



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

CONSUMER FACT SHEET

Office of the Ohio Consumers' Counsel

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CONCERNED ABOUT RISING ENERGY PRICES? HOW TO MAKE WISE ENERGY CHOICES



Ohio consumers should be aware that there can be greater risks than opportunities for their hard-earned money when purchasing electricity and natural gas from energy marketers. The Office of the Ohio Consumers' Counsel (OCC) is the residential utility consumer advocate and can help consumers make wise choices about utility services.

Consumers do not have a choice for the monopoly utility that provides their energy distribution service with wires or pipelines. But consumers can choose who supplies the electricity or natural gas that runs through those wires or pipelines. That choice of an energy supplier can be the same utility that provides the wires or pipelines (by choosing the utility's "standard offer"). Alternatively, an energy marketer or sometimes a government aggregator can be chosen.

Utility consumers who are current with their utility bills are eligible for energy choice programs. Electric choice is offered to consumers of AEP Ohio, AES Ohio

(formerly Dayton Power & Light), Duke Energy, and the FirstEnergy utilities. Natural gas choice is offered to consumers of CenterPoint Energy (formerly Vectren), Columbia Gas of Ohio, Dominion Energy, and Duke Energy. Energy choice is not available to consumers of municipal power systems, members of co-ops or participants in the low-income Percentage of Income Payment Plan (PIPP Plus).

Some marketers and governmental aggregators may offer green energy options that some consumers may prefer. Always compare prices when considering such options.

Here are descriptions of the three alternatives that many consumers have for energy choices:

1. Staying with the Utility's "Standard Offer"

Alert: The utilities' competitive "Standard Offers" are a good, conservative option for consumers to make economical purchases of electricity or natural gas.

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Consumers always have the option to stay with their utility for energy. Their utility can supply energy at rates for the “Standard Choice Offer” (natural gas) or the “Standard Service Offer” (electricity).

Competitive auctions have been producing economical prices for utilities’ standard offers.

Consumers should not assume that prices offered by an energy marketer will be lower than the price of the utility’s standard offer, especially over time. Particularly with regard to buying natural gas, many marketer offers have been more expensive than the utility’s standard offer. The utility’s standard offers remain a good, conservative approach for consumers to economically purchase energy.

Consumers can confirm if they are currently buying energy from their utility’s standard offer by contacting their utility or reviewing their monthly bill. Consumers can contact their utility to switch from a marketer offer to the utility’s standard offer. But consumers should also check if their marketer contract has a high termination fee that makes it too expensive to switch suppliers.

2. Energy Marketers

As part of energy choice, consumers can purchase natural gas or electricity from an energy marketer that is certified by the Public Utilities Commission of Ohio (PUCO). Consumers would pay the marketer for the cost of the energy they use and would continue to separately pay their utility for using its pipelines or wires to deliver the energy.

Before contracting with a natural gas marketer, consumers should compare the rate offered by the marketer with their utility’s “Standard Choice Offer.” Electricity consumers should check the “Price to Compare” that appears on their electric bill. Comparing a marketer’s offer to the utility’s standard offer is more complicated for consumers who subscribe to a utility’s budget billing plan.

Alert: We recommend that consumers avoid buying energy from a marketer during a door-to-door sale. And consumers should not share personal information, such as their utility bill or account number, with a marketer during a door-to-door sale.

When comparing energy offers, beware of “teaser” rates. Some marketers initially offer low “teaser” rates that soon are replaced by higher rates. Also beware of “evergreen” contracts by marketers where the energy contract will automatically renew, sometimes at higher rates. And watch out for *early termination fees* that can make it expensive to end a marketer contract, such as to return to the utility’s standard offer. Finally, we recommend that consumers avoid purchasing energy during a *door-to-door sale*.

If a consumer agrees to a marketer’s contract, the consumer will receive from their utility a confirmation notice.

You May Lose Money with an Energy Marketer

If you consider buying energy from a marketer, first ask the following questions:

- ▶ Will I save money compared to my utility’s standard offer?
- ▶ Is the marketer’s offer a low-priced “teaser” rate that will soon increase?
- ▶ How long is the agreement?
- ▶ How much will I pay for energy?
- ▶ Is there a fee to cancel my agreement?
- ▶ At the end of my agreement, will it automatically renew if I don’t act?
- ▶ If my agreement automatically renews, will the new rate be higher?
- ▶ If I have a billing problem, who should I contact?
- ▶ What are the terms and conditions of the agreement? (Always obtain and keep a copy of the agreement.)
- ▶ What happens if I decide to move?
- ▶ When will my marketer service begin?



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The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts.

The state agency also educates consumers about electric, natural gas, telephone and water issues.

For more information, please visit the OCC website at www.occ.ohio.gov.



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Consumers have seven days to cancel a marketer's contract, after receiving the utility's notice. Seven days after the confirmation notice, without a cancellation, the enrollment will take place. After enrollment, most consumers will see the marketer's charges separately identified on their monthly utility bill. It may take two to three months for a marketer's billing to appear or be removed from a consumer's bill.

You also have the right to stop electric and gas utilities from sharing your personal contact information with energy marketers. You can contact your utility to enforce that right. For more tips about energy marketers, such as handling door-to-door sales, please visit OCC's "Block the Knock" web page at www.occ.ohio.gov/content/block-knock.

3. Governmental Aggregation

In some parts of Ohio, government aggregation is another option for purchasing natural gas or electricity. Under government aggregation, residents can authorize their local government, typically through an election, to supply electricity to their residents. Governments use the buying power of many consumers to negotiate prices.

Joining an energy aggregation in Ohio is typically on an "opt-out" basis. Opt-out aggregation automatically includes each consumer in the community's aggregation unless the individual takes action to end participation (known as opting out).

As with buying from energy marketers, consumers can compare the government aggregation rate with the Standard Choice Offer (natural gas) and the Standard Service Offer (electricity).

Consumers should open any mail from aggregation groups and local governments to learn about aggregation opportunities, including their right to opt out or opt in. Visit OCC's aggregation web page for more information at www.occ.ohio.gov/aggregation.

Make wise energy choices!