

Council members received questions and comments from some residents about natural gas marketing representatives who had been soliciting door to door prior to the Christmas holidays. Some residents have been confused by the presentation and what they should do about it. Some were under the impression that the sales representatives are from Fortis. (Fortis does not sell door to door.) The following material provides background, if the marketing resumes.

The reason the sales representatives ask to see your Fortis bill is to ensure that you are buying your gas from Fortis and not already under contract to another natural gas marketer. Fortis buys gas for its pipeline then supplies it at cost to all customers who do not buy their natural gas from other sources. Fortis makes its profit on the transmission (pipeline) fee that it charges for gas passing through the line. The alternate marketers offer fixed price contracts and make their profit on the difference between what they pay for gas and your contract rate.

In response to questions, we have abstracted some material from the Fortis website which may help you to evaluate any contract offers. The attached pages provide you with Fortis' recommendation for questions that you should have answered before deciding to sign a contract. (Many of these questions reflect items in the "Natural Gas Marketers Code of Conduct", a 23 page document available on line.) If you do sign a contract, you have a 10-day 'buyer's regret' period during which you can notify the company that you wish to cancel.

Fortis' website provides information of its past and current gas prices and summarizes rates offered by other gas marketers. It also provides links to its competitors' websites so you can get up-to-date rates, in case the Fortis site is not up-to-date. (See link to "Fortis rate comparisons", below.)

Fortis buys gas under short-term contracts and sells it at cost, making its profit on transportation. The gas marketers delivered price includes all of the costs items that Fortis charges you for, plus a profit on the gas they purchase. Their prices are higher on short term contracts, but could be lower than Fortis' prices in the longer term if Fortis' costs for gas rise above the long term purchase contracts negotiated between the gas marketers and the gas producers. You have to make your own decision as to whether the protection from future price increases will compensate for the premium over Fortis' current rates.

We hope that this provides useful information, but Council is not offering any advice as to what you should do and we are not responsible for any errors in information obtained from public sources.

Useful links:

Access Gas Services Ltd. <http://www.accessgas.com/>

Fortis "Customer choice" page

<http://www.fortisbc.com/NaturalGas/Homes/CustomerChoice/Pages/default.aspx>

Fortis "Questions to ask"

<http://www.fortisbc.com/NaturalGas/Homes/CustomerChoice/BuyingFromAGasMarketer/Pages/Questions-to-ask.aspx>

Fortis's rate comparisons

<http://www.fortisbc.com/NaturalGas/Homes/CustomerChoice/ComparingHowRatesAreSet/PriceComparison/Pages/default.aspx>

(From the Fortis website)

Natural Gas Marketer at your door?

What you need to know

Since the launch of the Customer Choice program on May 1, 2007, natural gas marketing companies have been selling fixed-term, fixed-rate contracts to residential customers. These companies often employ commissioned sales people to sell these contracts door-to-door. FortisBC does NOT employ commissioned sales people to sell contracts door-to-door.

Here are some helpful tips for when a salesperson knocks on your door:

- Ask what company the salesperson represents and request to see his or her company ID. Keep in mind that the only time you should see the FortisBC logo is on the confirmation letter you will receive after enrolling in the program. FortisBC does not sell door-to-door.
- Remember that your FortisBC bill contains personal information so be cautious about showing it to a salesperson.
- Ensure you read and understand the details of the marketer's offer before signing an agreement. You have two choices: 1. Take no action and continue to buy your natural gas from FortisBC at a variable rate; 2. Sign a fixed-term, fixed-rate Consumer Agreement with a gas marketer.
- The choice is yours whether or not to purchase your gas through a gas marketer. FortisBC will continue providing you with gas service if you choose not to sign a contract.

If you believe a salesperson has misrepresented themselves, please contact the BC Utilities Commission.

Questions to ask

Asking the following key questions will help to ensure you make an informed choice before signing a contract with a gas marketer.

1. **What is your price per gigajoule of gas?**
2. **How long is the term of this agreement?**
Gas marketers can offer fixed rate terms ranging from one to five years in length.
3. **Is the price per gigajoule of gas fixed over the entire term of the agreement or does it vary from year to year?**
4. **How does your gas price compare to the fixed prices offered by other gas marketers and to FortisBC's variable price?**
You can review the current offerings from gas marketers and FortisBC's variable rate on our price comparison page.
5. **What are the benefits and risks involved in a fixed-term agreement?**
A fixed-term, fixed-rate agreement ensures your natural gas rate remains the same for the duration of your agreement, which protects you against fluctuations in natural gas prices. While you won't be affected if natural gas prices rise, you will not benefit if natural gas prices fall.
6. **What commitments will be made on my behalf?**
7. **What are the financial obligations and potential additional charges?**

(From the Fortis website)

8. What is your company's track record for supplying natural gas?

Gas marketers are legally obligated to meet the daily natural gas delivery requirements as set out by FortisBC, so there will be no interruption to your gas supply if you participate in the Customer Choice program.

In the unlikely event a marketer fails to meet its gas delivery requirements, FortisBC will step in as the "supplier of last resort" and fulfill the marketer's obligation to ensure you continue receiving an uninterrupted supply of gas. If your gas marketer surrenders or loses its license, your agreement could be transferred to another gas marketer. FortisBC will step in if no other arrangement can be made.

9. Who is authorized to sign an agreement with a gas marketer?

For residential customers, the signatory may be the account holder, the spouse or a legally authorized representative on the account.

10. If I'm not satisfied with the agreement and choose to cancel within the 10-day cancellation period, what is the best way to contact you?

11. Will you provide me with a confirmation number telling me the cancellation process is complete?

12. After my 10-day cancellation period has ended, what are the rights and penalties for early termination of the agreement? Is there a minimum agreement term?

13. Is there an option to re-negotiate the price and term of my contract on the contract's anniversary date?

If you would like to re-negotiate or terminate your contract you should contact your gas marketer at least 90 days before the 12-month anniversary date. This is because FortisBC requires notification from the marketer at least 30 days prior to the anniversary date. While the contract penalties and stipulations vary amongst gas marketers, FortisBC does not charge a fee for returning to the variable rate.

14. How many days does it generally take for my agreement to be sent to FortisBC and enrolled in the Customer Choice program?

Customers will receive a confirmation letter from FortisBC after signing an agreement with a gas marketer. This letter confirms that you have entered into a supply arrangement with a marketer and gives you a date by which you must respond to your chosen marketer if you wish to exercise the 10-day cancellation period option.

15. If I move to a new home, what information do I need to provide to your company and FortisBC? Does the agreement follow me to my new home?

Please contact FortisBC at **1-888-224-2710, Option 2**, to let us know your move details. Your Consumer Agreement with a gas marketer will move with you to your new residence as long as it remains in an area served by Customer Choice.