

---

# UTILITY AUDIT - WHY A UTILITY BILL AUDIT WILL HELP YOUR BUSINESS.

---

*By Ryan Reec*

*Published July 10, 2010 in ezinearticles.com*

## **Why The Utility Bill Audit**

As a business owner you have a million things to do, it is said that on any given day you wear many hats. You become quite proficient at everything from strategic planning, operations management, shipping and receiving, even a little baby sitting (of some of those less than qualified employees) and taking out the trash. It cannot be said that you do not earn your keep. However, can you really be expected to be all seeing and all knowing in every facet of your business? Just like you hire a lawyer or an accountant or a secretary for that matter there are things you probably should delegate. A utility bill audit is one of them; this should be delegated to someone or a company who knows the ins and outs of electric and gas bills and the utility providers' tariff.

## **Who Needs a Utility Bill Audit**

A utility bill contains many charges, most of which make little to no sense to the untrained eye. You might be used to looking at the 'bottom line' charges of the bill; however, look closely at all of the charges on your electric utility bill for example--there are probably at least six line items. You might have seen a box showing you the kilowatt hours used, but what is that other box showing usage for something called Demand or KW. What about the KVA or power factor or maybe KVA penalty charge? Moreover, what about all of those riders that show up - the ones not associated with usage like the customer charge, facility charge, franchise fee, line extension fee, correction fee, franchise tax, and the state and local taxes? A utility audit - performed by a qualified utility bill auditor can help make sure that all of these charges on your bill are correct and at the right rates for your particular company.

## **What's Involved in a Utility Bill Audit**

Most audits involve the auditing of your electric and gas bills. Some include your water and sewer and even telephone bills. However, unless your company uses water in some kind of production process usually only the electric and gas bills need auditing. A good auditing company can usually get away with just getting a recent copy of your electric and/or gas bill to begin the evaluation. With your authorization, they then contact the utility company to get the billing history detail. The auditing company, as a rule, should already be an expert on your utility provider and its relevant tariff. With the bill and some historical data, they can then audit your bill and determine if you are being charged correctly.

## **The Utility Bill Audit Will Save You Money**

Often times, an electric or gas bill audit will result in savings. These savings can be a monthly drop in fees associated with how you are being charged on a per unit, i.e., kWh, kW, kVA, or therm basis. These savings might come as a refund or combination of both. Experts estimate that at least 50% of all manufacturing, governmental, and non-profit organizations are being overcharged each month. Refunds can amount to thousands of dollars even for the smallest of companies. Most overcharges are recurring, which can really add up over time, the refunds associated with these can go back thirty-six months. Most bill auditing companies do not charge unless they can save you money. Their fee is usually based on a split (50% is common) of the savings. Therefore, having the audit done is really a risk-free endeavor; so the next time you are approached by one of these auditing companies, don't be quick to dismiss their merits, as what they are offering is a legitimate opportunity to save you money on your utility costs.



*Your Key to Energy Refunds & Lower Cost*