



Natural Gas Contracts

Don't Get Rolled By Bob Reilly

In my position here at Reliable Energy I meet with a lot of businesses and I'm amazed at how I often find that these very successful people are completely unaware of the fact they have an agreement in place with an alternative energy supplier. Those that are aware rarely know all of the details of their service agreement including what the term of their commitment is or when their contract ends or renews.

You may be wondering how this happens and there is actually a simple, but frustrating, answer: it happens by design. The mistake these people have made is in allowing the energy supplier they chose to also serve as their advisor under the contract.

Now almost everyone I've ever spoken with has been concerned with getting the best



rate for their energy supply – and why wouldn't they be? That's the deal that's going to have an immediate effect on their bottom line. But once you're on a

contracted rate, it's critical to keep track of where you are in your contract term. Otherwise, at the end of many energy contracts, that low, initial price you were enjoying mutates into something called a "default monthly rate" which, if not clearly defined, likely has no upper limit....NONE. That's nothing standing between you and a potentially devastating energy bill.

Many businesses learned this lesson the hard way during 2013's Polar Vortex. A majority of those on undefined default rates saw their prices double, triple, or worse. What's more, it's easy to find yourself stuck in that situation for a period of several months before you can transition back to a defined, protected rate of your choosing. That's right, in addition to being exposed to a multi-month period of unsustainable costs, it's also another step you have to take to get out of that mess you're in (and honestly, who needs one more thing to do?!).

So what steps should a business take to protect itself?

Review/Audit Your Current Invoices (By the way, this is something we do for prospective clients at no cost or further obligation)

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Know the Terms of Your Agreement Including Your End/Renewal Date

If you don't know when your contract ends or renews, call your supplier to find out. They have to tell you. And while you're at it, find out what happens at the end of your current contract term. Make sure you ask for a specific example of how the price mechanism will work.

Mark Your Contract End Date

Note your contract end date in your wall calendar, computer calendar or smartphone calendar (heck, do what I do and use all three, just to be safe.)

Monitor Future Prices

The best time to extend a deal won't always be at the expiration of your current deal. Energy prices can be contracted for well out into the future so it's best to always keep an eye on what's available beyond your committed term. Your best pricing option might become available 6 months, a year or even further in advance of when your current deal expires.

Read the Fine Print

Remember to read the supplier terms and conditions. That's where some very important items are buried including Early Termination and other potential "Pass Through" costs.

While all of this may look like a relatively simple and logical process, there is actually quite a bit of work involved in being sure things are always done right and in your best interest. And, since I'm guessing you have better things to do with your time, I invite you to make Reliable Energy your energy partner.

As your partner, Reliable Energy will keep an eye on your contract end date and other important account details. And, unlike so many energy suppliers, we'll be watching as your advocate to be sure you never get "rolled". We'll make sure you're always aware of future price opportunities and we'll never pressure you into any decision. Best of all, and this may sound hard to believe, but our service to you is totally free. Contact us and we'll show you how.

For more information, visit michiganrestaurant.org/reliable-energy.html.

IS YOUR BUSINESS READY FOR THE NEXT STEP?



Your customers love your restaurant. You have a great concept and an effective system. You are very profitable. If you think it's time to grow ... to take that next step ... call Fahey Schultz Burzych Rhodes PLC.

Our experience has helped hundreds of hospitality businesses grow. Our senior lawyers are experts in the legal and regulatory issues that affect your growth. Whether it's organic or corporate growth, or franchising, we can help you find the right growth strategy for your needs.

Big or small, we can help you plan for growth and implement a growth strategy. We can help you take the next step. Successfully. Efficiently. Economically.

For more information, contact Mark J. Burzych | 517-381-0100 mburzych@fsbrlaw.com

Stop by booth #832 to talk with us at the 2017 Michigan Restaurant Show



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