

Door-to-door Energy Marketers Will Say Anything!

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Some door-to-door energy marketers will say anything to get your signature on a long-term contract.

Look at what happened to Jerry Andrews. A Direct Energy sales agent came to Andrews's Pickering home this month, asking to see his gas and Hydro bills. The agent said Andrews could get a rebate. All he had to do was sign a piece of paper, which was folded just above the signature line – so that anything printed above it wasn't visible.

After a dispute, the agent finally unfolded the paper to reveal an application for a five-year fixed-rate plan. "He was trying to get me to sign a blank application form," Andrews says.

Direct Energy has apologized, spokesperson Lisa Frizzell says.

"Mr. Andrews's experience did not represent how we train agents or the level of service we expect from them. Consistent with our zero tolerance policy, appropriate action has been taken against the agent."

The number of complaints I'm seeing about misrepresentation by gas and electricity sellers is way up.

It's too bad that people who are pushed to sign these contracts aren't getting the full story, because many find their bills are significantly higher afterward.

Natural gas rates are about 27 cents a cubic metre if you buy gas from your local utility (such as Enbridge Gas and Union Gas). This is adjusted quarterly. Because prices have been falling, you're getting retroactive decreases.

But if you opt for a five-year deal, you'll pay a fixed price of 37.9 cents to 39.9 cents with most gas marketers.

As for electricity, utility customers pay 5 to 5.9 cents a kilowatt hour. But those who opt for a five-year, fixed-price deal pay 7.99 to 8.99 cents.

Peter Leschyshyn signed with Universal Power after a sales agent said his rate would be 5.99 cents until March 31. He could change his mind later, he remembers being told. Now he has to pay a cancellation fee of \$718.42 to get out of the five-year deal signed last December. Or he has to live with an above-market price of 8.69 cents after March 31.

"All this for allowing their representative into my home to sell me something I did not require," says Leschyshyn, a senior who felt sorry for someone working outside on a cold night.

Last June, the Ontario Energy Board brought in new rules to allow a customer with one gas marketer to switch to another in mid-term, although he or she must still pay any cancellation fee in the contract.

Suppose you're in a five-year deal signed in 2005 with Company A. Now Company B comes to your door, promising a lower price.

If you sign a new contract, Company A will charge you a cancellation fee to leave early. Meanwhile, Company B will also try to keep you as a customer and penalize you for changing your mind.

Brian Hewson, the Ontario Energy Board's chief compliance officer, says the rules are intended to give customers more flexibility and choice.

But he acknowledges that "sales agents are not giving correct information in all circumstances."

The board can fine marketers that don't follow its rules, but it has yet to use that power.

Did the Ontario Energy Board really do consumers a favour by opening electricity and gas to door-to-door sellers? I don't think so.

No one can explain the pros and cons of locking up energy prices in a 30-second pitch. And the wide price gap gives an incentive to lie at the door – and collect cancellation fees later when customers change their minds.

Ellen Roseman's column appears Wednesday, Saturday and Sunday. You can reach her at 416-945-8687 or at eroseman@thestar.ca by email.