

Auto Parts Plant Now Saving \$4,200 a Month on Utilities

Numerous electrical mains power PK-USA Inc.'s 317,000-square-foot metal stamping business in Shelbyville, Ind. Two of those mains, however, did not have power factor corrections.

That was costing the company money, because PK-USA was set up with its electric utility on a kilowatt demand billing with a power factor adjustment.

"Because the customer had an average power factor below 5 percent, they were getting excess net kVARh charges," says Hal Pike, ARCO Electric Products manager.

ARCO Suggests Corrections

ARCO assessed the situation at the plant that makes metal body parts, chassis parts and plastic injection parts for U.S. and international auto makers.

ARCO's recommendation: a 600 kVAR on one main, and 200 kVAR on the other.

Cost of the capacitors and installation was \$80,000.

That might seem like a significant investment, but not when you consider results.

"Wow, you are on top of it," Chad Elliott, facilities group leader at PK-USA Inc., reported to ARCO soon after the installation.

18-Month Payback

He was reacting to the average monthly savings the company is realizing after ARCO's fix.

The amount? \$4,200 a month. Which delivers a payback of just 18 months.

"Any customer with a power factor penalty from their utility could reap similar rewards," Pike says.



Up Close

PK-USA

Shelbyville, Indiana

Power Factor Capacitors on Two Mains

- Reduced current flow
- \$4,200 a month savings on electric bill
- Cost: \$80,000