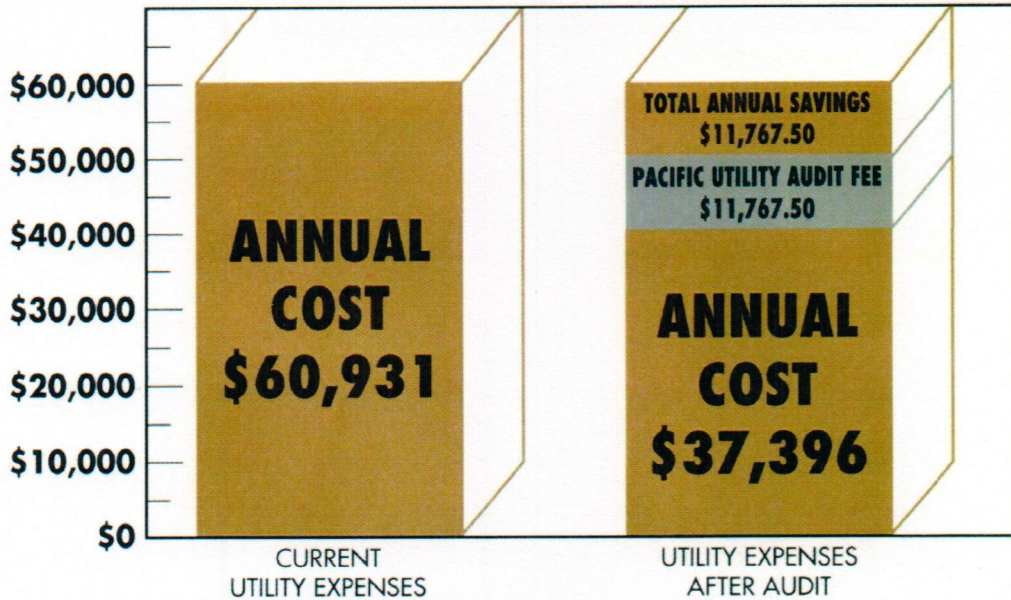


FUTURE ANNUAL UTILITY SAVINGS EXAMPLE



www.PacificUtilityAudit.com

- REMEMBER -

50% OF \$23,535.00 = \$11,767.50
Refund / Annual Savings *"In your pocket"*

BUT

100% of \$0 = \$0

THEREFORE...

- WE WIN - YOU WIN -



Thank you for requesting information on our
utility auditing services!

- EXHIBIT A -

ELECTRIC - CLIENT INVOICE: EXAMPLE #1

If we moved a client from an electrical rate 6 to a rate 6L, and, as a result, changed their KWH rate from \$.06 per Kilowatt Hour to \$.05 per Kilowatt Hour, the net change in electric cost would be \$.01 per Kilowatt Hour less to the client. The electric rate tariffs may change over the three year period from one penny, to a penny and a half, to 7/8 of a cent, etc., and since we keep updated tariffs, we would keep track of the actual cost difference between the two electric rates over the entire billing period and bill the client for the actual cost difference between the two electric rates, based upon their actual kilowatt hour consumption each month. (this data would be obtained from each month's actual electric bill for this account)

OLD BILLING: Rate 6

Demand Charge (Summer Month)	
142 KW x \$13.87	\$1,969.54
Energy Charge – Total KWH	
39,450 KWH @ \$.06 (1st 30,000)	\$1,800.00
9,450 KWH @ \$.05 (remaining)	\$ 472.50
	<u>\$4,242.04</u>

NEW BILLING: Rate 6L

Demand Charge (Summer Month)	
142 KW x \$13.87	\$1,969.54
Energy Charge – Total KWH	
39,450 KWH @ \$.05 (1st 30,000)	\$1,500.00
9,450 KWH @ \$.04 (remaining)	\$ 378.00
	<u>\$3,847.54</u>

TOTAL ELECTRIC SAVINGS THIS MONTH: \$ 394.50

Invoice Client (our fee)	\$ 197.25
Net electric savings this month*:	\$ 197.25
Per Year Savings:	\$2,367.00

*We would invoice the client each month for the actual, not estimated, electric utility savings for each 30-day period, based on the actual, not estimated, electric usage for this particular account and also based on the actual, not estimated, electric rate schedules in effect each 30-day period.



Thank you for requesting information on our
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- EXHIBIT B -

ELECTRIC - CLIENT INVOICE: EXAMPLE #2

Something as small as a little league field baseball diamond can be a large user of electricity. An audit of the electric bills of a little league baseball diamond showed the following average monthly electric consumption:

<u>METER</u>	<u>KWH</u>	<u>KW</u>
1	866	20.8
2	929	23.7
3	989	26.0
4	3022	22.8

Meters 1,2 and 3 served the lights for the night games and meter 4 served the concession stand. All four meters were being billed on one account.

By changing the billing combinations and combining meters 1,2 and 3 into one meter and one electric bill, this client was able to save a significant amount of money. Because meters 1, 2 and 3 each used a small amount of electricity, these meters fell into a category of being billed "in lieu of demand" by the utility. Also, since these three meters only served the three banks of lights and were only used at night and on the weekends, they also qualified for a non-time-of-day electric rate, saving money.

Meter 4 was given a separate bill and savings were acquired on this account by not subjecting it to a larger demand that was produced by the outdoor lighting system.

The approximate savings for this client during the four months of activity these accounts were used each year was \$1,300.00, which is almost a 35% savings in this example.



Thank you for requesting information on our
utility auditing services!

- EXHIBIT C -

ELECTRIC - CLIENT INVOICE: EXAMPLE #3

A utility company has a responsibility to read a customer's meter every 30-day period when that client owns a demand meter. (I.e. an electric meter that registers the highest kilowatts measured in any 15-minute interval over a 30-day period) An audit of the electric bills of a large office building revealed that their electric bills had been estimated for the period of July 24th, 1995 through March 19th, 1996. The KW or demand billed to this customer for this 8-month period was 283 KW each month. However, this means that the highest KW or demand during this 8-month period was 283 KW, which means that the actual KW or demand for the remaining 7 months of this 8-month period were less than 283 KW. Using the client's electric usage profile for the months prior to this estimated 8-month billing period, we determined that the client's average estimated demand per month was 220 KW.

Using 220 KW as an average monthly demand for 7 of the 8 months of estimated billing, we recalculated the client's monthly demand costs, as compared to the billed demand costs, as follows:

PERIOD	220 KW DEMAND COST	283 KW DEMAND COST
July - August, 1995:	\$ 2,673.00	\$ 3,438.45
August - September, 1995:	\$ 2,673.00	\$ 3,438.45
September - October, 1995:	\$ 1,859.00	\$ 2,391.34
October - November, 1995:	\$ 1,045.00	\$ 1,344.25
November - December, 1995:	\$ 1,045.00	\$ 1,344.25
December - January, 1996:	\$ 1,045.00	\$ 1,344.25
January - February, 1996:	\$ 1,045.00	\$ 1,344.25
7 MONTHS	\$11,385.00	\$14,645.24

UTILITY COMPANY REFUND TO OUR CLIENT: \$3,260.24



Thank you for requesting information on our
utility auditing services!

- EXHIBIT D -

WATER/SEWER - CLIENT INVOICE: EXAMPLE #1

This client was billed every two months for water and sewer service. The water service rate charged consists of \$.60 per Hundred Cubic Foot of water used and a flat billing rate of \$6.00.

The client was assessed an extra charge of \$.404 per HCF, consisting of a debt service charge. This charge, as originally enacted by the utility/municipality, was only to be applied to the sewer charge.

However, the billing department had misinterpreted this Debt Ordinance and was charging this debt service charge to both water and sewer charges.

This billing error resulted in an overcharge to the client of \$550.81 every two months, as follows:

INCORRECT BILLING:

WATER USAGE:

136,340 HCF x \$.60 PER HCF \$ 818.04

FLAT BILLING RATE: \$ 6.00

DEBT SERVICE CHARGE:

136,340 HCF x \$.404 PER HCF \$ 550.81

BASIC USER CHARGE: \$ 4.50

SEWER CHARGE:

136,340 HCF x \$.696 PER HCF \$ 948.93

DEBT SERVICE CHARGE:

136,340 HCF x \$.404 PER HCF \$ 550.81

TOTAL BILL: \$2,879.09

CORRECT BILLING:

SAME AS ABOVE, EXCEPT WITHOUT THE DEBT SERVICE CHARGE OF \$550.81 FOR THE WATER CONSUMPTION; THEREFORE, THE NEW BILL IS:

TOTAL BILL: \$2,328.28

The total utility savings to client is \$275.40 per month to client, for which Pacific Utility Audit, Inc. would invoice for 50% or \$137.70 per month.



Thank you for requesting information on our
utility auditing services!

- EXHIBIT E -

WATER/SEWER - CLIENT INVOICE: EXAMPLE #2

This client was incorrectly charged for sewer fees because deduct water meters were not being subtracted from main water meter water usage before calculating sewer fees.

The deduct meters were measuring water that was used for the client's irrigation system for their extensive landscaped and lawn areas. This water was not being returned to the sewer system, but was being absorbed into the ground. The tariff provided that water not being returned to the sewer system shall not be charged for sewer fees.

This same client was also being charged double for water that was being used for irrigation. They were being charged for water usage through main meters and also for water entering the irrigation submeters (deduct meters). They have 5 main meters and 2 submeters.(deduct meters) They received 7 bills total bi-monthly; all meters are 2-inch size.

The water and sewer rates were as follows:

WATER 2" MONTHLY CUSTOMER CHARGE:	\$ 30.00
WATER VOLUME CHARGE:	\$ 1.15 @
SEWER MONTHLY CUSTOMER CHARGE:	\$ 8.50
SEWER VOLUME CHARGE:	\$ 2.10 @

ACTUAL BILL CALCULATION:

WATER:

Deduct meter billing:

Usage	Amount Billed
3546	\$ 4,077.90*
3540	\$ 4,071.00*
	\$ 120.00
<hr/>	
7086	\$ 8,268.90*

*Should not have been billed at all; utility company supposed to deduct from 5 main meters

In this 2 month period, the client was overcharged \$8,268.90 x 2, or \$16,537.80, in water fees!



Thank you for requesting information on our
utility auditing services!

- EXHIBIT E (Contd) -

WATER/SEWER - CLIENT INVOICE: EXAMPLE #2

SEWER:

Main meter billing:

Usage	Amount Billed
3087	\$ 6,482.70
3080	\$ 6,468.00
2940	\$ 6,174.00
2892	\$ 6,073.20
2888	\$ 6,064.80
	\$ 85.00
14887	\$31,347.70

Deduct meter (Subtract from Main Meters)

Usage	Amount Billed	
3546	\$ 7,446.60*	*Should not have been billed at all; utility company supposed to deduct from 5 main meters
3540	\$ 7,434.00*	
	\$14,880.60*	

In this same 2 month period, the client was overcharged \$14,880.60 x 2, or \$29,761.20, in sewer service fees!

The total water and sewer service fee overcharges for this 2 month period were \$46,299.00!



Thank you for requesting information on our
utility auditing services!

- EXHIBIT F -

GAS - CLIENT INVOICE: EXAMPLE #1

In this example, the client received an estimated gas bill. Our rule of thumb is that an estimated utility bill is only acceptable if it doesn't cost the client money! In this case, the Gas Supply Charge changes every month.

An estimated utility bill's shortfall or overcharge is adjusted the following month by adding or subtracting from the actual cumulative charge. The problem here is that the monthly Gas Supply Charge is not constant and therefore needs to be averaged in order to be fair to the customer, as follows:

GAS SUPPLY COST			
Date:	Therms used:	(GC) \$/Therm:	\$Extension:
MAR	5600 E(stimated)	.2967	\$ 1,661.52
MAY	2200 A(ctual)	.2707	\$ 595.54
JUN	1200 E	.2528	\$ 303.36
JUL	3000 A	.2577	\$ 773.10
AUG	200 E	.2578	\$ 53.56
SEP	3500 A	.2655	\$ 3,584.25
OCT	1100 E	.2567	\$ 282.37
NOV	12700 A	.2576	\$ 3,271.52
DEC	7100 E	.2597	\$ 1,843.87
JAN	29900 A	.2785	\$ 8,327.15
FEB	800 E	.2993	\$ 2,394.40
MAR	17700 A	.3299	\$ 5,839.23
	102200 Annual Therms	.2744 Average	\$28,929.87

Actual Charges:

Annual Charges Divided by Therms Used = Calculated Average \$/Therm

\$28,929.87 Divided by 102,200 = .2831 \$/Therm

Versus:

Actual Calculated \$/Therm = \$28,044.53

THEREFORE, SHOULD BE:

102,200 Therms x .2744 \$/Therm - \$28,044.53

= \$28,929.87 - \$28,044.53 = \$885.34 Annual Overcharge(+ Taxes)



PACIFIC UTILITY AUDIT

Thank you for requesting information on our
utility auditing services!

- EXHIBIT G -

TELEPHONE - CLIENT INVOICE: EXAMPLE #1

In this example, the client had disconnected 6 centrex lines 19 months prior to our audit, but was still being charged for these 6 lines, as follows:

MONTHLY BILLING CHARGES:

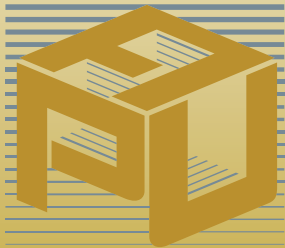
48 Lines	\$ 746.88
2 Lines	\$ 31.12
30 Lines	\$ 466.80
	<hr/>
	\$1,244.80

$\$1,244.80 / 80 \text{ Lines} = \$15.56 \text{ Charge per Centrex Line}$

CORRECT BILLING CHARGES:

74 Actual Lines in Service

$6 \text{ Lines} \times \$15.56 = \$93.96 \text{ Monthly Overcharge}$



PACIFIC UTILITY AUDIT

Thank you for requesting information on our
utility auditing services!

- EXHIBIT H -

TRASH/REFUSE - CLIENT INVOICE: EXAMPLE #1

In this example, the client had four 3-yard trash bins, picked up three times each week. However, they were being billed for four 4-yard trash bins, picked up four times each week, as follows:

INCORRECT MONTHLY BILLING CHARGES:

4YD. RUBBISH BIN:

Qty: 04 Freq:4 / Wk \$1,988.92

CORRECT BILLING CHARGES:

3YD. RUBBISH BIN:

Qty: 03 Freq: 3 / Wk \$ 756.85

MONTHLY TRASH / REFUSE OVERCHARGES: \$1,232.07

UTILITY COMPANY REFUND TO OUR CLIENT:

36 Months x \$1,232.07 = \$44,354.52



Thank you for requesting information on our
utility auditing services!

- EXHIBIT I -

TRASH/REFUSE - CLIENT INVOICE: EXAMPLE #2

In this example, the client was paying a flat, monthly residential trash service charge of \$1,646.54. The trash fees at that time were \$12.38 per month, per 96-gallon trash container. Since $\$1,646.54 \div \$12.38 = 133$ homes, and there were only 108 homes located within their property, they were being charged monthly trash fees for 25 'phantom homes', as follows:

INCORRECT MONTHLY BILLING CHARGES:

133 Homes/ 133 96-gallon trash bins: \$1,646.54

CORRECT BILLING CHARGES:

108 Homes / 108 96-gallon trash bins: \$1,337.04

MONTHLY TRASH / REFUSE OVERCHARGES: \$ 309.50

UTILITY COMPANY REFUND TO OUR CLIENT:

19 Months x \$309.50 = \$5,880.50



Thank you for requesting information on our
utility auditing services!

- EXHIBIT J -

UTILITY TAXES - CLIENT INVOICE: EXAMPLE #1

In this example, the client was a school district that should not have been charged for county utility taxes each month on its electric utility bill, as follows:

MONTHLY UTILITY BILLING CHARGES:

36-month total electric utility costs:	\$219,471.60
x 5% County Utility Taxes =	\$ 10,973.58
	<u>\$230,445.18</u>

CORRECT UTILITY BILLING CHARGES:

36-month total electric utility costs:	\$219,471.60
x 0% County Utility Taxes =	\$ -0-
	<u>\$219,471.60</u>

UTILITY COMPANY REFUND TO OUR CLIENT:

36-months of county utility taxes: \$10,973.18