



CASE STUDY

Hydro Usage by other Tenants - Recovery of \$32K

OVERVIEW

For companies with multiple retail sites, the “footprint” of any one location may fluctuate over the years as leased space expands and/or contracts. As this occurs, space is turned back to the landlord, transferred to another tenant or the meters onsite may also have been reconfigured to accommodate any of the above scenarios. As these changes transpire, attention should be paid to what was done by the landlord or an adjacent tenant to ensure that you are being billed properly by the utility.

ISSUE

Through an investigation that was carried out related to an increase in gas usage for a particular location, it was determined that the whole building had a bulk meter for hydro that was being paid by our client. The location, however, is located on the 1st floor of an older heritage building, while the 2nd and 3rd floors had not originally been renovated and therefore remained vacant. Therefore the lease terms stated that our client would be responsible for all electricity usage metered through the bulk meter.

Recently, the landlord began renovations on the upper two floors that continued over the course of four months (Nov. to Feb.). As part of the renovations, the landlord also installed “sub-meters” to capture usage for the new tenants on the 2nd and 3rd floors. Once the renovations were completed, our client was to be billed for only the portion of usage allocated to their lease space. The problem we discovered, however, was that the two new “sub-meters” were never energized by the utility due to an administrative issue between the landlord and the utility. This then meant that our client was still being billed for the usage of the entire building.

ACTION TAKEN

- 1) Once the issue was confirmed, we closed our client’s account with the utility.
- 2) The utility energized the two “sub-meters” and began to bill those spaces for their usage.
- 3) The utility then had to reconcile charges back to what the transfer date should have been and adjust our client’s billing accordingly.

RESULTS OF INVESTIGATION

It was determined that our client was over charged approximately \$32,000.00 and this amount was being refunded by the utility through an adjustment on their account. Now that the renovations are complete, the landlord has installed “sub-meters” for all tenants to avoid this situation and now each tenant is being billed based on their own usage.

CONCLUSION

By utilizing common sense and analyzing the data we found through the gas meter investigation, we applied the findings to the electricity as well and began a review on those bills also. Although this was an unusual situation, it may be a more common occurrence than one might think. Issues can arise depending on the way renovations are tracked and handled, whether by our client or the landlord. **Have all your recent renovations or utilities configuration changes been completed and tracked properly? Contact us and let Powerhouse help you regain peace of mind.**

WANT TO FIND OUT MORE?

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