

**Assurance of Voluntary Compliance**

**Pursuant to s. 112.7 of the  
*Ontario Energy Board Act, 1998***

**SUMMITT ENERGY MANAGEMENT INC.**

## I. BACKGROUND

Board staff conducted an inspection during the period of September to December 2012 in relation to prices charged to low-volume electricity consumers who have entered into retail electricity contracts with Summitt Energy Management Inc., (“Summitt Energy”). The inspection was conducted under the authority of Part VII of the *Ontario Energy Board Act, 1998* (the “Act”).

The purpose of the inspection was to review the following aspects of Summitt Energy’s operations:

- a) the content of contracts and their terms and conditions;
- b) the use of the applicable disclosure statements and price comparison documents; and
- c) testing of the transactions between the retailer and the distributor in facilitating service transaction requests.

Board staff sampled various contracts, price comparisons and billing transactions between April 1, 2012 and June 30, 2012 on a random basis and observed the following during the course of the inspection. Board staff shared its findings with Summitt Energy on April 30, 2013.

## II. FINDINGS

1. In 1 of 60 contracts tested, an outdated version of a price comparison template was provided by Summitt Energy to a consumer at the time of sale.

At a meeting with Board staff on September 19, 2013, and in follow up communications Summitt Energy admitted that it failed to comply with section

12(1)(b) of the *Energy Consumer Protection Act, 2010* (the "ECPA"), section 8(3) of Ontario Regulation 389/10, and section 4.6(a) of Part B of the Electricity Retailer Code of Conduct And confirmed that such contract was cancelled by it.

2. In 55 of 60 contracts tested, Summitt Energy did not disclose each element of the contract price separately on the price comparison template. Specifically, an administration fee of \$1.38 was not broken down into each element of the contract price as described in the contract terms and conditions but was presented as a single line item on the price comparison. The administration fee is composed of fees charged to Summitt by the utility, including a one-time enrollment and de-enrollment fee, an Electronic Business Transaction ("EBT") hub service fee, and regulatory fees charged to Summitt by a government/regulatory agency.

Summitt Energy has voluntarily agreed, pursuant to section 112.7(1)(c) of the *Ontario Energy Board Act*, to adopt and otherwise take the steps noted in Part III herein relating to section 12(1)(b) of the ECPA, section 8(3) of the Ontario Regulation 389/10 and section 4.6(b) of Part B of the Electricity Retailer Code of Conduct."

3. In 4 of 60 contracts tested, the price information in the price comparison template provided to the consumer did not match the price and structure of the product selected by the consumer under the contract. The price comparison given to the consumer indicated time of use prices as opposed to fixed and variable price.

Summitt Energy admits that it failed to comply with section 12(1)(b) of the ECPA, section 8(3) of Ontario Regulation 389/10, and sections 4.6(a) and 4.7

of Part B of the Electricity Retailer Code of Conduct and has voluntarily taken steps noted in Part III herein to respond to staff concerns.

### **III. ASSURANCES**

Summitt Energy hereby assures the Board that it has voluntarily taken and will continue to take the following steps with respect to each of the findings noted above:

1. With respect to Summitt Energy's failure to provide the correct version of the price comparison to the consumer, Summitt Energy has informed Board staff that this was a processing error of a sales agent and confirms that it has cancelled the contract identified as having the outdated price comparison. Summitt Energy also confirms that as of September 25, 2013, it has made changes to its price comparison verification process to ensure that correct versions of the forms are provided to consumers.
2. With respect to Summitt Energy's failure to disclose each element of the contract price, Summitt Energy has informed Board staff that as of September 25, 2013, it has amended its price comparison forms to include a breakdown of the administration fee to be consistent with the description of the administration fee in the contract and terms and conditions as required.
3. With respect to Summitt Energy's failure to provide the correct price comparison form, Summitt Energy has informed Board staff that as of September 25, 2013, it has reviewed the price comparison forms for all commercial contracts and changed the structure of the price comparison form to match the product selected.

Summitt Energy and Compliance Staff are satisfied that the matters arising from the inspection are appropriately resolved by the filing of this Assurance of Voluntary Compliance ("Assurance").

Summitt Energy commits to ensuring that as of the date of this Assurance, the price comparison form, contract terms and conditions, and billing transactions to low-volume electricity consumers meet all of the requirements set out in section 12(1)(b) of the *Energy Consumer Protection Act, 2010*, section (8)(3) of Ontario Regulation 389/10 and sections 4.6(b) and 4.7 of Part B of the Electricity Retailer Code of Conduct.

#### IV. CONSUMER RIGHTS

Nothing in this Assurance affects any rights a consumer may have under his or her contract, or under any applicable laws.

#### V. FAILURE TO COMPLY

This Assurance has the same force and effect as an order of the Board pursuant to section 112.7(2) of the Act and any failure to comply with its terms shall be deemed to be a breach of an order of the Board.

#### VI. EXECUTION OF ASSURANCE

I have authority to bind Summitt Energy Management Inc. to the terms set out in this Assurance of Voluntary Compliance.

Name: *G. Haggarty* *Gerry Haggarty.*  
Title: *President.*  
Company: *Summitt Energy Management Inc.*

Dated this *6.* day of December, 2013.

Summitt Energy Management Inc.  
EB-2013-0386  
Assurance of Voluntary Compliance  
Filed: December 6, 2013