



THE UNIVERSITY OF WARWICK

The University of Warwick

Case Study—Energy Cost Recovery

About the University

The University of Warwick is one of the UK's leading universities for both research and teaching. Founded in 1965, it now has more than 22,000 students and is ranked in the top 10 higher education institutions in the UK.

As a large campus university, the University of Warwick spends more than £3.5 million per annum on electricity. This means it is critically important to look at all potential ways in which costs and carbon emissions could be reduced.

Understanding Energy Prices

The university engaged with PCMG to review their historical energy expenditure and to identify refund and saving opportunities. To initiate the process, they provided a selection of copy bills and a letter of authority, which PCMG used to source the remaining information direct from the supplier, distribution companies, metering companies etc.

PCMG's analysts were then able to conduct a thorough analysis of charges raised to the University and highlight several areas of interest. The areas investigated included distribution charges, VAT & CCL, gas correction factor, meter aggregation and reactive power.

At a glance...

- Significant electricity distribution charging error identified
- **£52,000** refunds
- **£48,000** annual savings

Hidden Overcharging

It was identified that the University's regional electricity distribution company had failed to take into account a change in distribution charging policy, and as a result the prices agreed with their supplier had erroneous additional costs built in to them. This was not visible from their bills, which on the face of it appeared to be calculated correctly in line with the agreed charges.

Due to the long term nature of the existing electricity supply contract, PCMG agreed with the supplier and University to secure refunds at regular intervals to ensure that the University of Warwick was not left out of pocket until the end of the supply contract, which was over two years after the change in distribution charging methodology. Refunds achieved totalled just under £52,000.

Future contracts were amended to take into account the change which resulted in an annual saving of £48,000 per annum going forward.

"Thanks to PCMG we have been able to reduce our costs significantly and gain a better understanding of our energy price, which will help us to budget for years to come."

- **Andy Leeson, Utilities Project Engineer,**
University of Warwick

Contact PCMG today:

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