

Consumer protection shuffle; New unit won't help with rising rates: Critics

Tue Nov 9 2010
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Section: Business
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With new consumer protection legislation due to take effect in the New Year, the Ontario Energy Board has created a new consumer protection unit.

But a board spokeswoman says the new unit represents a re-organization rather than an increase in resources.

And critics said the new unit won't address the pressing issue of sharply rising energy prices, especially electricity rates.

The energy board announced Monday that it has created a new unit to deal with consumer protection, headed by Karim Karsan, a lawyer recently hired away from the Ontario Lottery and Gaming Corp.

"We decided to consolidate all the activities the board has to do with consumer protection under one department," said Vanda Wall of the OEB.

But she said that apart from Karsan, the board isn't adding to its resources.

"There are no new employees underneath him. It's just like a restructuring," said Wall.

Alan Findlay of the energy board said some activities will be beefed up, however.

"Consumers can expect an enhanced program of audits and inspections (of marketers) that meets the requirements of the market after January 1st," he said.

The Electricity Consumer Protection Act is due to take effect Jan. 1. It sets out new rules for energy marketers, such as requiring them to give potential customers comparisons of what they'd pay under a fixed-price contract, as opposed to what they'd pay if they take the regulated utility price.

Retailers will have to file statements showing how they comply with the new consumer rules.

The energy board is responsible for setting and enforcing the new standards. The board may hire external auditors initially to make sure the marketers are meeting their commitments, Findlay said.

But critics said yesterday that a specialized consumer protection service won't address the main beef that consumers have today, which is rising electricity prices.

Time-of-use rates, the HST and new, costlier green energy sources are all pushing up electricity bills.

"There is so much angst with respect for what people are paying for electricity," said Conservative energy critic John Yakabuski.

"This new service, if you want to call it that, is more about paying lip service to an angry electricity consumer than doing anything to alleviate the pressure on them from a billing point of view."

Robert Warren, lawyer for the Consumers Council of Canada, said that creating a body dedicated to curbing abusive marketing practices is "a good thing, because there have been a lot of abuses."

He said it doesn't address some larger issues of pressing interest to consumers, however.

"A government which is running scared on energy prices will be able to point to these kinds of consumer protection measures and say: See, we're looking after you," Warren said.

But consumers have other worries, he noted.

"This consumer protection exercise has nothing to do at all with energy prices," he said.

"The larger question of how you protect consumers with respect to rising electricity prices, that's an open question."

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