BOARD AGENDA ITEM

August 13, 2013

SUBJECT:

Results of Utility Audit

BACKGROUND INFORMATION:

At its February 26, 2013 meeting, the School Board approved Tryon Clear View Group ("Tryon", hereafter) to perform an audit of the District's electrical and natural gas pricing. Tryon's fees were payable at a fixed rate and contingent upon realized refunds, credits, and/or savings that resulted from the audit. Tryon has concluded its audit.

ADMINISTRATIVE CONSIDERATION:

Two main objectives of the audit were to determine that (1) the District was being charged correct utility rates and (2) to identify accounts/meters that were not being utilized.

Tryon's audit team examined, in detail, 153 SCE&G electric accounts, 37 SCE&G natural gas accounts, and 72 Aiken Cooperative electric accounts. No instances of the District being charged, and thus paying, at incorrect rates were noted. Tryon noted four accounts/meters that had little-to-no usage over 12 months and recommended that the District review the need for those meters. The District has determined that only one of the 4 meters was not needed. The one account has been closed.

Tryon's procedures identified and will result in annual savings of \$177.12, the error rate and equivalent of .0039% of the 2013-2014 energy budget.

RECOMMENDATION:

Accept the utility audit findings as information only.

ATTACHMENT:

Letter from Tryon Clear View Group

PREPARED BY:

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August 7, 2013

Mr. Douglas Atkins Purchasing Agent Aiken County Public Schools 1000 Brookhaven Drive Aiken, SC 29803

Dear Mr. Atkins:

We completed the review of your utility invoices for the past three years. Our goal was to search for billing errors that may have occurred during the past three years, and also to see if we could obtain better pricing on any of the accounts you have with SCE&G or Aiken Coop.

As we noted in our Findings Report, we found no billing errors, nor did we find any accounts which would qualify for better pricing. All we found was one account with SCE&G that could be eliminated, for a savings of \$14.76 a month.

As you know, we typically find savings from billing errors or better pricing that averages 8% of the monthly utility spend. Here, that would have resulted in savings of \$25,000 a month. Finding only \$14.76 a month shows that your bills are being analyzed and extremely well-managed each month.

Please pass this on to the people who manage this area. They have done a great job and we congratulate them.

Please let me know if you have any questions.

Sincerely,

John Taylor President

> A-6 Attachment