

This tipsheet is intended to provide general information and is not a substitute for legal advice.

This tipsheet outlines the rules that electricity marketers must follow, under the *Fair Trading Act* and the Electricity Marketing Regulation. It tells consumers what their rights and responsibilities are when dealing with an electricity marketer.

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Note: an electricity marketer is an independent electricity marketing company whose rates are not regulated by any provincial or municipal government or agency. These companies are not affiliated with the Government of Alberta. Any rebates or special offers made to encourage you to sign a contract are not part of any government program.

Who is affected by the regulation?

The regulation defines consumers as households and small industrial and commercial businesses that use under 250,000 kilowatt-hours (Kwh) of electricity a year at their place of

consumption. The average household uses 650 Kwh of electricity a month. About 95% of small industrial and commercial businesses in Alberta use under 250,000 Kwh a year.

City of Medicine Hat

If you live in the City of Medicine Hat, you do not have the option of buying electricity from a marketer. The City will continue to provide and deliver your electricity.

If a marketer, other than a representative from the City of Medicine Hat contacts you, call Alberta Government Services.

Rural Electrification Association (REA)

If you are a member of an REA, you will be able to choose an electricity supplier. Your REA may establish a separate retail affiliate to sell electricity and electricity services. REAs will continue to deliver electricity using their wires or they may also choose to contract delivery to others. Your REA will also provide the regulated rate option. (see page 2)

Tenants

If you are a tenant and pay the utility company directly for electricity, you can choose a supplier. Make sure you read the contract carefully. It will tell you when and under what conditions you can cancel the contract. Find out what happens if you move to premises where electricity is included in the rent.

What's happening and when?

The way consumers buy electricity has changed. The electricity business has been separated into two parts – supplying the electricity and delivering the electricity. As of January 1, 2001, owners of electrical distribution systems, such as Epcor, Enmax, ATCO and TransAlta, have begun moving out of the business of selling electricity (although some have established separate companies to do so).

Independent electricity marketers will compete in the marketplace to provide electrical services to most* Alberta consumers. These marketers are regulated under the *Fair Trading Act* and the *Electricity Marketing Regulation*. They must be licensed and post a \$1,000,000 security. They must also follow a code of conduct and provide consumers with specific information in the contract. * See *City of Medicine Hat* on page 1.

You are now able to choose your electricity marketer. You don't have to choose right away. If you don't choose, you will get your electricity from your existing supplier at a regulated rate. See *What is the regulated rate option?* on this page.

Residential and farm consumers will be able to use the regulated rate option for up to five years, until December 31, 2005.

Business and industrial consumers will be eligible for the regulated rate for up to 3 years, until December 31, 2003.

If you haven't chosen by then, arrangements will be made to supply you with electricity.

When a marketer contacts you

When first contacting you salespeople must:

- tell you who they are;
- identify that they are selling electricity; and
- show you their identification.

Get the company's name. Check with Alberta Government Services to find out if the company is licensed as an electricity marketer. Call

Edmonton 427-4088, toll free in Alberta 1-877-427-4088 or check the Alberta Government Services website at www.gov.ab.ca/gs

Read the contract and advertising material carefully. Make sure you understand what you are buying and how much it will cost. Salespeople must not mislead you or misrepresent the facts.

Salespeople cannot collect any money from you until after you receive electricity under the contract.

Comparing prices

Take the time to compare prices of electricity and other services offered by each company.

Before you sign any contract, you can ask a marketer to provide a statement explaining what the cost of electricity and electricity services will be, based on up to three of your electricity bills from the past year.

Remember, you don't have to decide immediately. The marketer must give you time to read the documents, must not pressure you to sign, and must accept that you aren't going to make a decision right away. You can stay with your existing supplier and pay for electricity at the regulated rate until you decide.

What is the regulated rate option?

The regulated rate option is designed to give you time to become familiar with the new way electricity is being sold. The regulated rate option will include the only the cost of electricity.

The regulated rate is approved by a regulatory board such as the Alberta Energy and Utilities Board, Municipal Councils and Boards of Rural Electrification Associations. Each of these may have a different regulated rate. The rate is set in advance and can only be changed with the approval of one of the above. Electricity marketers cannot offer the regulated rate.

The regulated rates aren't fixed. They may go up or down during the 5-year period that they are available - just as costs do today.

The regulated rate option is available from January 1, 2001 and will end December 31, 2005 for household consumers, and December 31, 2003 for small industrial and commercial businesses.

You can leave the regulated rate option during the 3-to 5-year period but you may have to give your utility a certain number of day's notice. Your utility will tell you if you can leave a marketer and return to the regulated rate option.

Cancelling the contract

You **may** have up to four opportunities to cancel a contract for electricity or electricity services.

1. If you sign a contract for electricity or electricity services, you have a 10-day cooling off period during which you can cancel the contract with no cost or penalty. A statement giving you the right to cancel must be included as part of the contract. The 10 days starts after you get your copy of the contract.
2. If the seller came to your home and the contract was signed in your home you have up to one year to cancel from the day the contract was signed if:
 - the seller wasn't licensed when the contract was signed
 - the sales contract didn't include all the required information found in Section 35 of the *Fair Trading Act*
 - all the goods were not provided within 30 days of the delivery date specified in the contract or an amended date agreed to in writing by the buyer and seller
 - the services were not started within 30 days of the delivery date specified in the contract, or an amended date agreed to in writing by the buyer and seller.

Note: If the you accept delivery of the goods or authorize services after the 30-day period, you can't cancel the contract under this section.

3. If after the 10-day cancellation period is over and # 2 doesn't apply, the contract will tell you if you can cancel and under what conditions.
4. If you move out of Alberta or to a location in Alberta where the Electrical Utilities Act doesn't apply (for example, the City of Medicine Hat), you must be allowed to cancel the contract.

Code of Conduct

Electricity marketers must follow a 17-point code of conduct. The key components of the code are that marketers must:

- identify themselves to you and show their identification card
- make timely, accurate and truthful comparisons
- ensure all advertising materials reflect actual conditions
- ensure data used to support a claim is reliable
- allow you to cancel the contract if you move out of Alberta to a location in Alberta where the Electrical Utilities Act doesn't apply, such as the City of Medicine Hat. (see page 1)

Marketers must not:

- abuse your trust or take advantage of your lack of experience
- exert undue pressure
- lie to or mislead you
- promise things not contained in the contract
- counsel you to breach a contract with another marketer
- be intrusive or contact you between 9 p.m. and 8 a.m.
- say something is less expensive when it is not or when it can't be proven
- show prices in a way that is misleading

- use print that makes a contract difficult to read
- switch your electricity supply without your written agreement

Contract requirements

All electricity marketing contracts must be written and include:

- the name, address, and phone number of the marketer and customer;
 - the date electricity service begins;
 - all charges associated with the contract;
 - an explanation that the consumer can inspect the marketer's records; and
 - a disclosure statement (see below).
- You may cancel the contract within 10 days without cause or penalty.
 - Marketers must give you a copy of your signed contract.
 - A contract cannot be longer than a term of five years.
 - You must agree in writing to the renewal of a contract.

Disclosure statement

Before you sign the contract, you must sign and date the disclosure statement attached to the contract. Make sure you read and understand the statement. If the disclosure statement hasn't been completed and signed, the contract is invalid.

The disclosure statement identifies:

- when you can cancel the contract and under what conditions;
- what happens to the contract when you move to another location in Alberta;
- the term of the contract; and
- a caution about pricing.

For more information

For information about the Electricity Marketing Regulation or if you have concerns about salespersons' activities, call the Alberta Government Services Consumer Information Centre

Edmonton: (780) 427-4088

toll free in Alberta: 1-877-427-4088.

The Electricity Marketing Regulation is available on the Alberta Government Services web site at www.gov.ab.ca/gs

For more information about electricity deregulation, check the Customer Choice web site at www.customerchoice.gov.ab.ca or at www.albertaenergyfacts.com

A current version of this tipsheet and other tipsheets are available at the Alberta Government Services web site at www.gov.ab.ca/gs. Most public libraries have Internet access available if you don't have access at home.

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