



Let's Take A Look!

At Ontario's Natural Gas Market

We hope you have found this information on your options for natural gas supply in Ontario helpful. For more information about natural gas marketing, including a list of licensed marketers please visit our Web site at www.oeb.gov.on.ca or call us at:

Toll-free: 1-877-632-2727

In Toronto: 416-314-2455

The Ontario Energy Board is the regulator of the natural gas and electricity sectors in Ontario.

When buying natural gas, as with any other purchase, it is important to understand your needs and do your homework in order to make informed decisions. This brochure is one in a series from the Ontario Energy Board (OEB) that explains your options in natural gas supply in Ontario.

Understanding Your Options For Natural Gas Supply

Consumers have been able to choose their natural gas supplier since 1985 when the federal government deregulated the natural gas industry. Understanding the choices available can help you, the consumer, make an informed decision.

Natural Gas Marketers

You may choose to buy your gas supply from a natural gas marketer. Most natural gas marketers offer fixed price contracts over a set period of time. This means that the price you pay for the commodity (the natural gas itself) remains stable and does not fluctuate with natural gas market prices. Marketers may also offer additional incentives such as rebates or points with customer loyalty programs.

Marketers who sell to low-volume consumers, such as residential and small commercial users, must be licensed by the Ontario Energy Board and adhere to a Code of Conduct.

Your Natural Gas Utility

If you choose not to sign a contract with a natural gas marketer, you are buying system gas from your local utility. Utility gas rates are approved by the OEB and can change every three months to reflect a forecast of market prices. The market price of natural gas fluctuates depending on supply and demand.

Your utility does not earn a profit on the natural gas it purchases for you. You pay the cost of the gas that the utility buys in the market on your behalf.

Regardless of whom you choose to supply your natural gas, your local gas utility will continue to deliver the gas to your home or business. The utility will also continue to provide other services such as emergency response service, billing and meter reading.

How Do I Know Which Option Is Best For Me?

The option that may work best for you will depend on your individual preferences.

The choice is much like the decision you make when selecting a variable or fixed-rate mortgage.

A fixed price contract can let you know what you will pay for your natural gas supply from month-to-month or year-to-year. Some consumers may prefer this certainty.

Rates from local gas utilities change with the forces of supply and demand in the natural gas market. At any time, rates may be higher or lower than the prices offered by marketers. Consumers who are comfortable with regular changes to the rates may choose to buy system gas from their utility.

Here are some questions to ask when considering a contract with a marketer:

- Is the marketer licensed by the OEB?
- What is the price and how does it compare with other offers and your local utility's current rate?
- Are there any additional fees or charges from the marketer?
- How will the contract be renewed?
- Under what conditions can the contract be cancelled?
- How do you contact the company if you have any questions?

As a consumer, ultimately you choose the products and services that best meet your needs. The best way to ensure you get the most value for your dollar is to understand your needs and make informed choices.