fees are payable to 8760.
- If cost saving opportunities are implemented, 8760 will quantify the savings and service fees owing to 8760 on a contingency basis using a predetermined percentage for the first three years. After three years, 100% of the savings will flow to your bottom line.
- 8760 will also provide various payment options depending upon the amount of fees owing.

## WHAT'S IN IT FOR YOU?

Based on 8760's experience in this area, there are potential costs savings available within this important part of your energy bill. In some cases, savings could be as high as 10-20% of your D&T charges. In other cases, the D&T review will confirm that all is in order and no cost reductions will be available.

Either way, it is a win-win situation for your organization. If savings are found, you always come out ahead. If no savings are realized, you can take comfort in knowing that your D&T costs have been professionally reviewed for accuracy and appropriateness.



**\$2,780,000**

TOTAL ANNUAL RECURRING SAVINGS FOR CUSTOMERS IN 2019



**\$13,500**

AVERAGE ANNUAL SAVINGS PER CLIENT



**20-30%**

% OF ELECTRICITY SITES WITH COST SAVING OPPORTUNITIES



**17.2%**

AVERAGE REDUCTION OF DISTRIBUTION & TRANSMISSION COSTS

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# WHAT ARE THE REVIEW TIMELINES?

ACTIVITY	TIMELINES
Receive signed authorization forms and request data from delivery providers	<b>3 weeks</b>
Analyze data from delivery providers to determine opportunities	<b>2 weeks</b>
Make initial inquiries with delivery providers regarding identified opportunities	<b>Timelines vary depending on provider</b>
Provide initial detailed report including identified opportunities, potential annual savings and recommended course of action	<b>2-3 weeks</b>
Finalize strategies with client and begin implementation process with delivery providers	<b>Timelines will vary</b>
For implemented strategies, quantify annual savings and calculate contingency fees and billing options	<b>1-2 months after implementation</b>
Post implementation review and true up calculation	<b>6-12 months after implementation</b>

**GET YOUR REVIEW STARTED  
CONTACT US TODAY!**



EXPENSE MANAGEMENT

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