

May 30, 2007

Door-to-Door Salesmen May Be Selling With Misrepresentation

Thunder Bay Hydro has received reports from customers who have had a salesperson showing up at their door stating that they represent the local utility. Thunder Bay Hydro does not conduct any door-to-door sales and is not in any way associated with electricity retailers who offer contracts to sell electricity to customers for a fixed price for a set number of years.

“While Thunder Bay Hydro is not impacted when a consumer uses an electricity retailer, we are concerned that our customers understand the way their electricity pricing is compared to the retailer’s offer,” says Tim Wilson, Vice-President of Customer Service and Conservation. “Customers have reported that they are hearing proposals that compare the entire electrical bill against the retailers fixed price per kilowatt hour. This misrepresents the impact of signing a contract with the retailer. The cost per kilowatt hour for electricity used is only one portion of their electricity bill.”

Current electricity rates are 5.3 cents per kilowatt hour (kWh) for the first 600 kilowatts used during each summer month (or for the first 1000 kilowatts used each winter month). The current rate for monthly usage above this initial amount is 6.2 cents per kWh. These are the numbers that should be used for comparisons – not the total bill amount.

Electricity retailers are licensed by the Ontario Energy Board and follow a Code of Conduct that requires that their representatives “immediately and truthfully” identify who they are and which company they represent; that the representatives wear photo I.D. listing their name and the name of their company; and that they not “exert undue pressure on a consumer” to sign a contract.

Some tips for those who open the door to an electricity retailer salesperson include:

- ! Not to show a copy of their hydro bill or share their hydro account number with anyone unless they are prepared to do business with them (i.e. sign a contract with them).
- ! If the retailer fraudulently says they represent Thunder Bay Hydro, take note of the name of the person and the company they work for and report them to the Ontario Energy Board.

The Thunder Bay Hydro website has a list of Frequently Asked Questions that will help consumers make good decisions about whether to enter into a contract with an electricity retailer. Visit the section titled “Ontario’s Energy Market” at www.tbhydro.com

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For more information:

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Backgrounder -FAQ to Follow

-Media BackGrounder-

Frequently Asked Questions about Electricity Retailers

What are Electricity Retailers Selling?

They are offering you a set price for the cost of electricity used. They are not offering to cover distribution of the energy or other costs that you will find on your bill. It is important that any price comparison is specifically for the section of the bill that identifies kilowatt usage only.

What do I currently pay for electricity?

Current electricity rates are 5.3 cents per kilowatt hour (kWh) for the first 600 kilowatts used during each summer month (or for the first 1000 kilowatts used each winter month). The current rate for monthly usage above this initial amount is 6.2 cents per kWh. These are the numbers that should be used for comparisons – not the total bill amount. (May 1, 2007)

What do I need to know to compare retailers' offers or sign a contract with an electricity retailer?

You will want to know:

- the price the retailer is charging for electricity (vs the "Cost of Electricity" rates you pay on your bill currently)
- the start & duration of the contract
- whether the contract can be canceled and what penalties or service charges are involved
- if there are any renewal terms
- what obligations you and the retailer will have
- the company's background and business experience in retailing electricity.

Can I cancel a contract with a supplier once I have signed it?

The Ontario Consumer Protection Act provides a 10 day "cooling off" period to change your mind and cancel the contract, in writing, without penalty. To do this, you must send the retailer a letter giving notice you want to cancel by registered mail, fax or by personally delivering it. Before you sign any contract, make sure you understand the terms and conditions, as this will be a legally binding agreement. You should also ask for a signed copy of the contract.

Where can I learn more before I make a decision about an electricity retailer?

More information is available by visiting the section titled "Ontario's Energy Market" at www.tbhydro.com. You can also visit the For Consumer section located at the Ontario Energy Board Website www.oeb.gov.on.ca

How Do I report Fraudulent Representation?

Ontario Energy Board toll-free phone number: 1-877-632-2727

Ontario Energy Board website: www.oeb.gov.on.ca