



Community Matters

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

How energy costs impact poverty and housing instability

This edition of Community Matters focuses on the impact of energy costs on poverty and housing instability in Peterborough City and County.

Approximately 16% of Ontario households spend more than 10% of their gross income on energy; however, utility costs should be no more than 20% of *total shelter costs* and are affordable at 6% of shelter costs.

Rising energy prices place a disproportionate burden on low income households forcing them to choose between adequate heat/light in their homes or paying for other basic necessities.

It is well documented that high energy costs hurt peoples' health and lead to undue hardship.

Ontario consumers can purchase electricity either from their local utility with a provincially regulated rate or from an electricity retailer or gas marketer.

Sometimes known as Re-sellers, these companies are licensed and regulated by the Ontario Energy Board (OEB).

CCRC has identified the unfair marketing practices by numerous electricity and gas marketers as a serious threat to the housing stability of our clients.



New Legislation to Protect Consumers

The Energy Consumer Protection Act was implemented in Ontario in January 2011 to provide greater protection for consumers who buy electricity and natural gas from *retailers or marketers*.

The legislation was enacted in response to years of complaints from consumers and advocates about **unfair marketing practices** by companies i.e. Just Energy (formerly Universal and Ontario Energy Savings Corporation) and Direct Energy.

For distributors such as Enbridge, Peterborough Utilities and Hydro One, it provides new regulations regarding suite metering, disconnection and security deposits.

For energy retailers, the Act defines unfair practices, outlines contract requirements, regulates contract verification and establishes new contract cancellation procedures.

For more information, contact the Housing Resource Centre at 705-743-2272.

New program for Low Income Customers of Peterborough Utilities

As of October 1, 2011, eligible low income residential customers of the P.U.S. may qualify for:

- 1) a refund of their security deposit;
- 2) an equal billing payment plan; and,
- 3) a specific monthly payment date ... e.g. the 22nd.

In order to qualify, pre-tax household income must fall below established limits (Statistics Canada's Low Income Cut Off plus 15%).

To apply for this new program:

Recipients of Ontario Works should contact *their worker* at 705-748-8830.

Recipients of Ontario Disability Support should contact ODSP at 705-742-9292.

All others should call the Housing Resource Centre at 705 -743-2272.

No Evidence of Savings with Electricity and Gas Retailer Contracts in Ontario

HRC staff has seen hundreds of Energy Retailer contracts over the past few years and we have *never seen one* that created savings for the client. They are at best insurance against large price spikes in the provincially regulated rate of the local distribution company over the term of the contract. Their door-to-door representatives target seniors and lower income communities and utilize misinformation, unfair incentives and scare tactics to sell multi-year contracts that cause increased financial hardship.

Energy Retailers are private, for-profit companies and are not your local utility. They are not associated with the Ontario Energy Board (OEB) or any government program. The OEB sets prices that local utilities can charge and does NOT set prices for Retailer contracts.

Some important facts about contracts:

Retailer contracts are only for the electricity or gas use. With or without a contract, you continue to be eligible for the Ontario Clean Energy Benefit and *continue to pay delivery, regulatory and debt retirement charges.*

Consumers are not eligible for an equal payment plan with Peterborough Utilities if they switch to a Retailer.

Consumers have to pay their share of the Global Adjustment in addition to the contract price if they sign a

contract and switch to a retailer. The Global Adjustment amount will be on a new separate line on your utility bill and can change from month to month.

If you are buying your electricity from your utility, your electricity price **already includes** your share of the "Global Adjustment" (formerly the "Provincial Benefit"). Lately, the Global Adjustment has been about 4 cents/kWh so it makes a big difference and must be considered when comparing rates.

Retailers are required by law to give you written information comparing the contract price that you are being offered with the price currently charged by your utility.

Contracts can be cancelled within 10 days of the day that the Retailer provides a copy of the contract, disclosure statement and price comparison with no cancellation fee or interruption in service OR within 30 days after the first bill.

The new rules also give people several opportunities to cancel long-term energy contracts without penalty, even after receiving their first bill. Cancelling after the expiry time is also possible with a cancellation fee for early termination of \$50 per year remaining for an electricity contract and \$100 per year for the remainder of natural gas contracts.

All Too Common ... *The Smith Family's Experience with a Rebiller*

The Smith family's first encounter with an energy retailer happened on a cold winter's evening last year at the dinner hour. Mrs. Smith answered the door to a man with a clip board. He spoke quickly, telling her he was from her hydro company and needed to ensure she was receiving her rebate. He informed her that her neighbours were receiving this rebate, flashed an I.D. badge and asked to see her last hydro bill.

With four children and a recent layoff from seasonal work, the Smiths were struggling to keep up with their mortgage and also cover their utility costs. When Mrs. Smith went to get their bill, the retailer let himself into her front hall and when she returned with the document, he copied information onto papers on his clipboard. He told her for some reason she was not receiving the rebate and informed her of the free trial, saying she would certainly save money by accepting the rebate. However, if she chose not

to sign, she would find that her hydro costs would double in the near future. He showed her a bill belonging to one of her neighbours, noting they recently signed and would also save money. Mrs. Smith signed the form hurriedly as she wanted to get back to her family dinner and was given some papers to read later.

A few weeks later Mrs. Smith was horrified to discover their monthly bill had almost doubled. Her local utility company explained the increase was due to the five year retailer contract she had signed. She contacted the Housing Resource Centre where she discussed her experience with the rebiller. After significant advocacy, staff were able to have the contract cancelled. (This is only possible for seniors or those on social assistance; or if the company did not follow the

legal process requirements). However the process took several months and the family required financial assistance to avoid disconnection during this time.

For more information on how to try and cancel an energy retailer contract, please contact the Housing Resource Centre.



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Water Metering in Peterborough is Coming Soon ...

Water meters are being installed throughout the City of Peterborough and the current flat-rate water charge will change to billing based on actual usage. Implementation is scheduled to commence sometime in late 2012 or early 2013. The rate structure is not yet available.

For most duplexes or multi-residential complexes there will be only one meter installed per property. The owner will be responsible for the water service; however, it is likely these costs will be recovered from tenants through rent increases.

Property owners will only be able to meter each individual unit if they obtain written confirmation from a licensed plumber that each unit has been isolated from the rest of the building or other units. This process will be costly and in many cases impossible. It is therefore probable that most landlords will have the water and sewer accounts in their own name and recover the costs from tenants through the rent.

In situations where there is mixed commercial and residential use in a building or complex, landlords have the same option. The landlord will take responsibility for the whole building. If the business service is isolated the landlord can meter the residential accounts in bulk (one meter on the flat rate service providing water to apartments) and charge tenants water and sewer charges based on actual consumption.

Peterborough Utility Services will be holding events such as Town Hall Meetings to educate the public on water metering before they commence billing for metered water.

Help with utility emergencies Fall / Winter 2011 — Peterborough City and County

Help With	Eligibility	Organization
Hydro One, Peterborough Utility or Enbridge Gas Arrears Purchase of Fuel (Oil, Natural Gas, Propane, Wood etc.)	OW/ODSP Recipients	Discretionary Benefits or CSUMB through OW or ODSP worker*. If unavailable or insufficient contact Housing Resource Centre*
Hydro One, Peterborough Utility or Enbridge Gas Arrears Purchase of Fuel (Oil, Natural Gas, Propane, Wood etc.)	Income other than above e.g. Employed, Employment Insurance or Pensions	Emergency Assistance through City Social Services * If unavailable or insufficient contact Housing Resource Centre*

Organizations providing these funds may also have assistance for other housing related needs such as rent arrears, first and last month's rent, moving, storage. Referral to other funding sources may be provided by the above organizations.

* (CSUMB) Community Start Up and Maintenance Benefit

WHO WE ARE

2011 - 2012

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Mike Burger - Member

Executive Director

Casey Ready

LOCATIONS

Credit Counselling
Community Service
Orders
Housing Resource
Centre
Administration

540 George Street North
Peterborough, ON, K9H 3S2
T: 705.743.CCRC (2272)
F: 705.742.3015 (Main)
705.742.2895
(Credit Counselling)

Counselling

459 Reid Street
Peterborough, ON, K9H 4G7
T: 705.742.4258
F: 705.741.1734

Toll Free: 800.274.1611

On Line

www.ccrcc-ptbo.com
www.housingpeterborough.com



Yes, I would like to help turn things around.

Name _____

Address _____

City/PC _____

Phone _____

Email _____

I want to receive CCRC e-updates

CCRC is committed to protecting the privacy & confidentiality of your personal information. The information you provide us may be used to assist in the proper administration of services, acknowledgement of your gift, to issue tax receipts, and to fulfill information requests.
For more details visit www.ccrcc-ptbo.com.

Please mail your donation to:
CCRC - 459 Reid Street
Peterborough, ON K9H 4G7
705-742-4258

I would like to make a donation.

Monthly Gift One Time Gift

\$200 \$100 \$50 \$25

Other Amount \$ _____

Method of Payment

Cheque Visa MasterCard

Pre-Authorized Payment
Important! Please enclose a cheque marked "void"

Credit Card # _____ Exp. date _____

Signature _____

I hereby authorize CCRC to withdraw payments from my bank account or charge my credit card and I understand that I may cancel at any time by contacting CCRC.

I would like to volunteer.

Contact me to discuss what I can do to make a difference.

Phone _____

I would like to become a member.

\$Pay What You Can (unwaged)

\$10 Individual (waged)

\$25 Organizational

Charitable No: #11891 2880 RR 0001



Comparing the Costs – Peterborough Utilities or Enbridge Gas versus Marketers

Peterborough Utility Services

Off-Peak @ 6.200 ¢/kWh	41.61
Mid-Peak @ 9.200 ¢/kWh	17.37
On-Peak @ 10.800 ¢/kWh	20.39
Delivery	36.31
Regulatory Charges	7.07
Debt Retirement Charge	6.70
Total Electricity Charges	\$129.44
HST	16.83
Subtotal	\$146.27
Ontario Clean Energy Benefit (-10%)	(-14.63)
Total Amount ** based on 1000 kWh	\$131.64

Hydro One

Off-Peak @ 6.200 ¢/kWh	43.05
Mid-Peak @ 9.200 ¢/kWh	17.97
On-Peak @ 10.800 ¢/kWh	21.09
Delivery	68.72
Regulatory Charges	7.30
Debt Retirement Charge	7.00
Total Electricity Charges	\$165.14
HST	21.47
Subtotal	\$186.60
Ontario Clean Energy Benefit (-10%)	(-18.66)
Total Amount ** based on 1000 kWh	\$167.94

Enbridge Gas

Customer Charge	\$19.00
Delivery	\$27.23
Gas Supply Charge	\$51.33
Cost Adjustment	(\$5.48)
Transportation Charges	\$21.78
Total Natural Gas Charges	\$113.86
HST	\$14.80
Total Amount ** based on 375 m³	\$128.67

Just Energy (Retailer Contract)

Global Adjustment	40.48
1000 kWh @ 9.2 ¢/kWh	96.48
Delivery	36.31
Regulatory Charges	6.82
Debt Retirement Charge	6.70
Total Electricity Charges	\$186.78
HST	24.28
Subtotal	\$211.06
Ontario Clean Energy Benefit (-10%)	(-21.11)
Total Amount ** based on 1000 kWh	\$189.96

Just Energy (Retailer Contract)

Global Adjustment	41.88
1000 kWh @ 9.2 ¢/kWh	99.82
Delivery	68.72
Regulatory Charges	7.05
Debt Retirement Charge	7.00
Total Electricity Charges	\$224.48
HST	29.18
Subtotal	\$253.66
Ontario Clean Energy Benefit (-10%)	(-25.37)
Total Amount ** based on 1000 kWh	\$228.29

Just Energy (Retailer Contract)

Customer Charge	\$19.00
Delivery	\$27.23
Gas Supply Charge	\$119.63
Supplied By: your selected retail company Phone No.: 000.000.0000	
Transportation Charges	\$21.44
Storage Charges	\$0.00
Total Natural Gas Charges	\$187.30
HST	\$24.35
Total Amount ** based on 375 m³	\$211.65

The above information was calculated using an excellent tool on the [Ontario Energy Board](http://www.ontarioenergyboard.ca) website that allows consumers to see exactly how their costs are affected by a specific marketer contract rate. It compares the current regulated rate of the local distribution company with the contract rate, displaying the results in a monthly bill format.

Relief for Tenants and Homeowners

Home Assistance Program – Sponsored by Peterborough Utilities – Coming Soon

In early 2012, the Home Assistance Program from Peterborough Utilities will be available at no cost to qualified low income tenants and homeowners. Tenants will require the permission of their landlord to access the program that will provide significant

energy saving measures such as appliance replacement and home insulation. Available measures include: qualified refrigerator, freezer, dehumidifier, window air conditioner replacement.



Enbridge Gas Distribution - Home Weatherization Program

Available Now – This program is delivered locally by Peterborough Green Up and provides home insulation and draft-proofing for both tenants and homeowners with limited incomes. Enbridge pays for the cost of the improvements which range from \$3,000 to \$5,000 in units where the greatest efficiency savings will be realized (usually in homes older than 30 years).

For more information on the above programs or to see if you qualify, contact Peterborough Green Up at (705) 745-3238 ext 200.

ecoENERGY Retrofit—Homes program renewed

From June 6, 2011 until March 31, 2012, homeowners are eligible to receive grants of up to \$5,000 to make their homes more energy-efficient. Homeowners who participated in the program to date have saved 20 percent on their energy bills.

For more information, visit ecoaction.gc.ca/homes or call

1-800-O-Canada (800-622-6232). Grant amounts are listed in the "Grant Table for ecoENERGY Retrofit – Homes."

Some examples of grants for home energy renovations: (ie. gas furnace \$790; hot water heater \$375; central air replacement \$250).

IGNORE THE DOOR - BEWARE

JustClean from Just Energy is a program people are sold at the door. They are told it is to **offset pollution** caused by their day-to-day household energy consumption. The cost of this program is \$24.99 per month above Just Energy's contract Rate – not affordable for many people.

Peterborough Utilities is advising their customers to watch out for private companies using unscrupulous sales tactics to sell **water treatment equipment**.

These companies are using deceptive and misleading water tests in order to alarm consumers about the quality of

their drinking water.

There are reports in nearby communities of a **water heater inspection** scam being perpetrated by people saying they are from the local utility. It is also

sold door to door and offers to replace people's existing tanks with brand new ones. With no up-front costs it sounds like a deal, however it actually locks people into 15 year contracts with a 3.5% annual increase in payment and a total cost of over \$5,500 + tax. A typical water heater costs about \$600 to buy the tank and \$300 for installation.



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