



# ENERGY Matters

The newsletter for ESPO's energy customers

Number 1 February 1999

# WE'RE HERE FOR YOU!



Above: ESPO's energy team at your service: David Kwiatek, Gary Sheridan, Wendy Dilley, Rob Munson and Russell McCarten.  
Right: The energy finance group: Ashrafali Chhibu, Peter Bignell, Barbara Taylor and Amanda Bradshaw.

**WELCOME to the first newsletter from the energy group of the Eastern Shires Purchasing Organisation. We hope you enjoy it. Do let us have your comments and contributions for future issues.**

ESPO Energy is effectively an agent, not a supplier. We have over 19 years' experience of buying gas, electricity, heating oils, transport fuels and solid fuels on behalf of our customers. Because we buy so much – over £25,000,000-worth a year – we are able to negotiate the best contract terms and substantial discounts – which we pass on to you.

ESPO Energy can act as a central billing point, but only in cases where this means a price benefit for customers. We are in the process of installing a new system which will make this operation more efficient and open the way to greater opportunities in this field. Generally, though, whilst we negotiate prices and contracts, suppliers invoice our customers directly.

ESPO Energy has over 4,000 customers throughout Leicestershire, Lincolnshire, Cambridgeshire, Norfolk and Warwickshire. Mostly they are colleges, schools, residential homes, the police, social services and other departments of county councils and local authorities, and other public sector and charitable organisations.

ESPO belongs to the Major Energy Users' Council (MEUC) and is therefore able to lobby the industry regulators – Ofgas, Ofwat and Offer – and other influential groups such as the Gas Consumers' Council and parliamentary committees.

This newsletter is all about ENERGY MATTERS but ESPO is also able to arrange the supply of vehicles, reprographics, books and other publications, computer equipment, contracting services, food and drink, furniture, floor coverings and soft furnishings.

ESPO Energy has a team of five who are always happy to try and help you:  
**David Kwiatek**  
Team leader and electricity 0116 265 7845  
**Russell McCarten**  
Gas (all areas except Norfolk) 0116 265 7858  
**Robert Munson**  
Gas (Norfolk) 0116 265 7399  
**Gary Sheridan**  
Transport fuels, heating oils and coal 0116 265 7859  
**Wendy Dilley**  
General enquiries 0116 265 7969

The Energy team is supported by a small finance group which processes gas suppliers' invoices and issues charges to customers.

ESPO is also concerned about the environment and the drive to reduce emissions. We are taking the lead in setting up contracts for the supply of low sulphur fuels (Citydiesel and Citypetrol) and are keen to talk to organisations which may be thinking about LPG- or CNG-powered vehicles.

ESPO has the expertise to guide you through the maze of regulations and deregulations. But we don't just do that. We can simply take off your shoulders all the hassle and bother of having to understand the many changes which are happening in the energy market.

We are your interface with myriad suppliers and our role in life is to provide you with the best and most protected service. That means you can get on with your job and not worry about energy purchasing or changes in legislation.

Trust us, we're here for you – because ENERGY MATTERS!



## How do they do that?

ALTHOUGH a non-profit-making organisation, ESPO is required to cover the costs of its operation. We do this in two ways:

For items delivered from warehouse stock the price you pay includes all our overhead costs such as administration, warehousing and distribution.

For direct supply contracts, such as energy, costs are recovered by means of a rebate paid retrospectively by the supplier to ESPO. Again, the contract price you pay includes all the costs of ESPO's service. Rebates amount to, on average, less than 1% of the contract value.

Our objective is simple: to obtain goods and services for you more effectively and at a lower price than you could yourself. We have competitors, of course, but few of them can guarantee stable prices and the security of supply which ESPO offers. And of course most of them have an added objective – profitability!

## STOP PRESS

FOLLOWING deregulation, ESPO is concluding negotiations on behalf of Leicester City Council for the supply of electricity for its street lighting.

The new contract, drawn up after 18 months' preparation by the City's highways engineer and ESPO, should save the authority almost 15% on its annual bill.

■ Electricity deregulation explained: see inside.

## Can we help with VAT?

YOU may be able to reduce your energy costs by up to 12.5%!

The current rate of VAT on all fuels is 17.5% but your establishment may be eligible to claim a reduced rate of 5%.

If you are a registered charity you can claim reduced-rate VAT on all gas supplies to your premises which are not used for business activities (which usually include the sale of donated goods and commercial hiring of the premises). If only part of your building is used for business, you may still claim reduced-rate VAT on the remaining non-business part. You may even claim a full reduction in VAT if less than 40% of the premises is used for business activities.

Independent schools with charitable status may also claim reduced-rate VAT on fuel and power supplies to separate premises used for the accommodation of pupils.

Please contact ESPO staff on 0116 265 7842, who will advise you how to register your claim for reduced-rate VAT, or ask your local Customs & Excise office for further guidance.

## ESPO makes a moving plea to property directors

IN the inevitable hurly-burly of moving premises tenants and owners often forget about their gas and electricity meters.

As soon as you know the date on which transfer of ownership or tenancy will take place, please tell us by calling 0116 265 7399. We will tell the supplier and arrange a final meter reading. Don't forget that you are bound under the terms of the contract with the supplier to provide the name and contact details of the new owner or tenant, who will in turn need to sign a new contract.

## Fossil fuel levy: final fall?

THE fossil fuel tax which appears on your electricity bill fell from 0.9% to 0.7% on 1 January 1999, its lowest level since it was introduced. However, expectations are that it will rise again next October in order to subsidise projects to generate renewable energy. Three months' notice will be given by the Government but ESPO is advising its customers to budget for a medium-term increase of 6 to 8% and warns that, in the long term, the levy could go back up to 10%.

The Government is also considering a carbon tax, as discussed at the Kyoto summit last year. World leaders endorsed the recommendation that every effort be made to reduce carbon emissions by 12.5% by the year 2010.

A Europe-wide energy tax is also on the cards.

## Keeping the cops up

AS WELL as supplying petrol and diesel for mere earthling vehicles, ESPO also has a contract with BP Aviation to provide fuel for the helicopters operated by the police in Cambridgeshire, Leicestershire and Northamptonshire.



# Who's who in gas

**BG Transco**  
Manages the gas pipeline network and is responsible for pressure, safety, primary meters, and for maintaining a customer database and making sure meters are read.

**Transco**

because we are buying for so many customers that we can negotiate good prices, ensuring that you save money!

government policy makers and put pressure on Ofgas to resolve problems within the industry.

**ofgas**

**Ofgas**  
Is the gas industry watchdog. Its job is to make sure that competition is fair and, where there is no competition, that the interests of consumers are protected.

However, Ofgas is shortly to be replaced by a single body which will cover both gas and electricity supplies. Callum McCarthy will head the new watchdog and it remains to be seen how he will handle inevitable conflicts of interest, for example where one company is supplying both commodities.

This is where ESPO comes into its own. Greater choice may, for our customers, seem to equate with greater confusion

and more potential pitfalls. For example, suppliers will impose a penalty if you don't use the amount of gas you predicted or, conversely, if you take more than you expected to. Because ESPO is in a uniquely strong position – after all, we are a huge customer for these suppliers – we can insist that these clauses be removed or at least minimised by a 'swings and roundabouts' approach, offsetting a site which underestimates its gas consumption against one which overestimates. And finally, ESPO's Energy team has considerable experience of sifting through the 'small print' and identifying contract clauses that aren't in your interests.

## Suppliers

There are around 40 gas suppliers in the UK. In ESPO contracts we are currently using AGAS, CPL-British Fuels, Eastern Natural Gas, Shell Gas Direct and YE Gas.

**AGAS**

**EASTERN NATURAL GAS**



**Shell Gas Direct Limited**

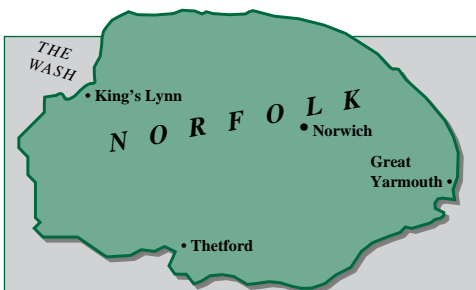
## ESPO

Is a procurement agent and, in the case of gas, a central billing point. In other words, we pay for the gas on your behalf and invoice you for it. It is precisely

able to shield customers from the worst of the problems relating to data collection. It may seem bad at times but ESPO does identify and eliminate many problems whilst processing charges between suppliers and customers.

Our experience of the energy market and the sheer weight of numbers which we represent mean that we can act effectively to get things put right.

In addition, ESPO is a member of the Major Energy Users Council which represents large industrial consumers and multi-site users. MEUC is able to lobby



## Norfolk area gets new gas supplier

**DECEMBER 1 1998 was a minor milestone in the long-running saga of gas supplies to ESPO's customers in Norfolk.**

**This is the date on which a new contract commenced, with Shell replacing Eastern Natural Gas. The move should provide improved service with reduced prices.**

**For a number of years the gas industry has been beset by problems because of strained relationships between the various operators, and problems seem to have surfaced in Norfolk more than elsewhere. However, after more than 250 modifications, an industry 'network code' has evolved to the point where it operates more or less consistently, offering greater reassurance for future dealings.**

## Electricity deregulation explained

### What is deregulation?

Removing the supply monopoly from the old regional electricity companies (RECs) and allowing a 'free market'. This should result in savings on your electricity bills.

### When is it happening?

Large industrial users can currently purchase electricity in a competitive market. The final phase of opening up the market place for customers using less than 100kW began on 14 September 1998, with four REC areas opening up to competition. Other RECs have all been delayed because their systems were not ready on time.

### Which RECs are in ESPO's area, and when will they be deregulated?

Yorkshire and Eastern Electricity were in the first phase in September. Midlands Electricity followed at the end of October, and East Midlands opened up at the end of December.

### When will it end?

Each tranche is expected to take about six months, so deregulation may not be complete until mid-1999.

### Who will supply our electricity once deregulation is complete?

ESPO has considered tenders from suppliers based on information provided by customers and contracts have been established with East Midlands and Eastern Electricity providing discounts of **up to 20% off your current prices**. Details have been circulated by ESPO but if you haven't seen these or require further information, please contact us.

In many cases participating in these contracts doesn't involve a change of supplier but by simply registering for inclusion you will secure significant savings. Remember, if you do nothing, you could be paying up to 20% more than you need from the same supplier.

### What about billing?

In most cases billing will continue to be direct from the supplier to the customer. However East Midlands Electricity are only able to supply on the basis of central billing so, where they offer the best discounts to our customers, ESPO will process their charges and issue invoices to customers.

## David re-directs his energy

ESPO's group energy buyer, David Kwiatek, used to be a keen athlete and footballer. Nowadays he pours most of his energy into his job.

David and his four colleagues are responsible for purchasing over £25 million-worth of gas, electricity and fuels each year for around 4,000 customers throughout the eastern shires. In the interests of those customers they negotiate with energy companies in order to buy supplies at the lowest possible cost and on the best possible contract terms.

After leaving Derby Lonsdale College (now the University of Derby) with an HNC in Business Studies and a Chartered Institute of Purchasing and Supply Diploma, David worked for British Rail Engineering and British Railways Board. He left the world of tracks and trains to join ESPO in 1996.

"Moving to ESPO was a major culture change for me," says David. "At BR I was dealing with 30 customer contacts, whereas here there are thousands. At times energy can be very frustrating, but it's also very rewarding when customers say 'thanks' after we've done a good job for them."

But perhaps his greatest challenge has been keeping up with the pace of change in the energy markets in order to make life simpler for ESPO's customers. He says: "Deregulation of gas and electricity supply has increased customer choice and reduced prices.

Consumers are now faced by a bewildering range of contract and tariff options from over 50 suppliers, each presenting different benefits and risks. For the unwary, the chances and costs of making a poor decision are considerable."

"ESPO has a team of staff dedicated to buying energy, with the skills and experience to obtain the best possible terms and most favourable contract conditions on behalf of its customers. The energy markets will continue to change and ESPO's energy buyers will continue to monitor the markets and to develop contracts which provide competitive prices combined with minimum risk."

Born and brought up in Derby by his Polish father and English mother, David decided to learn Polish in his twenties. In just under two years he gained an O level and now speaks the language fluently, albeit with a Derbyshire accent! With an extended family still living in Poland, he visits the country as often as he can.

David also embraced the culture of his forebears and is a former chairman, treasurer and committee member of the Derby branch of the Polish Youth Association. He also performed in a traditional song and dance ensemble – for which he admits he no longer has enough energy!

David (40) still lives close to his family in Chellaston, Derby, with his little daughter Hannah and wife Joanne – who is expecting another baby soon.



## A GEM of a system

ESPO has invested a substantial sum in the development of a general energy purchasing and billing management system which will improve service to customers and provide better control for future contracting. It's called GEMS.

At the moment, when bulk bills come in to ESPO from gas suppliers they have to be checked manually before invoices can be sent out to ESPO's customers. Is the meter number correct? Does the reading follow on from the last one? Is the

price right? When the new system is fully up and running, these checks will be done automatically. In addition, it will identify any gaps in billing – which ESPO staff can't always do at the moment – and pinpoint any inconsistencies or errors before the invoice goes to the customer.

GEMS is being developed in partnership with a similar purchasing organisation in Kent and will be tested over the next couple of months. From Spring this year it will run in parallel with the current system, taking in one contract at a time to ensure a smooth transition.

Data collected by GEMS can also be used to help monitor and identify the potential for energy efficiency which should in turn lead to cost savings for customers.



## Need advice on energy efficiency?

**MOST of the local authorities in the ESPO area have an energy manager or energy efficiency manager:**

Cambridgeshire	Yan Hau	01223 717316
Leicester City	Don Lack	0116 299 5132
Leicestershire	Melvin Harrison	0116 265 6896
Lincolnshire	Mike Pollard	01522 552676
Norfolk	John Cobb	01603 222674
Peterborough City	John Bates	01733 742207

**For other areas please contact your local council direct or ask ESPO for guidance.**

# You can work it out

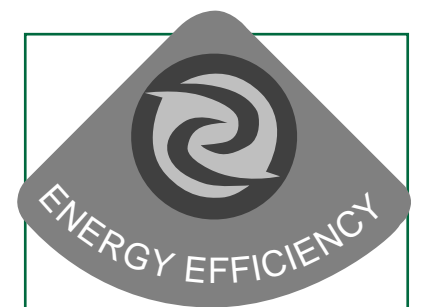
ONCE upon a time, energy bills used to be accepted as automatically correct; they were rubber stamped and passed for payment without a flicker. Nowadays, our customers are much more vigilant – as indeed they should be. If you want to check that your gas invoice is correct before paying it, or work out in advance how much you will need to pay, here's how:

1. subtract your previous meter reading from your present one (if your meter is fitted with an automatic adjuster, go to stage 3)
2. multiply this figure by the 'correction factor' to allow for changes in temperature and pressure; this is normally between 1.02 and 1.05, but call ESPO if you want the exact value.
3. if your meter reading is in hundreds of cubic feet convert it to cubic metres by multiplying by 2.83, otherwise go to stage 4 without multiplying

4. multiply this figure by the calorific value of the gas – usually between 38 and 39 megajoules per cubic metre – but again, please call ESPO if you want the exact value
5. divide by 3.6 to give the number of kilowatt hours used
6. multiply by the price per kWh to find how much you will be charged.

All this information can be found on the reverse of your gas invoice from ESPO but if it all seems a little complex you can quickly calculate the approximate kWh by:

- subtracting one reading from another
- multiplying by 30.8 to give an approximate kWh
- multiplying kWh by price to give an approximate charge.



## Energy saving starts at home

THE Energy Saving Trust has produced a series of booklets (available from ESPO) to illustrate how easy it is to save money by saving energy around the house. The Trust claims that, simply by investing in a number of products, the average household fuel bill of £500 can be reduced by up to £200 every year.

### Did you know that

- swapping an ordinary 100W bulb for an energy saving one could cut up to £10 a year off your electricity bill – see page 546 in the 1998/99 ESPO catalogue
- although more expensive to buy, energy saving bulbs last for at least eight years; ordinary ones last one year if you're lucky so you still save money
- more than 50% of heat is lost through loft spaces and walls
- installing 150mm-deep loft insulation can save around 20% of your heating costs
- cavity wall insulation can reduce heat loss through the walls by up to 60%
- older houses with solid walls can be insulated externally, when re-rendering or cladding, saving up to 35% a year on heating bills
- 20% of heat can be lost through ill-fitting doors and windows
- 10% of heat is lost through suspended wooden ground floors and floor insulation can halve this
- up to 23% of your home's heat can go through the windows and double glazing can cut this by half
- new energy-efficient glass can reduce heat loss through windows by another 10%.

### Save it in the office, too!

- leaving your PC on standby overnight and at weekends costs £15 a year – around 25% of its total running costs
- a fluorescent tube left on for 15 minutes uses 500 times the energy needed to restart it
- a photocopier left switched on overnight uses enough energy to produce more than 5,000 copies
- if you use a timer to switch on your coffee machine in time for the first cuppa of the day, instead of leaving it on all night, you'll not only save energy but carbon dioxide emissions as well.

## Transco on trial

EARLIER this year, ESPO was invited by Ofgas to conduct a trial with Transco to demonstrate that its data on gas meters was reliable. Five cases were picked at random, and unfortunately none proved to be trouble-free.

With some, the meter's serial number was completely different from the number in the database. Others showed an incorrect annual quantity of gas consumption. Even more worrying was the inadequacy of emergency contact details: one site listed simply the initials 'DK' and another gave the name – wait for it – of Mr Ho Hum.

In another instance, it took ESPO two years to convince Transco that the meter at a Lincolnshire County Council site was not, as they maintained, at a chip shop in Lincoln. And when Lincoln City Council asked for another meter in its building to be added to its contract, Transco declared that this meter was, in fact, installed at the local Co-op.

ESPO is continuing to work hard with suppliers and Transco to ensure that the data is as accurate and up to date as possible.



## Citydiesel improves air quality

LOCAL authority fleet managers are being encouraged to switch to ultra-low-sulphur fuel for their heavy vehicles in order to help cut pollution levels in towns and cities.

According to Greenergy, one of the companies which produces Citydiesel, buses, refuse collection lorries and road-sweepers are among the vehicles which would benefit from using it.

Made from crude oil, Citydiesel is virtually free of the harmful emission-producing heavy hydrocarbons, poly aromatics and sulphur which are found in ordinary diesel.

These are the chemicals which produce the heavy black smoke and smell normally associated with diesel vehicles. Greenergy claims that Citydiesel can reduce smoke meter readings by more than 40%.

Futura Petroleum, another producer, even goes so far as to claim that Citydiesel reduces by 98% the level of sulphur dioxide emissions released by diesel engines.

As well as helping to protect the environment Citydiesel can prolong the life of any diesel engine without the need to make adjustments.

Although it is slightly more expensive than conventional diesel at the moment, the Government has promised to further reduce the duty on eco-friendly fuels in March.

This may put Citydiesel on a par with, or even make it cheaper than, standard diesel.

Citydiesel is already supplied to over fifty local authorities in the UK, including some in the ESPO area.



## 'Win-win' is result of switch to kerosene

WHEN Cambridgeshire County Council's energy manager, Yan Hau, set up an energy strategy group, little did he realise how far reaching its findings would be.

Working together, Yan, ESPO and the strategy group identified that considerable cost savings could be achieved if they switched from gas oil to kerosene.

Firstly, the price of kerosene is lower – partly because of the reduced rate of duty on it – leading to an estimated saving of £55,000 a year overall.

Secondly, duty on gas oil is increasing faster than that on kerosene, so the cost savings will become even greater.

But the benefit doesn't stop there. Kerosene emissions are less harmful than those of gas oil, so the council is able to practise its own policy of reducing harmful emissions.

Finally, the information Yan was able to assemble – especially on the movement of prices and fuel consumption – has enabled him to 'benchmark' sites within his area and work out whether they are likely to benefit from a change of heating oil or not.

ENERGY PRICE INDEX 1993-98



## How much have you been saving?

IT's five years since deregulation of gas and electricity began in earnest and oil continues to be traded competitively. The graph (left) shows what's happened to the price of gas, electricity, diesel and heating oil in that time.

It shows that, whereas diesel and heating oil have risen in price, customers have seen consistent savings on gas and electricity, both of which are now 20% cheaper than in 1993.

Looking ahead, gas and

electricity prices are expected to remain stable but there may be reduction opportunities for small users. However the duty on hydrocarbons (which include diesel and heating oil) will increase in March by 6%, making them even more expensive.

One bright spot for diesel users is that Citydiesel is likely to become more affordable if, as is expected, the Government increases the duty on this particular fuel by less than the increase on standard diesel.

# Meter reading made easy

THE many changes which have taken place during gas deregulation have caused some confusion about meter reading. ESPO's gas specialist Russell McCarten answers some common questions:

**How often will our meters be read?**  
Contracts include provision for gas meters to be read. If you consume over 293,000 kWh (10,000 therms) a year your meter should be read monthly; below this level it should be read every six months. In between, unless you submit your own meter reading, you will receive an estimated bill based on your consumption profile.

**I don't want an estimated bill. What should I do?**

If an accurate meter reading is important to your organisation customer readings can be used for billing. At certain times of the year – for example at the end of a pricing period, school term or financial year – your organisation may need an exact invoice for gas supplies up to a particular date. All you need to do to ensure you get this is to give ESPO the following information on or before the last day of the month:

- ESPO's reference for the premises
- The meter's serial number
- The date of the reading
- The meter reading

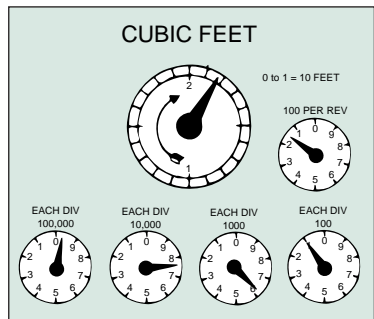
**We have three meters and they're all different. Which figures do I need to record?**



If your meter display looks like this, write down the first four figures. The example reads 9761.



The newest meter displays look like this, and you should use the first five figures (but ignore any zeros at the beginning). The example reads 9761.



Older meters have dials. Read the bottom four, from left to right. If a hand is between two numbers, record the lower one. The example reads 9761.

**Who reads the meters?**

There are six professional meter-

reading companies in ESPO's area – and some of them are actually electricity supply companies. Their meter readers carry hand-held scanners which allow your reading to be downloaded electronically into the meter database at Transco. If you are in any doubt at all about the person who comes to read your meters, especially if you are a school or other place where safety and security are important, please ask to see his or her identity pass before allowing access.

**What can go wrong?**

- The subcontractor may not be able to get into the building to read your meter, and he will probably only try once. This means you will get an estimated bill unless you provide your own meter reading as described above.
- Your meter's serial number may not be in Transco's database. Experience has shown that some of Transco's details are inaccurate!
- Your meter may have been changed but the records still show the old meter's serial number. If you continue to receive charges for an old meter please contact us.

**I think I've been charged too much. What should I do?**

Let ESPO know and we will do our best to sort it out. If you've been billed for a meter you don't recognise you should not process the invoice but advise us of the error. If there is a discrepancy between your estimate



There are six meter-reading companies in ESPO's area. Their staff carry identification cards for your peace of mind.

and the actual invoice, you should process the invoice but advise ESPO of the correct reading.

**What will happen when my meter reading reaches 9999?**

From time to time the reading on

your meter will reach 9999 and then clock over to 0000.

Charges may show a preceding 1 for some time to represent this clocking (for example a reading of 0142 may be printed on the invoice as 10142).



## Forget the petty cash – but remember the Shell Agency card

SCHOOLS, colleges, social services and transportation departments are among the organisations which benefit from the ESPO-Shell Agency fuel card. The majority of users say the main attractions of the card are not having to carry cash around and the provision of detailed usage data. Organisations need only one vehicle to qualify and there is no minimum amount of fuel to be bought. Additionally a discount of 1.3-1.5 pence per litre is available depending on how you choose to pay.

However, ESPO's transport fuels buyer, Gary Sheridan, says: "Our Shell Agency card customers buy about half a million litres of fuel a year. If we could encourage more of them to join the scheme, and therefore increase that volume, then we can negotiate bigger discounts."

ESPO chose Shell Agency over its competitors for a number of reasons. It's part of Shell plc which has its own reserves of fuel so there is security of supply. ESPO has been dealing with Shell for many years and has built up a good working relationship. Shell also has a good reputation (even

amongst its competitors) and a proven track record in terms of product quality, management information and after sales service. On a practical note, Shell has a better spread of garages in the ESPO area than most other petrol companies and, where there is no Shell outlet, the card can be used at BP stations (although no discount is available there). If this network is not convenient for your particular location please contact ESPO.

**Bunkered!**

Organisations which run large vehicle fleets, such as the police, social services and local councils, have traditionally used fuel from their own bulk storage tanks. But fuel storage legislation has become more complicated, repairing or replacing tanks has become more expensive and returning to the depot to refuel has become more and more uneconomic. An alternative had to be found!

Gary Sheridan investigated and found a company called Keyfuels which could provide what his customers wanted. Keyfuels

operates a network of bunkers (currently around 800 throughout the UK) on routes which are most frequently used by local authorities and other operators. Drivers use a credit card to obtain fuel and key in other data, such as their mileage.

ESPO has been working with Keyfuels for several years now and buys millions of litres of diesel each year on behalf of its customers. Such large quantities mean large savings, too, sometimes up to 5p per litre off normal retail prices.

Gary Sheridan says: "One of our customers is Leicestershire County Council's Direct Services Department, which has over 100 vehicles using 15 sites throughout the county. Since using the Keyfuels bunkering system LCC has saved on fuel cost and on mileage. In addition the fleet manager receives valuable information via EDI and can monitor the performance of specific vehicles at the touch of a button. It's also a very low-risk alternative to having their own storage facilities."

For more information, contact Gary Sheridan on 0116 265 7859.

## 'Take it or pay for it' gas bills lead to budget over-heating

A SCHOOL in ESPO's area nearly found itself in hot water after deciding to have its heating boilers converted to run on gas. They signed a new gas supply contract which committed the school to using a certain quantity of gas, based on forecasted fuel consumption.

The school then became grant-maintained and decided to abandon the boiler conversion project and therefore did not need the volume of gas predicted. But although they weren't using it, they were contractually committed to paying for it.

The school turned to ESPO and

their local council for advice and assistance.

David Kwiatek says: "In this particular case we were able to come to a compromise with the supplier on behalf of the school, thanks to our good working relationship with this particular gas supplier."

ESPO aims to eliminate so-called 'take or pay' clauses from gas contracts or, at the very least, ensure these only apply to the contract as a whole so that excess consumption at one site is balanced by under-usage at another. In this way individual customers are more protected.

## LPG – the fuel of the future?

MUCH has been said and written about the benefits of using LPG – liquid petroleum gas – to power vehicles, in particular those which do short journeys with lots of stops and starts.

It is also ideal for domestic or small-scale commercial heating use where the installation of mains gas is a problem.

LPG, a gas in its natural state, is stored under pressure as a liquid in

tanks or cylinders. It comes in two forms, propane and butane, both of which provide an efficient, controllable, clean-burning fuel.

ESPO can arrange for the supply of this environment-friendly fuel. If you would like to join the discussions, or would simply like more information, please register your interest by contacting John Arnold on 0116 265 7895 or Gary Sheridan on 0116 265 7859.

Energy Matters is a customer newsletter published by



Eastern Shires Purchasing Organisation, Leicester Road, Glenfield, Leicester LE3 8RT. Telephone 0116 265 7845. Fax: 0116 265 7900.