

Energy News ✦ You've Got Gas!

Consumers have been able to choose their natural gas supplier since 1985 when the federal government deregulated the natural gas industry. Understanding the choices available can help you, the consumer, make an informed decision. It is vital to "shop around" for the best offer possible before entering a contract and this is where *Energyshop.com* can offer assistance. On our web site we show the options available to you and provide specific contract information and consumer tips.

Along with most consumers in Ontario, you receive natural gas from the distribution utility in your area. It charges you for delivering natural gas to your residence or business and for other costs related to operating and maintaining the system. While natural gas will always be delivered to you by the natural gas utility, you have the option of buying the natural gas you consume in one of two ways: from a gas marketer or from your local utility.

Buying from A Natural Gas Marketer

There are two key things you need to know about buying from a natural gas marketer:

- **The price you pay is set out in your contract with the natural gas marketer.**

The price you pay per cubic meter (m³), as shown on the "Gas Supply" line of your natural gas bill, will be the price stated in the contract you sign. This price is determined by the natural gas marketer and is not regulated by the OEB. Usually the price is fixed for a number of years, but it may change depending on the terms of your contract. If you break your contract you will likely pay a penalty fee.

- **Your natural gas utility will continue to bill you for other items.**

If you switch to a natural gas marketer, there are items on your bill that are still charged to you by your natural gas utility. Your natural gas utility will continue to deliver your natural gas and charge amounts for the "Customer Charge" and "Delivery" lines on your bill. Your contract with the natural gas marketer usually affects the "Gas Supply" line of your bill.

Buying from Your Natural Gas Utility

When you do not choose to buy from a gas marketer you are buying system gas from your local utility. You should be aware of a few things:

- **Gas prices usually change every three months**

You pay the cost of the natural gas the utility buys in the market on your behalf. If the market goes up the utility passes these costs on to customers.

- **Utility natural gas rates are approved and regulated by the Ontario Energy Board**

This is a government regulatory body that ensures fair practices among the utilities and ensures that they are not making a profit on the purchase of the gas commodity.



Consumer Alert! – Things You Should Know

When a contract is negotiated at your home or office a marketer must:

- provide a copy of all paperwork signed
- provide a copy all paperwork shown at your request
- provide a business card with all identification and contact information of the marketer
- must reaffirm acceptance of contract 10 days after you have received a written copy of the contract

Important Notes:

- reaffirmation is not required with online sign-ups
- reaffirmation is not required with direct mail sign-ups
- renewal notices must be sent to you 60-120 prior to the end date of your contract

- renewal notices must include a copy of the original contract; any changes made to the original contract; a cancellation form; a renewal extension date and the options available to you;
- it is recommended that if you do not wish to renew a contract that you notify the marketer in writing and verbally keeping note of any person/s that you communicate with
- you may cancel a renewal within 35 days after receipt of the first bill under the renewed contract
- be sure to understand all of the different fees involved in your contract i.e. gas supply and transportation costs
- be sure to ask about the marketer's rebate policy and know if you are forfeiting any rebates by signing a contract
- be sure to be aware of any penalties you may incur with regard to canceling your contract before the term is up

Have more questions? Give us a call at Energyshop.com 905 737 5041

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Your Natural gas bill is made up of several items including the cost of the natural gas itself, transportation of that gas to the utility, storage of that gas; the distribution of that gas to you and service charges. Together these all add up to the total cost for natural gas use in your home or business.

Billing from A Natural Gas Marketer

Natural Gas Commodity:

Natural gas marketers offer different types of contracts with varying prices and terms. Commonly, people often choose a contract that offers a guaranteed price over a fixed period of time,

The price on your bill listed as the gas supply rate will reflect the price outlined in your contract agreement with the gas marketer,

Before entering into a contract it is important to understand all of its terms and conditions do some comparative shopping to ensure that you get the lowest rate possible.

Gas delivery Charge:

This includes the cost for transportation of Natural Gas into the province, storage of that gas, distribution from that storage facility to your home and a regulated rate of return or profit the utility has made in the gas distribution system.

These may be shown as a single line item on your bill statement or as separate individual items.

Customer Charge:

This charge is for the administration of your natural gas account. It is a fixed fee approved by the OEB and incorporates fees for meter reading, customer service, equipment maintenance and emergency response.

Billing from Your Natural Gas Utility

Natural Gas Commodity:

When you purchase gas directly from your utility your pricing is subject to the variances of the marketplace. Thus your rates will likely fluctuate correspondingly, approximately every three months.

As well from time to time there may be credits or charges to make up the difference in what you were charged for the gas and what the actual costs of it were. These may appear as a surcharge, in cents or cubic meters; may be rolled into your gas supply charge or shown as a one time credit or charge. It is best to check with your utility to verify which method they use.

On your bill this amount is calculated as follows:

$$\begin{array}{l} \text{Utility rate (cents/cubic metre)} \\ \times \text{ natural gas used (cubic meter)} \end{array} \quad \text{or} \quad \begin{array}{l} \text{¢/m}^3 \times \text{m}^3 \end{array}$$

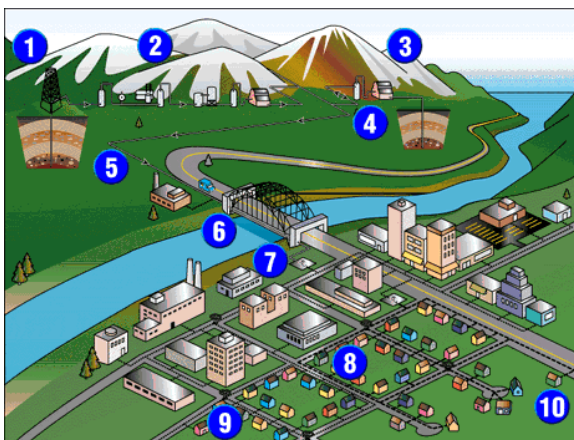
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How Your Gas Supply Works!



Natural gas typically comes out of the ground via gas wells. (1) Its pressure lets it rise to the surface naturally. Gas from a well is cleaned and treated, removing sand, dust and water (2). To meet customer demand all year round, gas is stored in underground storage fields and is then drawn out when it's needed (3). A compressor station increases gas pressure to move it into storage or through transmission lines (4).

High-pressure transmission lines transport the gas to the distribution system of pipelines (5) and when necessary, pipelines are suspended in the air across canals or attached to bridges (6). Regulators reduce the pressure of the gas entering the distribution system (7).

The distribution system consists of high and low pressure mains which distribute gas from the regulator station to the customer (8). Valves can safely isolate smaller areas during construction and emergencies (9). Individual services connect the distribution system to the customer (10).