

# CASE STUDY



## Business

Pizza Management Enterprises, Inc. (DBA CiCi's Pizza Buffet)

Nationwide Pizza Buffet, franchise owner of 8 Locations under multiple contracts

## Pre-RCE Situation

- CiCi's was being powered by Reliant
- Multiple contracts, one per location, with cumulative annual usage over 1,500,000 kWh
- Paying **\$0.088** per kWh – All-in rate of \$0.109 per kWh
- Average annual utility costs = **\$163,500**

## Problem Statement

CiCi's sought to lower costs and gain flexibility to add or subtract locations if sold. Each location had its own meter, its own rate, its own term, etc. There were redundancies of effort at every location for the same tasks. Profit margins were negatively affected across the organization.

## Right Choice Energy Solution

Right Choice Energy approached several different providers individually and proposed an aggregated contract structure allowing CiCi's to add and subtract locations depending on the growth or sale of the franchises. Next, by aggregating the usage, RCE was able to negotiate a better pricing metric since the usage numbers were so much larger. During this process, RCE monitored the Terms & Conditions to best suit the needs of CiCi's. After 2 days, RCE had collected 6 different contract rates for CiCi's. Champion Energy responded with the best contract flexibility conditions and the lowest price as well as credit approval to avoid any potential deposits.

- CiCi's switched to Champion Energy, with zero service downtime.
- 3-yr fixed rate contract
- Paying **\$0.071** per kWh – All-in rate of \$0.092 per kWh
- Average annual utility cost = **\$138,000**
- Annual Savings (yrs 1-3) to Reliant = **\$ 25,500** (plus associated taxes)

## Current Status

In June of 2011, two years into the original contract, RCE contacted CiCi's when the market dipped and offered the company a "blend & extend", which allowed CiCi's to lower their costs immediately without breaking the contract. CiCi's extended their contract an additional 2-years, blended their rate AND further lowered their annual savings by an additional \$9,000.

- 3-yr blend and extend contract
- Paying **\$0.065** per kWh – All-in rate of \$0.086 per kWh
- Average annual utility cost = **\$129,000**
- Annual Savings (yrs 4-6) w/ Champion = **\$ 9,000**
- Annual Savings from 1<sup>st</sup> visit = **\$ 34,500**

## Client Testimonial

"Having been referred to Right Choice Energy by one of their customers, they have had a noticeable impact. We have put all stores under one contract and gained the flexibility to add and subtract locations! The operational improvements we have seen have been very impressive for the entire business. We were unaware of the options available on an electricity contract \$35K each year to the bottom line sure helps in all kinds of ways..."

- Paul Kolander, Owner – Pizza Management, Inc.

FOR INFORMATION CONTACT

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