

Grain Elevator Says 'No' to Power Factor Penalties

Month after month, Richards Elevator in Columbus, Ind., was getting hit with power factor penalties. Big ones.

"Utility power factor is based on 95 percent, and ours would range from 40 percent to 66 percent, so we were paying a huge penalty for the differential," says Philip Newton, co-owner of the 1-million-bushel facility.

"That's what drove our decision to sit down with ARCO," he says.

Billing History Provided Data

The utility, Bartholomew County REMC, provided a year's billing history.

"Looking at the history helped determine the recommendations on size," Newton says.

A one-year return-on-investment made this power factor correction capacitor a wise investment.



ARCO Chosen Over Another

The meeting with ARCO went well, and Richards Elevator chose ARCO over another supplier. The business made a \$12,885 investment for materials and installation.

The capacitor is 3-phase, 480-volt, 300-kVAR, automatically switched in 25 kVAR steps with integral 600-amp circuit breaker.

The best news: Richards Elevator will recover the full cost in less than a year.

Service, Payback All Excellent

"Their follow-up has been excellent, too," Newton says of ARCO service.

"They've called a couple of times to see how things are going, and they came by to look at it," he says.

"It's been a wonderful investment for us, and it will be a payback of less than a year with continued cost savings."

"It's a matter of doing the math—and saying 'no' to penalties by applying the right materials," says Hal Pike, ARCO electric products manager.

Up Close

Richards Elevator

Columbus, Indiana

Power Factor Correction Capacitor Unit

- Reduces power factor penalty charges
- Cost: \$12,885
- **Return on Investment: Less than one year**