



STAFF ILLUSTRATION/MIKE BARRETT

Don't get burned by heating costs

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If you brace yourself when you see temperatures drop and cold winds come, it could be because you have been persuaded to go winter camping.

More likely, you are a homeowner shivering, not just at the thought of another long, cold winter, but also rising energy costs.

But it seems competition among energy providers may be heating up.

However, all are hesitant to use the C word.

Indeed, when a gas marketer offers free long-distance calling with a five-year natural gas contract, you pretty much know market rivalry is fueling change.

"There's definitely more awareness among media and customers," said Aishling Cullen, director of media relations at Direct Energy, the company that offers the free phone time. "With gas prices rising this past summer, there's more interest around gas prices and looking for alternatives to being with your utility."

"The five years free long distance is a great offer. We have a variety of offers that appeal to different people. This is one example."

Though, Ms. Cullen noted, the company estimates their customers, on average, have saved about \$850 over five years, the company cannot promise lower rates over Enbridge, the natural gas distributor in York Region.

Instead, the advantage they offer is a fixed rate.

The comparison most people in the industry make here is to a mortgage.

Some people are comfortable with a variable mortgage rate, which will fluctuate with the market from

month to month.

Other homeowners want stability.

"We can't guarantee savings, but we can guarantee you'll know what your prices will be month after month, year after year, for five years. It really depends on what's right for you, for your family and your lifestyle," Ms. Cullen said.

But another marketer, Aurora-based riterate.ca, has gone for a lower fixed rate from their beginning, 16 months ago.

Their current price for a five-year contract is five cents lower than any other provider.

That translates into annual savings of \$165 for the average consumer.

"I think there's certainly competition," said Brian Wikant, riterate.com CEO. "We came into this business to be different."

The lower rate is a result of lower overhead costs, he said.

Unlike other marketers, the web-based company does not have any agents selling door to door.

"We're like the ING (Direct) of gas marketing," he said, referring to the bank with no actual branch locations. "Our customers enrol online and that has obvious cost benefits to us."

"And, we have consistently had the lowest fixed rates in Ontario since we launched the business in August 2004."

Mr. Wikant said he believes his company is receiving the majority of customers who sign up online.

"After all, it's natural gas you're buying. It's not a Ferrari versus a Pinto. Everybody's natural gas is the same. Rate is the key determinant for people signing up," he said.

Of course, you don't have to lock yourself into a price.

If you buy your gas through Enbridge, you pay a rate based on the price the utility pays for gas, which is influenced by the 12-month forecast and adjusted four times a year according to the actual rates.

Customers' rates increase and decrease with Enbridge's.

Spokesperson Lisa McCarney-Warus agreed with Ms. Cullen, saying no one can advise customers when it comes to the choice between a marketer and the utility.

"There's no right or wrong. It's a matter of personal comfort," she said.

However, she added, the utility offers stability in pricing through its equal billing plan, available to February.

The plan reduces the effect of the high volume use months, December to March, by billing the same amount each month for 11 months.

So you may pay a little more in the fall and spring, but you use up the credit in winter. In August, you get a credit or charge for any difference.

"It helps even out the costs over the year to make budgeting more manageable," she said.

The utility also encourages energy efficiency plans. It has, for example, a \$200-furnace rebate offer.

Coupons were sent out in September and are available on its website under the Rebates and Energy Tips link.

"That means they would be using less gas to help manage their costs. As well, it's better for the environment," she said.

For more information about marketers, visit www.oeb.gov.on.ca or call 416-314-2455. For information about marketers in your area, go to www.energystore.com and type in your postal code.

