



# Community Matters

Community Counselling & Resource Centre's Voice for Public Education & Advocacy



## The perils of persuasion

CBC's Marketplace recently aired "The Power of Persuasion", an investigation into the practices of electricity retailers.

Marketplace's report confirmed what the HRC has long known:

- anyone who signed a retailer contract since August 2005 **lost money**
- many door-to-door salespeople use **hard-sell or fraudulent tactics** that contravene the Code of Conduct

You can watch **The Power of Persuasion** online at [cbc.ca/marketplace/](http://cbc.ca/marketplace/)

Click on **Power of Persuasion** in the list of Recent Episodes. Make sure to check out the tip sheets and viewer comments.

## Electricity Retailers:

### *Lights Out for Low Income Consumers*

CCRC's Housing Resource Centre is seeing an increasing number of clients who can't afford their hydro after signing with an electricity retailer.

Clients tell HRC they signed on because the salesperson at their door assured them they would save money. Instead, their bills increased immediately.

Since 2006, the Housing Resource Centre has helped over 200 clients to cancel their contracts with electricity retailers without paying a penalty.

These clients were paying prices up to 6¢ per kWh above the local utility rate, in some cases doubling their bill.

Most clients were given misleading information about the terms of the contract including the cost. Many didn't understand the contract due to literacy, language, or disability challenges.

Some clients were signed up fraudulently; e.g. the salesperson forged their signature or pretended to be from the local utility to get account information.

HRC staff have created an electricity retailer toolkit with information on how to request a contract cancellation, and work to raise awareness of retailer issues, with the Ontario Energy Board and other agencies across the province.

## Ontario's Electricity Market:

### *Consumer Choice or Buyer Beware?*

Since 2002, Ontario consumers have had the choice to purchase electricity from their local utility or from an electricity retailer.

If consumers choose to stay with their local utility, they pay the Regulated Price Plan (RPP) rate, set every six months by the Ontario Energy Board. As of May 1, 2009, the RPP price is 5.7¢ per kilowatt hour (kWh) for up to 600 kWh, and 6.6¢ per kWh over that amount.

Electricity retailers set their own price per kWh, based on what the market will bear. The price is

locked in for the contract term, up to five years.

Many consumers sign these contracts because they fear a sharp increase in electricity prices. However, Regulated Price Plan rates have not increased significantly since the market opened in 2002.

While there is no guarantee that prices won't increase, for low income consumers, the possibility of future savings is cold comfort when the hydro is disconnected.

## Do's & Don'ts at the Door

A few simple steps will help you make an informed choice about your electricity provider:

- Don't sign anything at the door.**
- Don't show your bill or give your account number.
- Don't sign or cash cheques from a retailer unless you want to enter or renew a contract.
- Ask the salesperson for their retailer ID. It should show their name, company name, and company's Ontario Energy Board license number.
- Read the contract carefully. Make sure you understand all terms.
- Call your local utility to compare prices.

## If You've Signed a Contract ...

If you signed a contract and are having trouble with higher costs, the Housing Resource Centre may be able to help. If you are:

- over 70 years of age
- receiving Ontario Works (OW) or Ontario Disability Support Program (ODSP) income
- living in rent-geared-to-income housing

a Housing Counsellor can help you cancel your contract without paying a penalty. If you are at risk of disconnection, you may be eligible for emergency financial assistance, if available.

If you don't fit within one of these groups, HRC may be able to help cancel your contract if the retailer violated the Ontario Energy

- Check trends in electricity prices since 2005 at the Ontario Energy Board's consumer site [www.energychoiceontario.ca](http://www.energychoiceontario.ca).
- Give yourself time to make your choice – a quick decision could result in years of over-payments.
- If you sign, you have 10 days to cancel UNLESS you initiated contact yourself, you responded to direct mail, or you entered an internet agreement.
- If you sign, you will receive a reaffirmation call from the retailer, and may refuse the contract.

### For more information:

- Ontario Energy Board  
[www.energychoiceontario.ca](http://www.energychoiceontario.ca)
- Housing Resource Centre  
Call **705-743-9122** or visit  
[www.housingpeterborough.com](http://www.housingpeterborough.com)

Board (OEB) Code of Conduct. The Code states that retailers:

- must not exert undue pressure;
- must give consumers time to decide;
- must state the terms of the contract; and
- must not make any statements that are false or may mislead consumers.

If you believe that a retailer has violated the Code, you can make a complaint to the Ontario Energy Board at **1-877-632-2727**.

For more information or help with your contract, please contact the **Housing Resource Centre** at [hrcpeterborough@yahoo.ca](mailto:hrcpeterborough@yahoo.ca) or **705-743-9122**.



## Kill-a-Watt Meters

Consumers with a Peterborough Public Library card may sign out a Kill-a-Watt Meter, which allows you to plug in appliances and calculate the amount of electricity being used during a specific time period. The meters are provided by Peterborough Utilities Services. Ask for Kill-a-Watt Meters at the Checkout Desk.

## Smart Meters

All Ontario homes will have smart meters by 2010. These meters measure how much electricity you use and when you use it. Once in place, Ontario will move to "time of use" pricing: electricity used at peak hours will cost more per kWh than that used off-peak. Consumers will be able to save money and reduce overall demand during peak hours by shifting electricity use to off-peak times.

For more information, go to: [www.smartmetersontario.ca](http://www.smartmetersontario.ca)

### Community Counselling & Resource Centre

459 Reid Street  
Peterborough ON  
(705) 742-4258

[www.ccrcc-ptbo.com](http://www.ccrcc-ptbo.com)

