



EB-2011-0309

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF a Notice of Intention to Make an
Order for Compliance and an Administrative Penalty against
Canadian RiteRate Energy Corporation (“RiteRate”) Licence
Number GM-2008-0278.

**NOTICE OF INTENTION TO MAKE AN ORDER FOR COMPLIANCE AND TO
IMPOSE AN ADMINISTRATIVE PENALTY UNDER s. 112.3 and 112.5 of the
*ONTARIO ENERGY BOARD ACT, 1998***

The Ontario Energy Board (the “Board”), on its own motion under section 112.2 of the *Ontario Energy Board Act, 1998* (the “Act”), intends to make an Order under sections 112.3 and 112.5 of the Act requiring RiteRate to comply with a number of enforceable provisions as defined in section 3 of the Act and to pay an administrative penalty in the amount of \$10,000 for breaches of enforceable provisions.

Ernst and Young LLP (E&Y) was retained by the Board to conduct compliance inspections of RiteRate’s operations in order to ensure compliance with all applicable legal and regulatory requirements pertaining to consumer protection. In order to carry out the inspection, E&Y staff required access to relevant data related to RiteRate’s transactions and processes, as well as access to information in their data systems. E&Y provided a final report of its findings to Board staff along with supporting documentation. Board staff then reviewed the findings.

ALLEGATIONS OF NON COMPLIANCE

It is alleged that RiteRate has contravened sections of Ontario Regulation 389/10 and section 12 of the *Energy Consumer Protection Act, 2010* (the "ECPA").

PARTICULARS

The particulars in support of the allegations set out in this Notice are as follows:

Contract content requirements for new contracts

The standard form contract used by RiteRate for both Internet and Direct Mail channels were reviewed during the inspection, as was one consumer contract. RiteRate confirmed that all of its contracts are in the same form and have the same content as the standard contract. RiteRate has contravened the following requirements in relation to contract content requirements:

1. The contract does not contain a statement that if the consumer cancels the contract within the 10-day period, the consumer is entitled to a full refund of all amounts paid under the contract; contrary to section 12 of the ECPA and section 7 (1) 9 of Ontario Regulation 389/10.
2. The contract does not contain an acknowledgment to be signed and dated by the consumer or account holder's agent that he or she has received a text-based copy of the contract following the signatures required by section 7(1)17 of Ontario Regulation 389/10; contrary to section 12 of the ECPA and section 7(1)18 of Ontario Regulation 389/10.

THEREFORE TAKE NOTICE that RiteRate may request, within fifteen days after receiving this Notice, that the Board hold a hearing on these matters. If no request for hearing is made within this time period, the Board may proceed to make an Order that RiteRate comply with any of the enforceable provisions listed in this Notice and that RiteRate pay an administrative penalty.

FURTHER TAKE NOTICE that if a hearing is requested, the Board is not bound by the above noted penalty and has discretion, upon finding a contravention(s) of the Act, to make any order it deems appropriate under sections 112.3 and/or 112.5 of the Act. RiteRate is entitled to be present at the hearing with or without counsel and to adduce evidence and make submissions. Should RiteRate fail to attend, the hearing may be conducted in its absence and RiteRate will not be entitled to any further notice in the proceeding.

In order to respond to this Notice and request a hearing, RiteRate must file 3 copies of this request with the office of the Board Secretary at the following address:

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4
Attention: Board Secretary
Email: Boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273
Fax: 416-440-7656

If a hearing is requested it will proceed before a Panel of the Board, at the offices of the Ontario Energy Board, 2300 Yonge Street, Toronto, Ontario, on a date to be set by the Board.

DATED at Toronto, August 25, 2011

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary