

# Consumers' Corner



Serving Ohio's 4.5 million households

Summer 2014

## What to do when energy marketers make sales offers

There's a knock at the door during dinner. The phone rings during a busy moment. You're interrupted while cutting the grass. For many Ohioans, these scenarios have introduced them to energy marketers who want their business.

Ohio utility customers can choose a marketer to supply the electricity or natural gas to their home. Customers can also remain with their local utility for these services. Recent data for electric prices show that customers have opportunities to save money by choosing a marketer. The recent data for natural gas prices show that customers are likely to pay more by choosing a marketer.

You may be wondering what to do if you are contacted by an energy marketer, either through a face-to-face meeting, a sales pitch over the phone or by mail. The Office of the Ohio Consumers' Counsel (OCC) wants to help you protect your personal information and make wise energy choices that save you money.

First and foremost, OCC *strongly advises* not to allow any door-to-door marketers access to your energy bills unless you have made the decision to switch energy suppliers. It is a common tactic for marketers to ask for a copy of an electric or natural gas bill and promise a better rate.

By sharing sensitive material—such as your name, address or account number—you might be at risk of having your service switched to a competitive supplier without your knowledge.

The OCC advises customers to ask the following questions before entering into a contract with an independent electric or natural gas supplier:

- ▶ Will the agreement be automatically renewed upon completion of an initial term, and when?
- ▶ If the contract automatically renews, will you pay a rate that is higher than the utility rate?

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Office of the Ohio Consumers' Counsel  
Your Residential Utility Consumer Advocate

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### UNDERSTANDING THE GUIDELINES FOR DOOR-TO-DOOR SOLICITORS



As Ohioans are presented with more opportunities to choose their electric and natural gas suppliers, it is important to understand the rules that govern what marketers can and cannot do to get consumers' business.

Increased competition in the energy marketplace is one way to keep bills low. When more suppliers are available for homeowners to choose from, the chances are better that lower rates will result.

However, consumers need to keep in mind that with the growing number of independent suppliers competing for new clients, chances are that Ohioans will receive a visit from a door-to-door salesperson. If consumers are visited by a solicitor, they should know that there are rules that must be followed when asking to switch natural gas suppliers.

Ohio law clearly defines the code of conduct that energy salespersons must follow. If consumers receive a visit from someone claiming to represent a

marketer, he/she should make sure the salesperson does the following:

- ▶ States that he/she is a representative of the marketer and NOT the utility;
- ▶ Fully explains any documents to be signed, how much it will cost, including tax, and how long the contract will be in effect; and
- ▶ Verbally explains the right to cancel and has given right-to-cancel forms.

All door-to-door salespersons must show valid photo identification issued by the electric or natural gas supplier. Within three days of receiving a consumer's signature, the marketer is required to notify the natural gas utility of his/her intention to switch companies.

Customers can review the "Comparing Your Electric Choices" and "Comparing Your Energy Choices" fact sheets on the OCC Web site, [www.occ.ohio.gov](http://www.occ.ohio.gov) for up-to-date information about current suppliers and their offers.

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Download "Understanding the guidelines for door-to-door solicitors" fact sheet at [www.occ.ohio.gov](http://www.occ.ohio.gov)

## Summer storm outages: Consumers need to be ready



Photo courtesy of Vic Schroeder

The temperature had reached well into the upper 90s across Ohio.

On June 29, 2012, the stifling heat that baked the Midwest led to severe storms.

What began as a small thunderstorm cell in central Iowa evolved into one of the most

destructive and deadly thunderstorm complexes in North American history. The storm, known as a derecho, blasted Ohio with winds in excess of 80 miles per hour and left more than 1 million electric customers without power.

Families scrambled to find flashlights and batteries. Then,

the reality set in. It was going to be days—in some cases 10 days or more—before the lights came back on.

The last thing you want to think about is being without power, but the derecho and similar long duration outages in recent years have

underscored the importance of being prepared for lengthy power outages.

Every Ohio household should assemble a storm kit that includes a three-day supply of non-perishable food and water (one gallon per person per day), a charged smart phone, tablet or laptop with a backup power supply, a battery-operated radio or television, a flashlight and extra batteries, and a manual can opener for food (if the kit contains canned food).

In the wake of those massive outages, back-up generators have become a popular source of power. However, there are a number of things to consider before making such a purchase, including how much wattage is needed to power essential appliances in your home, the type of fuel needed to operate the generator and the length of time it can run.

Likewise, safety is very important in operating a generator, whether it is portable or whole home. Carefully review the generator operating instructions to protect yourself and the safety of others. Depending upon how the generator is being used, this can include informing the

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# Presentations provide clarity on utility topics



Nearly 25 years ago, the Office of the Ohio Consumers' Counsel (OCC) increased its focus on consumer assistance through outreach and education. Since then, OCC has committed to keeping consumers informed about utility programs, rate changes and other issues.

Each year, OCC staff members travel the state to meet with Ohioans at community events, government meetings, food pantries and other locations.

The Consumers' Counsel has two Senior Outreach Specialists who spend time on the road. They deliver in person the essential information consumers need to better understand their electric, natural gas, telephone and water services.

Some of OCC's more popular presentations include:

**Consumer Protections:** Learn how to identify scams and effectively say "No" to those who are trying to sell unnecessary goods and services.

**Managing Your Utility Bills:** Learn ways to better manage your electric, natural gas and telephone bills through energy choice, energy efficiency and assistance programs.

**Medical Certifications – Keeping connected to your utilities:** Learn about the protections provided by medical certifications. Customers who have medical conditions that are "especially dangerous to health" can request a medical certification that prevents a disconnection or allows the reconnection of utility services.

**Energy Choice:** Learn about your electric and natural gas choices. Customers of public utilities in Ohio have choices. They can select which company supplies the electricity or natural gas to their home. That opportunity to choose also means consumers can stay with the local utility for their electricity or natural gas supply. Learn how to make the right decision.

**Stay Connected to Your Utilities – Maintaining utility services:** Learn about financial assistance. An in-depth program that delivers information on financial assistance programs. Topics also include consumer rights, payment arrangements, and more.

Organizations, businesses and local governments can request a speaker as follows:

- ▶ Visit [www.occ.ohio.gov/education/speaker.shtml](http://www.occ.ohio.gov/education/speaker.shtml). Complete and submit the request form.
- ▶ Email your request to [occ@occ.ohio.gov](mailto:occ@occ.ohio.gov).

It is OCC's vision to have informed consumers who are able to choose among a variety of affordable, quality utility services with options to control and customize their utility usage.

By Erin Biehl

## What to do when energy marketers make sales offers

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- ▶ What is the name of the sales agent (all door-to-door marketers are required to have a photo ID)?
- ▶ Is the contract price fixed (i.e., a set rate that is locked in for a period of time) or variable rate (one that fluctuates with market prices, usually on a monthly basis)?
- ▶ Does the contract offer a guaranteed discount from the utility's price for the service?
- ▶ What is the length of the contract?
- ▶ Are there any additional fees (i.e. enrollment, transfer or early cancellation) that may be charged?

**Remember,** you are not required to switch to a competitive supplier; your local utility will still provide service should you choose not to switch.

Consumers are legally protected from unfair, misleading, deceptive and unconscionable marketing practices by sales and marketing rules in Ohio regulations. These define the code of conduct that door-to-door salespeople must follow. Cities, townships and counties may have additional rules and regulations that salespersons must follow. For more information pertaining to local rules, contact your local government.

Visit OCC's website for more details and frequently asked questions about door-to-door solicitors at [www.occ.ohio.gov](http://www.occ.ohio.gov). The website also lists up-to-date offers for various electric and natural gas suppliers in Ohio.

By Erin Biehl

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utility that you are operating a generator, to prevent possible injury to repair crews.

According to the Consumer Product Safety Commission, carbon monoxide poisoning causes an annual average of 81 deaths in the United States. Generators must always be operated outdoors and away from doors, windows and vents.

Backup power may be a necessity for individuals who rely on life support devices, such as respirators, ventilators or other medical equipment.

Electric utilities maintain a critical customer list. The list helps ensure the utility is informed about special needs that you may have in your home and can help the utility prioritize restoration efforts. By law, utilities are required to maintain and update their list of critical customers annually.

**"It's not going to necessarily help so much in getting service restored quicker, but at least the utility knows you have a priority need..."**

Those individuals with life support needs must notify their utility through an application process.

"It's not going to necessarily help so much in getting service restored quicker, but at least the utility knows you have a priority need," said Jim Williams, a senior customer protection research analyst with the Office of

the Ohio Consumers' Counsel. "What's important is that utilities will notify these critical customers of their options and responsibilities during outages."

The loss of electricity is not just an inconvenience but also creates financial hardships for some consumers who must find alternative housing arrangements, replace spoiled food, or that are unable to work during an outage.

Currently, there is no requirement for utilities to compensate customers for these financial hardships. Some homeowner policies might be able to compensate customers for portions of their loss.

Also, customers should not expect to receive a credit on their bill for the time their service is out.

By Scott Gerfen

# Distributed generation and the future of electric utilities

Anyone who travels along Interstate 270 on the northwest side of Columbus can see the wind turbine that towers over a car dealership. It is generating power and savings for the business.

An array of solar panels attached to the Stone Laboratory classroom on Lake Erie's Gibraltar Island is expected to reduce conventional energy consumption by as much as 25 percent at its facilities, according to a recent *Columbus Dispatch* article that highlighted the lab.

On a larger scale, Walmart announced last May that it had installed 240 solar projects through 2013, with 42 fuel-cell sites each providing 40 percent to 60 percent of store needs.

These projects are examples of a newer approach to electricity supply, known as distributed generation, which means an electrical generating facility is located at a customer's point of delivery. The more traditional approach to generating electricity is by building large central station power plants.

In places like the southwestern U.S., distributed solar power is cost-competitive with retail electricity prices because of falling technology costs and grants. The emergence of distributed generation resources such as these has stimulated conversations about the electric utility of the future.

Some experts theorize that as more people and businesses move to distributed generation, utilities will sell less electricity. Utilities must then spread their fixed costs over fewer customers (kilowatt hours), raising the price of electricity for the remaining customers.

A report issued earlier this year by Morningstar, a Chicago-based investment firm, gained plenty of attention. It warned that utilities could suffer severe financial consequences as electricity sales drop because of distributed generation and energy efficiency.

The report goes on to say that regulators are central to the utilities' survival.

Energy efficiency, one of a precious few bill-reducing tools, is particularly important to Ohio consumers who are paying, on average, higher electric rates than consumers are paying in 32 other states. This data comes from the U.S. Energy Information Administration.

Distributed generation can be another tool in a customer's bill-reducing tool box.

However, for residential consumers who are looking to take advantage of a small-scale power source at their home, cost is a major consideration.

For example, the installation of a typical 3 kW residential solar system can cost thousands of dollars. But some of these costs can be offset by federal rebates and other incentives.



Photo courtesy of Dayton Power & Light

To deploy distributed generation in Ohio, the system must be connected to a utility's grid and a net metering program must be utilized. A net meter records the amount of electricity that you generate to the grid and the electricity that you pull from the grid.

Any excess energy generated by the customer during the monthly billing cycle is sold to the utility and credited to the customer at the utility's generation rate.

While distributed generation can give customers an option to control their energy costs, it is a long-term investment. Careful research must be done prior to investing in any type of distributed generation.

The Office of the Ohio Consumers' Counsel has more information about distributed generation at [www.occ.ohio.gov](http://www.occ.ohio.gov). Twitter users may follow OCC at: [@OhioUtilityUser](https://twitter.com/OhioUtilityUser).

By Scott Gerfen

## Ordinary, Extraordinary OCC Board Member Fred Yoder



On the White House web site, Mr. Yoder is recognized for seeing "an imperative to produce more [food] in a sustainable way" with "the world population expected to exceed nine billion people by 2050."

Ohio's residential electric, natural gas, telephone, and water consumers have benefited from Mr. Yoder's guidance to the Office of the Ohio Consumers' Counsel (OCC) since 2011. At that time, Ohio Attorney General Mike DeWine appointed Mr. Yoder (Republican) to the bipartisan nine-member OCC Governing Board. Board Members are appointed from three areas: family farmers (Mr. Yoder's area), residential consumers and labor.

Mr. Yoder said this about his service to Ohioans on the OCC Board: "Family farms are big consumers of utilities here in Ohio. It is important that farmers have a voice in the process of delivering those utility services in a fair and equitable way to ensure they can operate efficiently, as well as be able to pass their farms on to the next generation."

Mr. Yoder will be featured in OCC's upcoming first YouTube educational video. The subject of the video is how consumers can make wise choices and save money when contracting for their supplies of electricity and natural gas. Mr. Yoder and his Board colleagues adopted a resolution in 2013 calling for utilities to continue offering electricity and natural gas as an option for consumers, in addition to the option of purchasing from third-party (non-utility) marketers.

Mr. Yoder is also a member of the National 25x'25 Alliance Steering Committee and chairman of the Alliance's Adaptation Work Group. The Alliance's objective is for America to obtain 25 percent of its energy from renewable resources by 2025.

Congratulations to Mr. Yoder for recognition as a Presidential Champion of Change. We are glad to also know him as a *consumer champion* on the OCC Board, where he devotes his time and talents to the agency's mission of consumer advocacy for four million Ohioans.

By Scott Gerfen



## Office of the Ohio Consumers' Counsel

"Your Residential Utility Consumer Advocate"

1-877-742-5622 | [www.occ.ohio.gov](http://www.occ.ohio.gov)

**Consumers' Corner** is the newsletter of the Office of the Ohio Consumers' Counsel, the residential utility consumer advocate, serving as a resource for consumers who have questions or would like more information about the services provided by their electric, natural gas, telephone and water utilities.

**Bruce J. Weston, Consumers' Counsel**

Bill Ferriot, Webmaster / Graphic Designer

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## OCC Speaker & Information Request Form

Representatives from OCC can speak to your group about a variety of utility issues, including consumer protections, payment assistance, electric and natural gas choice and more! For a complete list of topics, visit: [www.occ.ohio.gov/education/speaker.shtml](http://www.occ.ohio.gov/education/speaker.shtml)

**Fill out this form and mail it to: Office of the Ohio Consumers' Counsel, 10 W. Broad St., 18th Floor, Columbus, OH 43215-3485**

Name \_\_\_\_\_

Email \_\_\_\_\_

Organization \_\_\_\_\_

Topic of interest \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ County \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Number of Participants \_\_\_\_\_

If you would like a specific date, please indicate and we will confirm your request \_\_\_\_\_

**or**

**Go online to [occ.ohio.gov/contact/sbform.php](http://occ.ohio.gov/contact/sbform.php), or email us at [occspeaker@occ.ohio.gov](mailto:occspeaker@occ.ohio.gov)**

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**2014**  
**Summer**  
**Consumers' Corner**



# OCC launches social media to help educate, inform consumers



Current Ohio Consumers' Counsel Bruce Weston with the first consumers' counsel Bill Spratley.

When the Office of the Ohio Consumers' Counsel began serving the state's residential utility consumers in 1976, the agency's first leader made it a point to inform.

In keeping with that mission, OCC is launching its participation in social networks, such as Facebook, Twitter and YouTube. Recently, present Consumers' Counsel Bruce Weston invited Mr.

It was not uncommon for Bill Spratley, the Ohio Consumers' Counsel from 1977-1993, to travel throughout the state to meet with residential utility consumers. He insisted that every Ohioan had a right to know about their electric, natural gas, telephone, and water services.

Spratley to OCC's offices to press the button for OCC's first Tweet. Social networks will provide OCC with a cost-effective means to interact in real time with Ohio utility consumers.

Once fully implemented, consumers will be able to receive information about OCC's educational materials, upcoming events and other matters of interest. Twitter users can follow OCC [@OhioUtilityUser](https://twitter.com/OhioUtilityUser). The agency's website is [www.occ.ohio.gov](http://www.occ.ohio.gov).

It is OCC's vision to have informed consumers who can choose among a variety of affordable, quality utility services with opportunities to control and customize their utility usage. Social media will enhance this effort.

By Scott Gerfen