



News Release

For Immediate Release

December 9, 2014

Energy Board Needs to be More Diligent, Auditor General Says

(TORONTO) Overall, the Ontario Energy Board has processes in place to protect the interests of natural gas consumers and ensure that the natural gas sector provides energy at a reasonable cost; however, it does little work to verify the accuracy of the information utility companies provide to justify their requests to hike natural gas rates for consumers, Auditor General Bonnie Lysyk says in her *2014 Annual Report*.

“Gas utilities are not allowed to charge consumers more than the purchase price of gas, but board staff rarely verify the information the companies provide in their rate change applications,” Lysyk said today after the release of the Report. “Over the last 10 years, we found there had been only one audit of the accuracy of information submitted on rate applications that directly impact the prices charged to consumers.”

The Ontario Energy Board is responsible for ensuring that companies in the natural gas market comply with legislation that pertains specifically to low-volume users, such as households. There are three gas utilities in Ontario that own the pipes and equipment that deliver natural gas, as well as 12 gas marketers, who operate as brokers. While the Board regulates the rate that the three utilities charge their customers, they do not regulate the rates that the gas marketers charge.

Other significant findings included:

- Ontario’s gas prices are at the low end of the range of prices available across Canada, following Saskatchewan and parts of Alberta and British Columbia.
- Natural gas rates charged to residential customers by the two large utilities that provide over 99% of gas in Ontario can differ by as much as 24% depending on where a customer lives in Ontario.
- Utilities apply different customer billing approaches to recover their Board-approved revenue requirements, but board staff have not assessed the impact that these different approaches have on ratepayers.
- Although complaints against gas marketers decreased by 81% from 2009 to 2013, there were still many complaints about contract cancellation and renewal issues when consumers discovered they could pay lower prices if they had gone with other gas providers. The Board could help consumers by listing on its website rate information from the various gas providers to help people make more informed decisions before they sign contracts.

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