

# Senior Legal Hotline

444 North 3rd Street #312, Sacramento, CA 95814  
(916) 551-2140 or (800) 222-1753 Toll Free in California

## BUYER BEWARE!!!

### ENERGY DEREGULATION SHAMS AND SCAMS

Several years ago, the California Legislature deregulated the production of electric energy and opened the electricity market to competition. In an effort to get as many customers as possible, some of these electric service providers (ESPs) misrepresent their goods and services. Listed below are some of the shams and scams of which consumers need to be aware.

**SLAMMING** - Occurs when an ESP gets your name and vital information and changes your electricity provider without your permission. Be wary of ESPs who ask you for information over the phone under the pretext of researching a pricing history. Some ESPs send representatives door to door. These representatives may ask to see your electric bill to compare costs. These representatives will walk away with your bill and use the information printed on the bill to switch your electricity provider without your permission. Do not give out this information over the phone or to strangers at your door.

**CRAMMING** - Occurs when an ESP convinces you to sign up with their service with reports of very good electricity prices. After a month or two, you will find a tremendous increase in your electric bill due to "unforeseen costs." If you receive a utility bill with additional costs that were not disclosed at the time you signed up for service, contact the CPUC and file a complaint.

**PYRAMIDS** - Occurs when an ESP contacts you about electric service and offers you the opportunity to become a salesperson for them. You will be promised a large income if you find other sellers willing to participate. This scheme is illegal and most participants NEVER receive the promised rewards.

**FALSE ADVERTISING** - Occurs when an ESP makes false claims. Some ESPs promise a 10% discount if you subscribe to their service. On January 1, 1998, your current utility company reduced your rates 10%. This 10% discount is in effect until January 2002. Do not be lured into changing electric utility providers by the promise of a discount you already receive through your current utility provider.

The California Public Utilities Commission, located in San Francisco, oversees most providers of essential services to California state residents. To report complaints or problems with any ESP, call (800)649-7570.

If you have any questions regarding energy deregulation and are 60 years or older, please call the Senior Legal Hotline at (916) 551-2140 or (800) 222-1753 toll free California. Hours of operation are Monday-Friday 9-12 and 1-4. Evening hours are available to 7PM on Thursdays.