

Power to the People

Electricity deregulation means choices for Ontario consumers.

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For almost 100 years, Ontario's electric industry has been operated by monopolies such as Ontario Hydro. This evolved into a structure that gave customers no choice as to who they could buy electricity from and no ability to negotiate for lower prices.

In addition, the debt-ridden old monopoly had become out-of-date, inefficient and just too expensive for Ontario's electricity customers.

Under deregulation, customers in Ontario are able to choose what type of electricity they buy, and from whom. The key benefit of electricity deregulation is that consumers will be able to purchase electricity from a range of sources.

In a competitive energy market, you can purchase power from any number of sellers who buy their electricity from generators in the province or elsewhere – you will no longer be obligated to buy power directly or indirectly from the old Ontario Hydro.

While the actual electricity may originate from a range of sources, the delivery will continue to come through the existing transmission and distribution network. The delivery of electricity from generating plants to your home or business will not change – it is only the price of the commodity itself, electricity, which will be subject to price volatility.

Those customers who are uncomfortable with paying varying prices month to month have the option of signing a fixed-

rate contract with a retailer licensed by the Ontario Energy Board. These contracts typically guarantee that no matter what happens in the marketplace, the price for electricity will not change for the term of the contract. No matter what happens to the spot price, you can enjoy the stability that a fixed-rate contract can bring. However, the decision is a personal one and depends on the customer's tolerance for risk.

Before you sign a contract with an electricity retailer, you should ask questions like:

- Does the retailer have a licence from the Ontario Energy Board and can they provide proof of it?
- What is the duration of the contract?
- What is the price of electricity being offered? Is this price guaranteed for the term of the contract? (Note: The price is for the energy only; delivery charges are extra.)

Armed with the right information, customers can now make the right choice regarding what type of energy they buy and from whom. Offering potential savings for customers, improved business practices by generators, distributors and retailers through competition, and the elimination of provincial debt, deregulation of electricity is expected to make sense for Ontario. ❁

■ *Carmine DiRuscio is with First Source Energy, a licensed electricity retailer. To find out more call 1-866-HYDRO4U or visit www.firstsourceenergy.ca.*