



News Release

For Immediate Release

December 5, 2011

ELECTRICITY-CONSUMER PROTECTION CHANGING: AUDITOR GENERAL

(TORONTO) The Ontario Energy Board's powers to protect the interests of Ontario's 4.7 million electricity consumers are more limited than they were a decade ago, Auditor General Jim McCarter says in his *2011 Annual Report*.

"Because we all use electricity, and because the sector operates in a near monopoly, effective oversight by the Ontario Energy Board has historically been crucial," McCarter said today following the release of the Report. "However, the Board is limited in what it can do to ensure the interests of consumers are protected, particularly with regard to the pricing of electricity."

The Board is charged with overseeing the province's electricity sector. Electricity prices for the average Ontario consumer have risen about 65% since the restructuring of the electricity sector in 1999, and they are projected to rise another 46% in the next five years. In light of this, the role of the Board to protect consumers while setting rates that provide a reasonable rate of return to the industry is all the more important.

Following are some of the Auditor General's more significant findings:

- The Board is responsible to ensure that electricity bills are just and reasonable. However, it currently has jurisdiction only over about half of the total charges for electricity on a typical bill. The Board can only set rates for nuclear and some hydro power generated produced by Ontario Power Generation, along with transmission, distribution, and certain other charges. The Board has no say over the charges that comprise the other half of a typical bill.
- In the last five years, the overwhelming majority of the 17,000 consumer complaints to the Board related to electricity retailers. About 15% of residential customers, looking for price stability on their power bills, signed fixed-price contracts with retailers, but now could be paying 35% to 65% more for their power than if they had not signed contracts. However, while the Board can follow up on complaints, it has taken only limited action with respect to this issue.

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