Glass Manufacturer Saves Energy Dollars with Proactive and Lucrative Invoice Error Resolution

Many enterprises pay their utility bills each month without questioning the validity of the charges. While other bills undergo routine scrutiny, utility bills are often the exception, despite the fact that energy rates and contracts can be complex, volatile and difficult to bill correctly. With increasing pressure to operate more sustainably, finding ways to cut costs is critical to a company's bottom line. Furthermore, preventing or lowering an expense before actually spending the money allows it to be used for something else to help drive business forward.

Global glass manufacturer relies on Schneider Electric's detailed analysis and scrutiny when auditing its energy invoices. Identifying and resolving costly errors proactively can have direct impacts on the company's bottom line.

Situation

An international glass manufacturer has entrusted its energy management program (including energy procurement, invoice auditing and bill payment) to Schneider Electric for more than a decade. As invoices arrive, not only do Schneider Electric experts monitor and test each one against more than 50 validation tests, but they also review with a trained eye to identify any potential discrepancies. For this Schneider Electric client, one such electricity invoice arrived with a much higher amount due than what the site in Massachusetts, USA usually pays.

Leadership

After careful evaluation, our invoice experts realized the cause of the over-billing. Instead of applying a monthly rate, the utility billed the rate per day, resulting in an invoice that was 30 times higher than it should have been. Furthermore, our sourcing analysts estimated the bill's capacity cost, a delivery supply charge on most electricity bills, and confirmed that the amount was too high for the Massachusetts site based on its projected consumption.

Results

Once the error was identified, Schneider Electric contacted the supply vendor to get resolution. In the meantime, because the manufacturing company was also relying on Schneider Electric for managing payment of its utility bills, payment was stopped until a new invoice could be issued. The proactive invoice audit and swift resolution allowed the manufacturer to avoid paying more than $300,000 to the utility in error. Furthermore, the company didn't have to wait for a refund. The payment never left their account.

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