



# The Energy Choice is ***Yours***

## Consumer Tip Sheet #4

### ***Nearing the End of An Energy Contract: How Renewals Work***

#### ***Renewal and Extension of Contracts***

In order for a natural gas or electricity contract to be renewed or extended, the original contract must contain a provision that allows for the renewal or extension. If your contract contains such a provision, it can be renewed or extended following the rules described below. Please note, however, that the natural gas marketer or electricity retailer cannot change any terms or conditions of the contract at the same time as the renewal other than those that relate to the duration of the contract and the price payable for the natural gas or electricity. The rules for renewing or extending a contract differ, depending on whether it is an electricity or natural gas contract and the duration of the renewal or extension.

- Natural gas renewals or extensions for one year or less are treated in one way, and renewals or extensions for a longer period of time are treated in another way.
- Electricity contracts must state the price the consumer will pay if the contract is renewed and also, the price the consumer would pay if they purchased from the utility. The contract cannot be renewed or extended unless the consumer provides express consent that he has read this price comparison. For this reason electricity contracts cannot be automatically renewed.

#### ***Renewals and Extensions for One Year or Less***

The process for renewing or extending a contract for one year or less is as follows:

1. A notice must be sent to you between 60 and 120 days before the date that your contract ends, also known as the "renewal or extension date".
2. This notice must include:
  - A copy of the original contract;
  - Any changes made to the original contract;
  - A cancellation form;
  - The renewal or extension date and the options available to you. One of the options must be that you can cancel the contract when the term ends;
  - A statement that confirms that the contract will be renewed or extended unless you send a written cancellation request within 30 days after you receive the notice; and
  - A statement that confirms that you may also cancel the contract within 35 days after the first bill under the renewed or extended contract is sent. However, it may require up to two billing periods before this cancellation takes effect. Also, you may not be reimbursed for any higher price that you may have paid during that time compared to the price that you would have paid if you had purchased the natural gas or electricity from your utility.
3. For electricity contracts, the renewal or extension notices are also required to state the price you will pay if the contract is renewed or extended, and the price you would pay if you purchased electricity from your utility. The contract cannot be renewed or extended unless the retailer receives your express consent that you have read this price-comparison information.



4. For natural gas contract renewals or extensions, different rules apply depending on how and when you entered into the contract.

- In cases where the original contract was entered into over the internet or by phone, or where the customer responded to a direct mail campaign, contracts may be automatically renewed for up to one year with a change in price, provided the contract has a renewal / extension provision.
- If you signed a contract in person with a marketer's agent on or before July 30, 2005, and if you do not give written notice to cancel, the contract can automatically be renewed or extended for up to one year at the price described in the renewal or extension notice.
- Any new contracts signed in person with a marketer's agent after July 30, 2005 cannot be automatically renewed. You would need to give your explicit consent.

### ***Renewals and Extensions for More Than One Year***

The process for renewing or extending a contract for more than one year, up to five years, is as follows:

1. A notice must be sent to you between 60 and 120 days before the date that your original contract ends, also known as the "renewal or extension date".

2. This notice must include:

- a copy of the original contract;
- any changes made to the original contract; and
- a renewal or extension form.

3. In order for the contract to be renewed or extended, you must confirm in writing with the marketer or retailer that you accept the renewed or extended contract. This confirmation may take different forms. For example, if you endorse and cash a cheque from the marketer or retailer that represents a renewal or extension bonus or rebate, the marketer or retailer may consider that action to be your written confirmation. Be sure to carefully read all of the material provided to you before you take any action.

4. Even after you accept the renewal or extension, you have up to 14 days after you have confirmed your acceptance to change your mind and cancel the renewed or extended contract. In that case, you must give written notice of cancellation to the marketer or retailer within the 14 days.

5. Electricity contract renewals or extensions for more than one year, up to five years, are subject to additional special requirements. Specifically, the renewal or extension notice must state the price you will pay if the contract is renewed or extended, and the price you would pay if you purchased electricity from your utility. The contract cannot be renewed or extended unless the retailer receives your express consent that you have read this price-comparison information.

#### **Still have questions?**

Contact the **Ontario Energy Board**.  
We license all electricity retailers  
as well as marketers that sell natural gas  
to residential and small business consumers.

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