



ONTARIO ENERGY BOARD

Retail Compliance Plan

Staff Report

August 11, 2009

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1. Executive Summary

The 2008 – 2011 Ontario Energy Board (the “Board”) Business Plan included a key initiative to review energy retailers’ compliance with consumer protection provisions under the *Ontario Energy Board Act, 1998* (the “Act”), regulations and Board Codes during the 2008 – 2009 fiscal year.

The Retail Compliance Plan (“RCP”) was completed to support this key initiative.

Phase 1 of the RCP was completed in fiscal year 2008 – 2009. Under this phase, Board staff inspected and assessed sales agent training and monitoring, and contract management (enrolment, reaffirmation, renewals, and cancellations) of the five most active licensed energy retailers in Ontario. These are Universal Energy Corporation (Universal), Direct Energy Marketing Limited (Direct Energy), Ontario Energy Savings L.P. (OES), Summitt Energy Management Inc. (Summitt) and Superior Energy Management (Superior).

Specifically, inspections were carried out to verify that certain aspects of licensees operations are in compliance with applicable legal and regulatory obligations pertaining to consumer protection. The inspections were also intended to ascertain the extent to which licensee systems, processes and business practices, facilitate and achieve compliance.

A random sample of transactions were tested against specific regulatory requirements in order to better understand licensee processes.

In order to carry out the inspections, Board staff required relevant data related to licensee transactions and processes, as well as access to information in certain data systems. Therefore, each inspection involved a site visit to licensee offices. Findings reports were prepared for each licensee based on the results of inspections and the reports were shared with each respective licensee.

The inspections completed as part of Phase 1 provided validation that the licensees operating in the gas and electricity retail markets of Ontario are, for the most part, doing so in accordance with applicable legal and regulatory requirements pertaining to consumer protection. However, some instances of non-compliance were found.

In one such case, the Board issued a Notice of an Intention to make an Order for an Administrative Penalty against Universal Energy Corporation for contraventions of the Act, and the Board’s Electricity Retailer Code of Conduct. More specifically, Universal engaged in unfair practices by making false, misleading or deceptive statements to low-volume consumers. Universal also contravened the Electricity Retailer Code of Conduct by supplying low-volume consumers without a valid reaffirmation. The Board issued an Order and directed Universal to pay an administrative penalty of \$127,500. In addition to the payment of a penalty, Universal provided the Board with an Assurance of Voluntary Compliance undertaking, among other things to, for a period of eighteen months, conduct quality assurance audits of all positive reaffirmation calls and file quarterly reports with the Board on all disciplinary action taken with respect to reaffirmation calls. The Assurance has the same force and effect as an Order of the Board.

In another case, Summitt contravened certain enforceable provisions of the Act in that it engaged in unfair practices by making false, misleading or deceptive statements to low-volume consumers. Summitt also contravened the Electricity Retailer Code of Conduct and the Code of Conduct for Gas Marketers (the "Codes") by supplying consumers without a valid reaffirmation. The Board issued an Order and directed Summitt to pay an administrative penalty of \$70,000. Also, Summitt provided the Board with an Assurance of Voluntary Compliance.

In other instances where compliance risks or weaknesses were identified, Board staff met with individual licensees to discuss results of the inspection findings. Licensees submitted remedial action plans to Board staff in order to address areas of concern. Compliance risks or weaknesses identified included problems with reaffirmation scripts, renewal disclosures, and general reaffirmation practices.

In addition to the above, the RCP assisted Board staff in gaining a better understanding of industry trends and market practices in relation to the business practices and processes of licensees operating in the energy retail markets.

The RCP staff report identifies Board staff observations of those trends and practices and is intended to provide guidance to licensed electricity retailers and licensed gas marketers in meeting their statutory and regulatory obligations.

The views expressed in this report are Board staff's and are not binding on the Board.

Phase 2 of the RCP is to be completed in fiscal year 2009 – 2010. Board staff will conduct additional reviews of retailer/marketer consumer complaint handling. A staff report will be issued upon completion of those reviews.

Summary of Board Staff Observations

Board staff provides several observations throughout this report. Of particular note are the following:

1. Some energy retailers have their sales agents collect consumers' utility bills. Sales agents that obtain consumer's utility bills put consumers at a potential disadvantage when making decisions to proceed with a retail energy contract. It is important for consumers to retain their utility bills in order to understand their energy supply arrangements. If a consumer does not have his or her bill when being asked to reaffirm a contract, the consumer may be at a disadvantage as he or she cannot reference their utility bill. In addition, some licensees compensate sales agents for simply collecting a consumer's utility bill. This can lead to aggressive sales behaviour by agents who are financially motivated to have a consumer provide them a bill even if a contract sale cannot be made.
2. Licensees that have formal quality assessment programs of sales agents have improved sales experiences with consumers. Energy retailers that have sales managers in the field appear to be better able to address inappropriate behaviour or incorrect information being conveyed by sales agents to consumers.

3. Formal policies regarding agent complaints can be an effective means to enhance industry professionalism. Energy retailers that had formal documented agent complaint policies generally demonstrated better management of sales complaints. Measuring the performance of sales agents by taking into consideration the total number of complaints received for a sales agent, the number of contracts signed by the sales agent and the number of contracts successfully enrolled might lead to earlier identification of an agent issue.
4. The practice of some retailers of performing quality assurance audits of contract reaffirmations can be effective in helping ensure compliance with legal and regulatory requirements associated with reaffirmation. Quality assurance audits may also assist in identifying issues regarding sales agent behaviour and performance. Board staff suggests that retailers give consideration to conducting quality assurance audits of both positive and negative reaffirmations.
5. Energy retailers, as a minimum, should ensure a clear understanding and positive acceptance of the following when reaffirming energy contracts: commodity price, contract term, authorization to reaffirm, receipt of written copy of contract, and consent.
6. In order to demonstrate that a renewal notice was sent to or received by a customer, energy retailers must have clear records indicating that renewal notices were prepared, mailed and sent to customers. Sending natural gas renewal packages by registered mail or any other manner that would provide clear evidence of receipt by the consumer would reduce disputes among retailers and consumers.
7. Most retailers do not cancel consumer contracts upon request unless any required liquidated damages are paid. This practice had led to instances in which a consumer's return to system supply has been delayed and the consumer continued to be billed at the retail contract price. In order to ensure timely cancellations of contracts, energy retailers should submit a drop request to the utility immediately upon receipt of a cancellation request.

2. Introduction

One of the objectives in the Board's 2008 – 2011 Business Plan is to enhance public confidence in the Board's regulation through effective compliance and audit programs. The Board's Business Plan included a key initiative to review energy retailers' compliance with consumer protection provisions under the Act and Board Codes during the 2008 – 2009 fiscal year.

The RCP was developed to support this key initiative. The RCP sets out the key areas of focus for Board staff during the fiscal year of 2008 – 2009 in relation to energy retailers' compliance with applicable legal and regulatory requirements pertaining to consumer protection.

In this report, "energy retailing" refers to both electricity retailers and natural gas marketers, and in both cases specifically in relation to low-volume electricity and natural gas consumers.

When used in this report, "applicable legal and regulatory requirements" are laws, regulations and Board regulatory instruments (Licences, Codes, Rules and Orders) that the Board has authority to enforce under Part VII.1 of the Act. In terms of consumer protection provisions, these are principally found in Part V.1 of the Act ("Energy Consumers' Bill of Rights"), Ontario Regulation 200/02 Consumer Protection, and the Board's Codes of Conduct for electricity retailers and gas marketers (the "Codes").

In order to maximize the effectiveness of the RCP, Board staff assessed the five most active licensed energy retailers in Ontario. These included Universal Energy Corporation (Universal), Direct Energy Marketing Limited (Direct Energy), Ontario Energy Savings L.P. (OES), Summitt Energy Management Inc. (Summitt) and Superior Energy Management (Superior).

Through the analysis of statistical reporting of overall consumer issues raised with the Board's Consumer Relations Centre and Compliance Office and comparative complaint data for the year 2007 and 2008, two key areas were identified for the focus of the review. The two key areas of focus involved in the RCP were as follows:

- Sales Agent Training and Monitoring; and
- Contract Management.

The findings of a series of inspections carried out from September 2008 to March 2009 in relation to the sales agent training and monitoring practices and contract management practices of the five licensees selected for review are set out below. This report contains details of the inspection samples and inspection processes, licensee business practices, and Board staff observations identified.

3. Authority for Inspection Review

The inspections were conducted under the authority of Part VII of the Act by persons appointed as inspectors by the Management Committee of the Board under section 106 of the Act.

The Board retained an independent consultant to assist Board staff to conduct the RCP.

4. Legal and Regulatory Requirements for Energy Consumers

The RCP inspections were conducted to ensure compliance with the consumer protection requirements that are enforced by the Board and that apply to low-volume energy consumers. These requirements are found in Part V.1 of the Act (“Energy Consumers’ Bill of Rights”), Ontario Regulation 200/02 Consumer Protection, and the Codes.

Among other things, Board regulations, codes and legislative provisions pertaining to consumer protection require that energy retailers ensure the following:

- Energy retailers and their salespersons conduct their businesses using fair marketing practices;
- An energy retailer’s salesperson must provide a consumer with a business card that identifies the salesperson and the name and phone number of the energy retailer;
- Energy retailers and their salespersons must not make any false, misleading or deceptive statements;
- Energy retailers and their salespersons must not exert undue pressure on a consumer;
- Energy retailers must provide consumers with a written copy of the contract within 40 days of the date on which it was signed;
- Energy retailers must ensure that a consumer reaffirms his or her acceptance of a contract, where reaffirmation is required. Starting on the 10th day after a consumer has received a written copy of the contract, an energy retailer is permitted to contact a consumer to ask the consumer to reaffirm acceptance of the contract;
- Energy retailers must ensure that renewals and extensions of energy contracts are conducted in the manner prescribed by regulation. The energy 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; and
- Energy retailers must ensure that energy contracts contain certain mandatory information. If any of this mandatory information is missing, a consumer has the right to cancel the contract within one year of signing.

Additional detail of the applicable legal and regulatory requirements pertaining to consumer protection is set out in Appendix 3 of this report.

5. Inspection Objectives

The inspections were intended to ascertain key information regarding the sales agent training and monitoring practices and contract management practices of the five licensees in order to facilitate a greater degree of understanding of their documented practices and whether these practices are in compliance with applicable legal and

regulatory obligations pertaining to consumer protection as set out in the Act, the regulations made under the Act and the Board's regulatory instruments.

The two key areas of focus involved in the RCP were as follows:

- Sales Agent Training and Monitoring; and
- Contract Management.

The key components of each of the above two areas are described below.

Sales Agent Training and Monitoring

Staff reviewed and evaluated:

- a) The sales training and certification programs and agent recruitment and compensation structure for door-to-door and telemarketing channels;
- b) The process by which complaints regarding sales agent conduct are processed and associated internal controls;
- c) The nature and effectiveness of forgery protocols; and
- d) Marketing practices (e.g. disclosure requirements, marketing materials, sales materials, scripts).

Contract Management

Staff reviewed and evaluated:

- a) Reaffirmation practices and quality assurance controls (e.g. reaffirmation scripts, call recordings, other reaffirmation methods);
- b) Fulfillment processes regarding the delivery of contract terms and conditions (e.g. business processes, internal controls, systems);
- c) Contract renewal processes and controls (e.g. delivery of renewal package, processing renewal choice, scripts, call recordings); and
- d) Contract cancellation processing and controls (e.g. procedure to cancel during contract term and other contract cancellation rights).

6. Sales Agent Training and Monitoring

This section provides general information about the sales agent training and monitoring practices of the licensees subject to review. Each section also contains Board staff observations.

The section is divided as follows:

- ✧ Inspection Processes
- ✧ Sales Agent Model and Compensation;
- ✧ Sales Agent Recruitment;
- ✧ Sales Agent Training and Certification;
- ✧ Scripts, Marketing and Presentation Materials;
- ✧ Quality Monitoring and Quality Assurance;

- ✧ Sales Agent Complaints;
- ✧ Forgery Protocol; and
- ✧ Inspection Findings

6.1 Inspection Processes

The inspections allowed Board staff to understand the extent to which each of the licensee's sales agent training and monitoring practices facilitate and achieve compliance. The inspections focused on a review of licensee's documented practices and whether these practices are in compliance with applicable legal and regulatory obligations pertaining to consumer protection.

In order to carry out the inspections, Board staff required relevant information related to processes and materials used by each licensee. Details of the information that was required of the licensees in relation to the inspection associated with sales agent training and monitoring is set out in Appendix 1 of this report.

6.2 Sales Agent Model and Compensation

For the purpose of this report, the term 'claw-back' refers to a retailer's ability to reverse any compensation paid to a salesperson if a contract application is subsequently cancelled; the term 'sales contractor' refers to a third party sales operation.

How Sales Agents are Employed

There are two types of sales agent models among the licensees reviewed.

The first involves energy retailers that have exclusive contracts with sales contractors who operate within assigned territories across the province. Under this scheme, independent sales agents are contracted directly with sales contractors. Typically, a sales contractor office contains an office manager, field managers and team leads that are responsible for sales agents. The energy retailer has dedicated internal employees who supervise the sales contractor at each of the sales offices (sometimes referred to as regional offices) to ensure control over performance. In this model the management of sales agents is the responsibility of the sales contractor.

In the second model the independent sales agents are contracted directly with the energy retailer. However, the energy retailer maintains a contract with the sales contractor for the purpose of day-to-day management of the sales agents.

In respect to recruitment, in three cases sales contractors are responsible for the recruitment of independent agents. In the other two cases the energy retailer directly recruits sales agents.

Sales Office Organization

In three of the five cases, the sales contractor has crew coordinators and assistant crew coordinators whose primary role is to lead, coach and monitor independent agents. The

assistant coordinator is typically a more experienced sales agent. The coordinators also sell contracts. In this scenario, the energy retailer employs a sales manager and regional sales managers to support the sales contractors' offices and works with and manages the performance of the sales contractor.

One energy retailer maintains a separate sales contractor office focused on large commercial sales and separate sales contractor offices for residential and small commercial sales. This energy retailer uses the model of directly contracting with sales agents. The sales contractor manages the sales agents. The sales contractor is supervised by an energy retailer employed district manager and regional manager.

Another contractor has an office structure in which they employ a sales trainer, a sales manager and office administrator. There is interaction between the retailer and the sales manager as it relates to sales agent complaints.

Compensation Model

All five energy retailers have similar commissioned based compensation models as described below:

1. One energy retailer maintains a compensation model that is commission based on net transactions (positively reaffirmed and accepted by the utility). There is also an additional fixed bonus payment for gas and for electricity, paid per contract. In this situation, there is no claw-back model.
2. One energy retailer pays a commission only once a sale is reaffirmed and accepted by the utility. Regional, territory and crew managers are paid in the same way and based on the contracts processed and sold by the independent contractor (commission based). If a contract is cancelled within a certain time period, the energy retailer has the right to claw-back all commissions paid depending on the reason for cancellation.
3. Sales contractors and agents are paid directly by the energy retailer. Commission is paid after the contract sign date once the deal has been positively reaffirmed and accepted by the utility. Additional commission is paid if the consumer is still flowing at various stages of the contract. This commission structure includes a claw back model.
4. A commission is paid if a positive reaffirmation occurs within a prescribed time period of the contract being signed or a separate commission if the reaffirmation is done later than the stated time period. If a contract is cancelled within a certain time period, the energy retailer has the right to claw-back all commissions paid depending on the reason for cancellation. The energy retailer pays the sales contractor who then pays the agents. Under this scenario, there is also a requirement for the agent to collect the consumer's utility bill and submit it with the contract. If the bill is not submitted the agent does not get paid. If an agent signs a pre-existing customer, the new contract application is cancelled and no commission is paid.
5. In the last model some compensation is paid once positive reaffirmation has

occurred and a further amount if the contract is enrolled with the utility; claw-back operates up to the contract enrolment. Under this model, there is also a full-bill compensation bonus. However, payment is dependent on the number of contracts signed.

Board Staff Observations

The issue of sales agents obtaining consumers' utility bills is currently affecting energy consumers in Ontario. Based on complaints received by the Board, consumers are frustrated and confused when agents require their utility bills at the time of signing a contract.

Sales agents that obtain consumers' utility bills put consumers at a potential disadvantage when making decisions to proceed with a retail energy contract. It is important for consumers to have their utility bills in order to understand their energy supply arrangements. If a consumer does not have his or her bill when being asked to reaffirm a contract, the consumer may be at a disadvantage as he or she cannot reference their utility bill. (e.g. consumer cannot make price comparisons between their current price and the contracted price; consumer is unable to determine whether they have current contractual arrangements)

In addition, some licensees compensate sales agents for simply collecting a consumer's utility bill. Some licensees indicated that they only collect the bills to ensure a proper utility acceptance (i.e. the proper account number and address is recorded). However, this can lead to aggressive behaviour by agents who are financially motivated to have a consumer provide them a bill even if a contract sale cannot be made.

Board staff is concerned that sales agents may engage in unfair practices; misrepresentation and/or high pressure sales tactics, in order to obtain a consumer's utility bill. For example, many consumers base their assessment of the potential value or anticipated benefit of a contract with an energy retailer on their understanding of price and market conditions and therefore trust the energy retailer and its salespersons to honestly disclose information in reaching a decision.

The issue of sales agent conduct is a source of high consumer complaint volumes logged by Board staff. In 2007 and 2008, approximately 70% of all consumer complaints received by the Board regarding sales agent conduct related to misrepresentation and aggressive sales tactics.

Board staff believe that an energy retailer's sales agent model and commission structure is a contributing factor and explanation of the root causes in increased consumer complaints received by the Board regarding sales agent conduct.

Board staff believes compensation models should be based on net sales or a combination of positive reaffirmation and net sales and that a claw-back model should be used up to one year post sign date in order to provide incentives to sales agents to conduct high quality sales and to ensure customers fully understand the sales process.

6.3 Agent Recruitment

There are two common recruitment methods used among the licensees reviewed.

In the first example, sales contractors are responsible for the recruiting and hiring of sales agents. Generally, an initial phone screening takes place followed by an invitation to attend an interview at a sales office where the applicant completes an application. If he/she passes, then they are invited to orientation and training. References are obtained and government issued identification is required from the candidate as part of the recruitment process. No previous sales experience is required.

In the second recruitment method, energy retailers are directly responsible for the recruitment of its sales agents. This method includes a dedicated recruitment centre which deals with recruitment and training. Resumes are gathered and reviewed for appropriate skill sets and qualifications. Successful candidates are invited for an interview at the recruiting centre.

Energy retailers place advertisements online and in newspapers. In one example, recruitment is focused on potential agents from outside of the energy sector.

In some cases, criminal background checks are performed on potential sales agents. Some energy retailers find this practice to be an effective tool in the recruitment process.

Board Staff Observations

After reviewing the recruitment practices of the five energy retailers Board staff found that each company or their representatives makes an effort to screen and assess candidates for job suitability. They all conduct a phone screening, gather copies of identification as part of the hiring practice and perform orientation training to ensure the job is a fit.

Two energy retailers informed Board staff that they perform criminal background checks during their hiring process.

Despite the above screening process, energy retailers have not found a way in which to avoid agents moving between companies for employment in circumstances in which the agent was terminated. Also, there does not appear to be a method for energy retailers to monitor sales agents working for multiple retailers at the same time.

6.4 Training and Certification

There are various approaches to sales agent training and certification among energy retailers.

Approach “a”

Training is solely conducted by the sales contractor using methods and materials approved by the energy retailer. The training material is written by both the sales contractor and energy retailers' staff.

Training includes classroom style training consisting of industry information, product knowledge, Codes and internal company codes of conduct. The training is delivered by presentation and includes information on how to complete a contract application. A copy of the presentation is given to the agents. The time and length of training delivered varies from 2 hours to 3 days. A training certification written test is required. A minimum pass mark is required for successful completion. If an agent fails the test, they are required to re-do the entire training day before re-writing the test. There are a maximum number of test re-writes, if an agent fails the maximum number allowed, they are told that they will not be selected as an agent.

Successful agents then sign an independent contractor agreement / code of conduct acknowledgement form based on the Board's Codes and have their photo taken for their ID number and badge. They are then given uniforms and presentation kits, approved marketing and contract materials, business cards, appropriate personal electronic devices, and they are assigned their team leader and field trainer. In this example, criminal background checks are not used.

Approach "b"

Other energy retailers are responsible for and provide for all training and training materials, badges and sales materials. The sales contractors are responsible for the provision of uniforms. The training is module based and consists of company information, industry information, product knowledge, Codes and internal company codes of conduct. Each module uses test questions. Candidates complete an online training program to ensure they are able to explain products to customers with adherence to the retailer's code of conduct. Photos are taken and the agent agrees to abide by various company policies in relation to professional behaviour and conduct.

Also, if agents are inactive for a period of 30 days, they are required to re-take the full training and written test before being allowed to sell again. In other cases, retraining due to inactivity is at the discretion of the sales contractors.

In this example, certification testing is completed exclusively on-line; the testing structure is based on randomly selected questions with a minimum pass mark required. Potential agents are only allowed one opportunity to re-write the test if they fail. Once the online training is completed and the required pass mark is achieved, field managers from the sales contractor offices are invited to meet the potential new agents who are taken into the field to monitor actual sales being made. The field manager will then determine if they wish to hire the new recruit. If so, the agent will be given their ID badge and uniform.

Approach "c"

Training is delivered by the sales contractors and is based on a required time period for in-class orientation followed by a period of in-field orientation. The training is delivered by a mix of manual presentation and role-playing and consists of industry information, product knowledge, codes of conduct and compliance. The training includes how to complete a contract application. Training classes vary in length.

Approach "d"

Some energy retailers do not use certification testing. In these cases, following completion of the training presentations, agents receive an ID card, uniform, business cards and sales material once the new agent is assigned to a crew manager. In this

scenario, criminal background checks are not used. However, all agents receive compliance training conducted by compliance personnel a certain number of times in a year. A sales director also meets with agents to update them on new or changed marketing material. The energy retailer's staff attends training at the regional offices to ensure quality.

Approach "e"

Other training and certification approaches include a dedicated trainer who conducts all training. In these cases, the district sales managers are responsible for ongoing training and coaching of sales agents. The training is for a specified time length and is delivered through a series of presentations. The training includes market information, product training, sales skills training, how to complete a contract application and compliance information. The training certification written test requires a minimum pass mark. If a potential agent fails the test, they review the training material with the trainer and are given a further opportunity to re-take the test. In this example, criminal background checks are not used.

Board Staff Observations

There are two reasons why agent training is conducted. First, to provide sales agents with specific marketing techniques that will help secure a sale. Second, to instill knowledge among sales agents about Codes, regulations and industry information. Board staff believes that in order to enhance professionalism within the industry, energy retailers should ensure its salespersons fulfill certain training and certification requirements.

Board staff found that each energy retailer reviewed during the inspection has training material that includes sales and marketing techniques, industry background and information as well as a compliance section that includes the Codes. Training on both sales techniques and compliance is conducted during the same training course.

Each energy retailer's training material contains similar content. The compliance sections that overview the Codes are thorough and clear. The training programs all have an in-class and in-field component. The length of time spent in the classroom varies from 2 hours to 3 days. Companies that performed certification testing on their agents with a minimum passing score (70-80%) before going into the field had a greater degree of success in ensuring that the agent was knowledgeable about their products and the Codes.

Once in the field agents are partnered with senior agents to learn the practices of selling. This practice seems to be logical as experienced sales agents would have the ability to transfer their techniques and approaches to a new agent. However, since Board staff did not find much field monitoring occurring with any of the retailers reviewed, the risk is that senior sales agents could be passing on inappropriate techniques to new agents. There is additional commentary on this issue in the Quality Assurance section of this report.

It is Board staff's understanding that at the time of the inspections, energy retailers have been working with the Ontario Energy Association to develop a centralised sales agent database for the Ontario market. The database would allow each licensee to manage and monitor completion of agent training and certification status. This would provide a

tool for each energy retailer to use and in doing so would provide a consistent approach for each company and perhaps address the issue of agents working for multiple retailers at the same time.

Agent training appears to improve the quality of a consumer's experience when dealing with a sales agent. Training and testing sales agents is important to ensure appropriate sales and marketing techniques. Those energy retailers who conduct formal training, testing and require a pass mark for their sales agents generally have a higher quality sales experience than those who did not.

6.5 Sales Scripts, Marketing and Presentation Materials

A range of sales and marketing materials were reviewed with the main focus being on sales scripting and business cards.

Each of the licensees used their training programs to educate potential agents on the sales presentation. All sales presentations included information on reaffirmation with cancellation rights as either part of the sales scripting or as part of the sales presentation delivery (including how to fill out a contract application).

In some cases, the training material specifies and promotes the use of business cards whether or not a sale is made.

In several cases, the business card is included with a customer "leave behind" package. The business card is either printed on the back page of the customer leave behind package or is a label which is attached to the back page of the customer leave behind package.

In other examples, the business card takes the form of a leaflet which is part of the customer leave behind package. The package also includes a reaffirmation coupon that the customer can sign and return as a means of positive reaffirmation.

In one case, the business card takes the form of a typical business card albeit larger in size.

Board Staff Observations

In general Board staff found the marketing and presentation materials of the energy retailers reviewed to be informative and thorough. Each company demonstrated that they regularly monitor the material being used by sales agents in order to ensure that it remains current. This monitoring typically occurs through visits to the sales office in which energy retailer staff review the materials that each agent has in their presentation folders.

6.6 Quality Monitoring and Quality Assurance

Quality monitoring is intended to ensure that both reaffirmation agents and door-to-door

agents are using appropriate techniques in order to obtain a sale and validate that agents are sharing accurate information with the consumer about the offer and in doing so are compliant with the Codes. Energy retailers conduct quality monitoring in their offices and quality assurance in the field to assess and evaluate agent conduct and performance.

Quality Monitoring and Quality Assurance (in the licensee's offices)

Four of the five energy retailers reviewed conduct quality assurance on a percentage of positive reaffirmation calls to ensure compliance with legal and regulatory requirements and to assist in the process of identifying issues regarding agent behaviour and performance. In some cases, where a reaffirmation call is deemed failed, the quality assurance administrator will contact the customer to remedy the matter, as appropriate.

In one case, there are daily meetings at the energy retailer offices to review sales performance, sales agent conduct issues and training needs. Sales performance tracking is compared against the number of complaints logged. For example, the energy retailer's regulatory compliance group will conduct an internal audit if an agent has had a particularly high number of complaints in comparison to his or her number of sales. Audits are conducted throughout the year.

In four cases, reaffirmation reports are available by sales agent and reaffirmation agent; both are used for monitoring and coaching purposes. Also, the reaffirmation call script contains an agent rating question. However, in one case there is no formal process used to rate the reaffirmation calls.

Two energy retailers are conducting a pilot program in which an independent company makes quality assurance calls to customers after a sales agent has visited their premises. Feedback is used to maintain quality standards. However, this process is only used to answer any additional questions that the consumer may have from the agents visit.

Quality Monitoring and Quality Assurance (in the field)

There are only two examples of in-field quality assessments being conducted. In one example, there is a field agent quality assessment process which is twofold: in field assessments, where a sales quality specialist shadows agents in the field; and a subsequent next day assessment conducted by the quality specialist with the consumer.

In another example there is a next day assessment performed by an independent third party vendor that calls consumers to solicit feedback on the sales experience. The focus of the assessments is on problematic areas. There is an overall target for the number of assessments per year and a minimum pass mark. The validation of the use of business cards by agents is part of the assessment. Failure to meet the pass mark may result in coaching, re-training and monitoring.

In three cases, sales agent conduct monitoring and performance monitoring is done at the sales contractor level and is only conducted as a result of a consumer complaint. The sales contractors determine when action is required to address performance issues.

Spot checks are carried out to ensure agents are using the correct materials in their

sales binders when in the field. Reports are used to determine if an agent is using appropriate sales techniques. If performance is sub-standard, the team lead will often spend more time with that agent to ensure that they are using appropriate statements.

Also, crew Managers meet with Territory Managers on a regular basis to discuss the performance of agents and any outstanding issues.

If a sales agent is found to be working for more than one company, they are terminated. Two energy retailers indicated that they use various *ad hoc* information to monitor if a sales agent could be working for another company, those sources are: the monitoring of field hours logged with their crew manager, the number of reaffirmed sales, a review of consumer complaints related to the agent and the total number of gross vs. net sales. Energy retailers informed Board staff that this type of information can provide them with trends, particularly if there is a sudden change in an agent's performance. For example, if an agent was to have a sudden decrease in the number of hours worked it may be as a result of having another job, or if a sales agent that typically has a high percentage of gross vs. net sales drops in their numbers that could be an indication of that agent focusing their attention elsewhere.

Board Staff Observations

Board staff believes that quality assurance programs are an important tool for energy retailers to ensure its salespersons comply with market rules.

Since the sales agents' door-to-door conduct and quality of marketing has a significant effect on consumers and the energy industry, it is important that licensees have formal programs to monitor and assess sales agents' performance while in the field. These programs provide valuable insight into the conduct and performance of sales agents and facilitate the identification of specific training and coaching requirements. Such programs should include an assessment of agent knowledge and understanding of what sales agents were trained on and ensure that sales agents are using licensee approved sales material in the field including but not limited to the provision of business cards.

Staff only found two instances in which in-field quality assurance (monitoring of agents in the field) is occurring. In one instance the assessments are done after the sale has been completed. This assessment can occur up to 15 days after the contract was signed, thus the assessment may be limited depending on the consumer's recollection of the interaction with the agent. In the other instance a quality specialist shadows agents in the field. This can also present a challenge because if the quality specialist is shadowing the agent while they are talking to the consumer there is less likelihood that the specialist will actually witness any inappropriate behaviour.

Licensees should have knowledge of which sales agents are active in the field by location on any given day. The Board receives complaints from consumers who have allegedly been subject to an inappropriate door-to-door sales call. If a licensee knows where its agents are marketing, any agent who may be engaging in unfair practices, such as high pressure or aggressive sales, may be identified and immediately removed from the field. This will provide consumers with greater protection.

Licensees that have formal quality assessment programs of sales agents have improved experiences with consumers. Quality monitoring is important to ensure appropriate sales techniques. Energy retailers that have sales managers in the field appear to be better able to address inappropriate behaviour or incorrect information being conveyed by sales agents to consumers shortly after it occurs.

During staff discussions with energy retailers about their respective individual inspection reports, two energy retailers informed staff of their Third Party Verification ("TPV") trials. In this scenario, each energy retailer has hired an independent third party to conduct another form of quality assurance on the sales transaction. The process works as follows:

Once a consumer has signed a contract with a sales agent, the agent uses their cellular phone to call the TPV vendor. The phone is handed to the consumer and the vendor speaks to the consumer and asks a series of questions that ensures that the consumer is fully informed about the contract terms they are agreeing to, the length of the contract and to validate that the agent has not made any promises of savings. Following a positive response to all of the questions from the consumer, the TPV vendor provides the sales agent with an approval number that is placed on the sales contract indicating that their sale passed the TPV process. If the contract does not have the TPV number the agent cannot submit the contract for enrolment.

Since Board staff first became aware of TPV trials, one energy retailer has reported a decrease of 92% in complaints related to misrepresentation based on internal complaints received from consumers since its TPV trial started in December 2008. There appears to be value in assessing the sales experience at the time of the transaction, while it is still fresh in the consumer's memory. As the TPV process assesses various components of the sales interaction and the contract signing process, there is evidence to support that this practice could help improve consumer's knowledge and understanding of the terms of a retail energy contract prior to proceeding.

The practice among some energy retailers of performing quality assurance audits of contract reaffirmations can be effective in helping ensure compliance with legal and regulatory requirements associated with reaffirmation. Quality assurance audits may also assist in identifying issues regarding sales agent behaviour and performance. Board staff suggests that retailers give consideration to conducting quality assurance audits of both positive and negative reaffirmations.

Licensees should have a formal process to ensure sales agents are not also working for other licensees simultaneously. The problem with an agent working for multiple licensees at the same time is that a consumer may intentionally be signed up to a retail contract with multiple suppliers, causing confusion for the consumer. This is problematic for the energy retail industry as there does not appear to be a method for energy retailers to monitor sales agents working for multiple retailers at the same time.

Given the history of complaints in the Ontario energy market with sales agents selling for multiple licensees, all licensees should adopt a formal monitoring process to ensure this does not occur. If a sales agent is identified as selling for multiple licensees, the agent contract should be terminated.

6.7 Complaint Management

In most cases, energy retailers have dedicated teams and specific processes in place to manage sales agent complaints. Generally, this includes a sales quality group or internal compliance staff.

For example, one energy retailer relies on a sales quality group to determine the recommended action to be taken with an agent in order to address an issue. This group conducts its own investigation into the alleged complaint (review reaffirmation call, customer contract, agent history, etc.) and provides details on the recommended remedial action to be taken for each sales complaint category. Remedial action to be taken could include monitoring, retraining, suspension or termination if the complaint warrants such action. If re-training is required, it may involve the agent completing the entire on-line training program, as well as the same certification testing discussed in Section 6.4 of this report. This process also applies in instances of complaints against the field manager or team lead.

In another example, a company's internal corporate security group will be involved in the investigation process if the allegation is one of misrepresentation or forgery.

In all cases timelines are established from complaint identification to complaint resolution with the agent. In addition, complaint logs for each sales agent are maintained on a regular basis.

For two energy retailers, agent conduct complaints are dealt with by compliance staff who are responsible for the investigation of the allegation and the determination of any remedial action required. Reports are sent to the regional and national sales contractors along with a report for each agent in their jurisdiction. The report contains the recommended action to be taken. Recommended actions to address the issue are the responsibility of the sales contractor. A system is used in which points are allocated against the severity of the complaint. This could result in fast tracking more serious complaints where required action may include suspension. In this scenario, compliance staff has the authority to terminate an agent.

Lastly, in one example, there is no documented process for complaint handling. Under this scenario, the complaint handling process is informal and complaints are escalated as appropriate. There are no documented rules used when recommending the resolution action to be taken and the recommendation is at the discretion of either staff of the energy retailer or the sales contractor.

Board Staff Observations

It was apparent that energy retailers have varying degrees of formal and informal complaint processes. Those that lacked formal processes had challenges in directly addressing their agent complaints.

Board staff is of the view that all licensees should have formal documented agent complaint practices which start from the receipt of a complaint by the licensee up to and including when any remedial action to address the complaint with a sales agent is completed.

Process documentation should include rules or criteria for determining remedial action to be taken with the sales agent depending on the category and severity of the complaint. These rules and criteria should be consistently applied within each licensee.

When conducting an investigation into a sales agent complaint, energy retailers should, as a minimum, consider a review of the customer's reaffirmation call and contract as well as the sales agent's performance and complaint history. Retailer staff should also review any other complaints about the sales agent and the number of contracts signed by the sales agent in comparison to the number of contracts successfully enrolled.

In this regard, Board staff believes it is important that energy retailers measure the performance of sales agents by taking into consideration the total number of complaints received for a sales agent, the number of contracts signed by the sales agent and the number of contracts successfully enrolled.

By using the success ratio of contracts enrolled as an indicator of agent performance instead of relying solely on complaint data, energy retailers can anticipate and identify those agents where performance may be an issue, even if the sales agent has a low number of complaints. This can lead to earlier identification of an agent issue and help the retailer determine the appropriate disciplinary measure for the agent. Taking corrective action with an agent earlier may help reduce overall sales agent complaints which could have a positive impact on consumers and the energy retail sector.

Remedial action should include but not be limited to re-training, suspension and termination as applicable depending on the category and severity of the complaint.

Energy retailers that had formal documented agent complaint policies generally demonstrated better management of sales agent complaints. A practice of establishing a minimum success ratio in relation to the management of sales agent complaints can lead to earlier identification of an agent issue and help energy retailers determine any appropriate disciplinary measure for the agent.

6.8 Forgery Protocol

The Board has established a protocol ("Forgery Protocol") that energy retailers are to follow for responding to alleged forgeries where Board staff has reason to believe that forgery has occurred in the signing of a retail energy contract or where the energy retailer confirms forgery after a complaint from a customer.

Licensees provided process documentation to confirm they are using the Forgery Protocol for Board initiated forgery allegations. Most licensees are also using the Forgery Protocol for forgeries identified internally, with the exception of one retailer.

When seeking a determination as to whether an allegation of forgery is valid, licensees use customer proof of signature from government issued identification, the reaffirmation call and a copy of the customer's contract application.

Energy retailers' determinations relating to forgery are made by various internal groups including a sales manager, corporate security, compliance staff, and collectively by the respective management teams.

Board Staff Observations

Board staff found that four of the five energy retailers reviewed use the Board's forgery protocol process; both those initiated by the Board and those identified internally within a licensee's operations including the use of letters and reporting to the Board.

There is one energy retailer that uses the Board's forgery protocol process for allegations initiated by the Board. However, allegations that are identified within their operation are processed with a different consumer notification letter than the one used in the Board's process. The letter being used does not make it clear to a consumer that they may have been involved in a forgery. Staff suggested that the energy retailer use the Board's forgery protocol consumer letter for both types of allegations.

6.9 Inspection Findings

Based on the material reviewed during the course of the inspections in relation to sales agent training and monitoring practices, the following area of non-compliance was identified:

In one case, an energy retailer's business card content did not contain the required licence identification. In this instance, the licensee submitted an action plan to Board staff to remedy the areas of concern. The primary objective of the business card is to ensure that each customer visited by a sales agent has a record of the agent's name and company information.

7. Contract Management

This section provides general information about the contract management practices of the licensees subject to review. Each section also contains Board staff observations.

This section is divided as follows:

- ✧ Inspection Samples;
- ✧ Inspection Processes;
- ✧ Reaffirmation;
- ✧ Renewals;
- ✧ Cancellations; and
- ✧ Inspection Findings

7.1 Inspection Samples

The inspection samples were selected at random by Board staff from transactions made during the months of June, September and October 2008. Within the sample, 50 transactions were randomly selected for each company; all 50 transactions were related to natural gas and electricity low-volume consumers. The cancellations inspection also included 15 complaint records reviewed from a sample of complaints received by the Board from January 1, 2008 to December 31, 2008.

The inspection used the reaffirmation call recordings, renewal call recordings, written and telephone cancellation requests and associated data files; and a review of the licensee enrolment systems.

7.2 Inspection Processes

The inspections were intended to ascertain the extent to which each of the licensee's contract management practices, including systems and processes, facilitate and achieve compliance.

In order to carry out the inspections, Board staff required relevant information related to processes, materials, and transactions, as well as access to information in certain of their data systems.

Detail of the information that was required of licensees in relation to each inspection associated with contract management is set out in Appendix 1 of this report.

Reaffirmation

The inspection focused on the reaffirmation process for a sample of gas and electricity customer contract applications. The inspection sought to validate through the reaffirmation call that each customer within the inspection sample fully understood the sales process and what was happening to them, and that the licensee reaffirmation representatives followed the correct version of the scripting when dealing with the customer applications. The inspection also sought to validate that correct action had taken place regarding the enrolment of positive reaffirmations and the cancellation of negative reaffirmations.

The call recordings for each of the inspection samples were reviewed to ensure that:

- a) Reaffirmation representatives were using the correct scripting;
- b) Reaffirmation representatives followed the script correctly; and
- c) The reaffirmation call was explained properly.

The reaffirmation call data files for the inspection sample were reviewed to ensure that:

- a) The data in the files matched that provided by the customer during the reaffirmation call;
- b) The result of the call, positive or negative confirmation of acceptance with the contract application, mirrored that of the call recording.

The licensee's enrolment system was reviewed for each of the inspection sample to ensure that:

- a) Where a positive reaffirmation, the customer was enrolled; and
- b) Where a negative reaffirmation, the customer contract application had been cancelled.

Renewals

The inspection focused on the renewal process for a sample of gas and electricity customer contract applications. The inspection sought to validate through the renewal call that each customer within the inspection sample fully understood the sales process and what was happening to them, and that the renewal representatives followed the correct version of the scripting when dealing with the customer applications. The inspection also sought to validate that correct action had taken place regarding the enrolment of positive renewals and the cancellation of negative renewals.

The renewal package mailed to each customer in the inspection sample was reviewed to ensure that:

- a) The renewal package contained all the required disclosures.

The call recordings for each of the inspection sample were reviewed to ensure that:

- a) Renewal representatives were using the correct scripting;
- b) Renewal representatives followed the script correctly; and
- c) The renewal call was explained properly.

The renewal call data files for the inspection sample were reviewed to ensure that:

- a) The data in the files matched that provided by the customer during the renewal call;
- b) The result of the call, positive or negative confirmation of acceptance with the renewal, mirrored that of the call recording.

The licensee's renewal and enrolment systems were reviewed for each of the inspection sample to ensure that:

- a) Where a positive renewal, the customer was enrolled at the new contract term and rate; and
- b) Where a negative renewal, the customer contract had been cancelled.

Cancellations

The inspection focused on the cancellation process for a sample of gas and electricity customer contract applications. The inspection sought to validate through both written and telephone cancellation processes that correct action had taken place regarding the customer's request for cancellation within the inspection sample.

The licensee's cancellation and enrolment systems were reviewed for each of the inspection samples to ensure that:

- a) Where a cancellation was requested, either by written or telephone request, the customer contract had been cancelled.

The licensee's cancellation and enrolment systems were reviewed for each of the inspection samples to ensure that where a cancellation request was received, the customer contract was reviewed and processed for cancellation. If the cancellation was

not processed, the licensee was able to validate the reason the contract was not cancelled.

7.3 Reaffirmation

The following facts provide general detail about the reaffirmation practices of energy retailers.

Energy retailers use various models to conduct reaffirmation. This includes either exclusive use of an in-house model, exclusive use of a third-party vendor, or a combination of both. Reaffirmation agents use scripts to conduct the reaffirmation calls. The scripts are prepared and approved by sales and licensee compliance staff to ensure compliance with legal and regulatory requirements.

Most energy retailers conduct targeted quality assurance on a percentage of their reaffirmation calls to ensure compliance with legal and regulatory requirements. The primary focus is on positive reaffirmations (a positive reaffirmation is where a consumer accepts the contract). Generally, the quality assurance is based on pre-defined criteria and guidelines to determine if a reaffirmation call is passed or failed. Where a reaffirmation call is deemed failed, a quality assurance administrator will contact the customer to remedy the matter, as appropriate.

In one example, a specific notation from the quality assurance group (either pass or fail) is placed on each consumer account. This process is designed to ensure that contract enrolments are not submitted without prior review of reaffirmation by a quality assurance administrator.

Typically, energy retailers send enrolment requests to the natural gas utility prior to the reaffirmation call. Electricity enrolment requests are not sent to the utility until they are positively reaffirmed; however in some cases a request for historical usage is made.

When a contract is cancelled following a positive reaffirmation but prior to enrolment, some energy retailers apply liquidated damage charges. In other cases, when a contract is cancelled following a positive reaffirmation but prior to enrolment, liquidated damage charges are not applied.

In cases where a contract is positively reaffirmed but rejected by the utility or rejected by the energy retailer upon receipt of the contract, there is no further communication with the customer to advise that the contract will not be enrolled.

In another example, when a contract has an invalid telephone number, the energy retailer will send a reaffirmation letter with an attached cheque to the customer. The letter outlines the term and price of the contract and the cheque has an expiry date for deposit to meet the prescribed reaffirmation period. If the cheque is deposited after the due date, the energy retailer will attempt to contact the customer to enrol them into a new contract. This contract will require another reaffirmation.

Board Staff Observations

It is Board staff's view that the intent of the legislation is to ensure that the consumer understands the decision he or she is being asked to make and also understands the purpose and effect of the reaffirmation. In this regard, the consumer must understand that he or she has previously signed a contract and is now being asked to reaffirm that contract.

Board staff believes that reaffirmation should not be an activity driven by, or conducted only at, the instigation of the energy retailer. Consumers can also independently and proactively notify the retailer of their decision to reaffirm or not to reaffirm within the time period prescribed by section 88.9(3) of the Act.

Based on the inspection, Board staff were able to validate that each retailer has a reaffirmation script and documented process. There were differences between retailers in terms of their scripts. Although all the scripts contained statements that confirm the contract term and price as well as validate that the person making the decision is authorized to do so, some went beyond the requirements in an effort to ensure that a consumer fully understood their decision. For example, one retailer asks the consumer during the reaffirmation call whether they have any questions and confirms that they have the option to not proceed with the contract if they choose.

Board staff is of the opinion that a reaffirmation is unlikely to meet its purpose unless it is clear that the contract ceases to have effect if the consumer decides not to reaffirm and that there are no financial consequences to the consumer in such cases (such as early termination charges).

In order to ensure that this understanding has been achieved, Board staff is of the view that the energy retailer must remind the consumer that he or she has signed a contract, confirm that the consumer has received a written copy of the contract, ensure that the consumer understands that he or she has an option not to reaffirm, and ensure that the person reaffirming the contract has the authority to do so. As such, energy retailers should use clear and easily understandable terms in their reaffirmation communications with consumers concerning, at a minimum, the following:

- ✧ Commodity price;
- ✧ Contract term;
- ✧ Authorization to reaffirm;
- ✧ Receipt of written copy of contract; and
- ✧ Consent.

Board staff recommends that the above components of a reaffirmation be considered in relation to potential changes to Board Codes.

Licensees should also maintain records that enable them to substantiate that not only reaffirmation has occurred, but also that the reaffirmation took place within the time period prescribed by legislation. In this regard, energy retailers that have a date and time stamp on their reaffirmation call files are able to provide evidence that the reaffirmation calls took place within the prescribed period.

Board staff believes that Quality Assurance audits should be conducted by energy retailers for both positive and negative reaffirmations. The audits should be conducted against script adherence and the legal requirements of reaffirmation and to assist in the process of identifying issues regarding sales agent behaviour and performance. Evaluation forms should be completed in each case and feedback should be provided to reaffirmation agents for monitoring and coaching purposes. Where a reaffirmation call is deemed failed the quality assurance administrator should contact the customer to remedy the matter as appropriate and prior to allowing the customer contract application to be enrolled. This may result in a new reaffirmation call or a cancellation.

Board staff was able to confirm that all the energy retailers submit a natural gas enrolment request to the utility prior to reaffirmation. In the instance of a consumer switching from one retail contract to another, the practice of submitting a natural gas enrolment request to the utility prior to reaffirmation causes confusion to consumers since the consumer has not completed his or her decision to enrol with the energy retailer. The energy retailers also risk supplying a consumer without authorization. A valid contract requires both a signed contract and a positive reaffirmation, without both a retailer should not submit an enrolment.

7.4 Renewals

This section provides information about the renewal practices of the licensees subject to review. It should be noted that not all licensees reviewed conducted renewals of energy retail contracts during the time period of inspection.

There are two common renewal models among the licensees reviewed. This includes either exclusive use of an in-house model or exclusive use of a third-party vendor.

In the in-house model renewal packages are sent to consumers. Renewal packages contain specific disclosures and are sent to consumers within a prescribed timeframe; between 60 and 120 days before the date the contract ends.

Renewal agents use scripts to conduct the renewal calls. The scripts are prepared and approved by sales and licensee compliance staff to ensure compliance with legal and regulatory requirements.

In the third party renewal vendor model renewal packages are sent by the retailer to consumers within the prescribed timeframe and then the vendor makes the outbound calls to consumers to attempt to confirm the renewal notice has been received and that they wish to renew.

Renewal – quality assurance

In one example, quality assurance is conducted on a certain percentage of renewal calls to ensure compliance with legal and regulatory requirements. The quality assurance review is conducted by the sales quality group. Evaluation forms are completed in each case. Under this scenario, compliance audits are also conducted a certain number of times in a year; each time assessing a random sample of renewal transactions. The audits are conducted by the compliance group against script adherence and the legal requirements for renewals and audit reports are prepared and issued to appropriate

business personnel in management.

Renewal – cancellation requests

Some energy retailers only accept natural gas renewal cancellation requests in writing. If a customer elects to cancel his/her agreement but does not do so in writing, the customer is automatically renewed, as permitted. In electricity, cancellation requests are accepted by telephone and in writing. Other energy retailers accept gas and cancellation requests by telephone and in writing.

Board Staff Observations

Board staff notes that based on complaints received by the Board, energy contract renewals are an area of concern for energy consumers in Ontario.

Energy contracts may be renewed or extended if the original contract contains a provision that allows for renewal or extension. 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.

Energy retailers are required to give the consumer written notice of the changes to the contract, a copy of the original contract and a renewal or extension form. In this regard, Board staff believes that energy retailers bear the onus of proving that a retail contract was properly renewed.

In order to ensure that a contract has been renewed in accordance with its renewal provision, energy retailers should ensure the following when renewing or extending energy contracts:

- ✧ Evidence that renewal notices were prepared, mailed and sent to customers; and
- ✧ Evidence of the exact date a renewal notice was sent to a customer.

Current legislation provides that energy retailers may automatically renew a natural gas contract for one year if a consumer does not respond to a renewal package and request written cancellation of the contract. Board complaint data indicates that in many cases, consumers claim that they have not received the renewal package. This issue leads to consumers' natural gas contracts being automatically renewed for one year.

Although most energy retailers have an internal process that tracks the date in which the renewal package was mailed, the renewal process can be problematic as the energy retailers do not have proof of postage or delivery confirmation of the renewal package by the consumer. Since current legislation provides that energy retailers may automatically renew a natural gas contract for one year if a consumer does not respond to a renewal package and request written cancellation of the contract, energy retailers should consider sending natural gas renewal packages by registered mail or any other manner that would provide evidence of receipt by the consumer.

7.5 Cancellations

The section provides information about the cancellation practices of energy retailers.

Generally, energy retailers do not process consumer cancellation requests where payments of early termination charges apply. In these cases, payment and receipt of early termination charges is required in order for the energy retailer to process a consumer cancellation request and submit a drop request to the utility. In one example, a licensee does process cancellation requests regardless of receipt or payment of early termination charges.

Energy retailers process both telephone and written cancellations. In some cases, cancellations requested during the renewal period must be provided in writing. In one example, a licensee extends the cancellation period of a renewed contract to within 70 days of receipt of the customer's first bill; the prescribed period is 35 days.

In several cases, customer service representatives have the ability to process telephone and written cancellation requests. Licensees do not use a specific cancellation script. Requests and/or enquiries regarding cancellations are handled on a case-by-case basis.

In other examples, cancellation requests are escalated to appropriate business personnel to address enquiries and managers approve all cancellation requests accordingly.

Licensees provide a standard cancellation letter to customers to provide confirmation of contract cancellation. Also, where early termination charges are applicable, a standard letter is generated and is sent to the customer indicating the applicable termination charges.

In some cases, licensees are able to calculate the applicable early termination charges immediately upon request. The customer then has the option of paying by credit card, certified cheque/money order or personal cheque. Under this scenario, where the early termination charges are paid by credit card, the drop request is sent immediately to the utility. If paid by certified cheque or money order, the drop request is processed upon receipt.

In another example, a licensee uses a third-party vendor to process cancellations although the licensee does process cancellations sent by mail to its head office.

Generally, energy retailers calculate early termination charges on the remaining term of the contract. If a customer is quoted an early termination amount and then chooses to pay that amount months later, licensees do not provide the customer with a reimbursement for the additional month's payment, unless the customer contacts them to do so.

Energy retailers have specific policies in place regarding the waiver of termination fees or liquidated damages for certain classes of customers (seniors, death, disability, recipients of government assistance, etc.).

Board Staff Observations

Board staff notes that issues associated with consumer cancellation requests are an area of significant complaint volumes logged by Board staff.

Most retailers do not cancel consumer contracts upon request if liquidated damages are to be charged, but instead wait for payment of the liquidated damages. This practice had led to instances in which a consumer's return to system supply has been delayed and the consumer continuing to be billed at the retail contract price. In order to ensure timely cancellations of contracts, energy retailers should submit a drop request to the utility immediately upon receipt of a cancellation request. This is an area that should be reviewed further in considering potential changes to Board Codes.

Consumers should be able to cancel contracts without undue delay.

One energy retailer submits drop requests to the utility immediately upon receipt of a cancellation request regardless of whether any early termination charges are applicable. In this case, the energy retailer recovers the early termination charges from the consumer separately. Board staff is supportive of this industry practice as it confirms the intention of the consumer to cancel the energy retail supply agreement.

In order to ensure timely cancellations of contracts, Board staff is of the view that energy retailers should submit a drop request to the utility immediately upon receipt of a cancellation request. The effective utility drop date should be no longer than 1 – 2 billing cycles from the date the cancellation is processed by the energy retailer.

In cases where a cancellation request is subject to early termination charges, liquidated damages or any other penalties, energy retailers should submit a drop request to the utility immediately upon receipt of a cancellation request, as described above. In these cases, the energy retailer has the ability to recover the applicable termination fees or liquidated damages separately and this should not affect the process to transfer a consumer from competitive retail supply to standard system supply.

All energy retailers should provide a written cancellation letter to the customer that confirms the account has been cancelled. Although many provide a letter to consumers currently, the letters do not always contain needed information such as the effective date of the cancellation and any applicable reimbursement amounts, if applicable.

7.6 Inspection Findings

As noted in the Executive Summary of this report, during the course of the inspections, issues of non-compliance in relation to contract management were identified, as described below.

In one case, the Board issued an order for administrative penalty to Universal for contraventions of the Act and the Board's Electricity Retailer Code of Conduct. Universal contravened certain enforceable provisions of the Act in that it engaged in unfair practices by making false, misleading or deceptive statements to low-volume consumers. Universal also contravened the code of conduct by supplying consumers without a valid reaffirmation. The Board directed Universal to pay an administrative

penalty of \$127,500. Also, Universal provided the Board with an Assurance of Voluntary Compliance. The Assurance has the same force and effect as an Order of the Board.

In another case, Summitt contravened certain enforceable provisions of the Act in that it engaged in unfair practices by making false, misleading or deceptive statements to low-volume consumers. Summitt also contravened the Codes by supplying consumers without a valid reaffirmation. The Board directed Summitt to pay an administrative penalty of \$70,000. Also, Summitt provided the Board with an Assurance of Voluntary Compliance.

In other instances, Board staff met with individual licensees to discuss results of the inspection findings and to address any compliance risks or weaknesses identified. Licensees submitted remedial action plans to Board staff in order to address areas of concern. Compliance risks or weaknesses identified included reaffirmation scripts, renewal disclosures, and general reaffirmation practices.

8. Appendix 1: Information Requests

Information Required of [licensee name] and Additional Information Regarding Onsite Inspections

Production of the information described in this Appendix is being required as part of an inspection under Part VII of the *Ontario Energy Board Act, 1998*.

Production of the information described in this Appendix is being required by Jill Bada of the Ontario Energy Board's Compliance Office, an employee of the Board that has been appointed as an inspector by the Board's management committee under section 106 of the *Ontario Energy Board Act, 1998*.

Sales Agent Training and Monitoring

For the purposes of the inspection regarding the conduct of your company's sales agents, you are required to provide all documents, records and information pertaining to the following in relation to your company's sales agents' door-to-door sales activities in relation to low-volume electricity and natural gas consumers. The documents, records and information must pertain to the period June 2008 and be provided no later than August 29, 2008:

- 1) The relationship between: (a) your company and any third party sales agency ("distributor") with which your company does business, including an indication of the territory in which each distributor operates; (b) your company and any individual sales agents that conduct door-to-door sales activities on behalf of your company; and (c) each distributor referred to in (a) and any individual sales agents that conduct door-to-door sales activities on behalf of your company;
- 2) Sales agent recruitment processes;
- 3) Sales agent training and certification processes;
- 4) Scripts, marketing and presentation materials and business cards being used by sales agents;
- 5) Quality monitoring and quality assurance processes used in the office in relation to sales agents;
- 6) Quality monitoring and quality assurance processes used in the field in relation to sales agents;
- 7) Processes for addressing complaints in relation to sales agents; and
- 8) Forgery protocol processes.

For each of items (2) through (8) above, inclusive, you must also provide an explanation of the roles and responsibilities of the distributor(s) in relation to the subject matter of the item, as well as a description of your company's oversight or control in relation to the distributor(s) as it pertains to the subject matter of the item.

The above documents, records and information must be provided in hard copy to Jill Bada in the Compliance Office. Your company's designated representative will then be contacted to make arrangements for the onsite inspection that will take place at your company's offices.

Reaffirmation

For the purposes of the inspection regarding your company's telephone reaffirmation practices, you are required to provide the following no later than August 29, 2008:

- 1) A copy of all telephone reaffirmation scripts used in relation to low-volume electricity and natural gas consumers by your company or its sales agents during the month of June, 2008; and
- 2) A list of all telephone reaffirmation transactions occurring between your company (including those undertaken by your sales agents) and low-volume electricity and natural gas consumers during the month of June, 2008. The data should be supplied in excel spreadsheet form and can be provided in separate spreadsheets by day, by week or by month, whichever is convenient. Daily call file spreadsheets are acceptable. The spreadsheet data must include, as a minimum for each customer, the customer's name and address, the contract reference number, the date(s) and time(s) of the reaffirmation call(s), the contract price and term and the reaffirmation result (positive or negative). You may provide this data on the spreadsheet(s) in whatever order you choose.

From the data provided, Compliance Office staff will select a sample of 50 transactions for inspection and will notify you accordingly. Copies of all reaffirmation call recordings and customer contracts for the 50 transactions in the sample must be provided to Jill Bada of the Compliance Office within 5 business days of notification of the identity of the sample transactions. The recordings must be provided on CD and the customer contracts in hard copy.

Your company's designated representative will then be contacted to make arrangements for the onsite inspection that will take place at your company's offices. During the onsite inspection, Compliance Office staff will require access to applicable systems, procedures and process flows used for the reaffirmation process, including enrolments for positive reaffirmations and cancellations for negative reaffirmations.

Renewals

For the purposes of the inspection regarding your company's contract renewal practices, you are required to provide the following no later than October 8, 2008:

- 1) A copy of all documentation pertaining to the renewal processes used in relation to low-volume electricity and natural gas consumers by your company during the months of May and June, 2008;
- 2) A copy of all telephone renewal scripts used in relation to low-volume electricity and natural gas consumers by your company or its sales agents during the months of May and June, 2008; and
- 3) A list of all telephone renewal transactions occurring between your company (including those undertaken by your sales agents) and low-volume electricity and natural gas consumers during the months of May and June, 2008. The data should be supplied in excel spreadsheet form and can be provided in separate

spreadsheets by day, by week or by month, whichever is convenient. Daily call file spreadsheets are acceptable. The spreadsheet data must include, as a minimum for each customer, the customer's name and address, the contract reference number, the date(s) and time(s) of the renewal call(s), the contract price and term and the renewal result (positive or negative). You may provide this data on the spreadsheet(s) in whatever order you choose.

From the data provided, Compliance Office staff will select a sample of 50 transactions for inspection and will notify you accordingly. Copies of all renewal call recordings and renewal packages mailed to the customers for the 50 transactions in the sample must be provided to Jill Bada of the Compliance Office within 5 business days of notification of the identity of the sample transactions. The recordings must be provided on CD and the customer contract renewal packages in hard copy.

Your company's designated representative will then be contacted to make arrangements for the onsite inspection that will take place at your company's offices. During the onsite inspection, Compliance Office staff will require access to applicable systems, procedures and process flows used for the renewals process.

Cancellations

For the purposes of the inspection regarding your company's contract cancellation practices, you are required to provide the following no later than January 29, 2009:

- 1) A list of all written cancellation requests (mail, fax, email, etc.) for low-volume electricity and natural gas consumers for the months of September and October 2008. The data should be supplied in an excel spreadsheet form and can be provided in separate spreadsheets by day, by week or by month, whichever is convenient. The spreadsheet data must include, as a minimum for each customer, the customer's name and address, the contract reference number, the date the letter was received, the original contract start date, the contract cancellation date and the cancellation result (cancelled or remains on flow). You may provide this data on a spreadsheet(s) in whatever order you choose.
- 2) A list of all telephone cancellation request transactions occurring between your company and low-volume electricity and natural gas consumers during the months of September and October 2008. The data should be supplied in an excel spreadsheet form and can be provided in separate spreadsheets by day, by week or by month, whichever is convenient. Daily call file spreadsheets are acceptable. The spreadsheet data must include, as a minimum for each customer, the customer's name and address, the contract reference number, the date(s) and time(s) of the cancellation call(s), the contract price and term and the cancellation result (cancelled or remains on flow). You may provide this data on the spreadsheet(s) in whatever order you choose.

From the data provided, Compliance Office staff will select a sample of 50 transactions for inspection and will notify you accordingly. Copies of all call recordings and written cancellation requests for the 50 transactions in the sample must be provided to Jill Bada of the Compliance Office within 5 business days of notification of the identity of the sample transactions. The recordings must be provided on CD and the written

cancellation requests in hard copy. Compliance staff also intend to review a sample of 50 complaints received by the Consumer Relations Centre at the OEB from the period of January 1, 2008 to December 31, 2008. This review will rely on the material previously provided by your company in response to the complaint.

Your company's designated representative will then be contacted to make arrangements for the onsite inspection that will take place at your company's offices. During the onsite inspection, Compliance Office staff will require access to applicable systems, procedures and process flows used for the contract cancellations.

9. Appendix 2: Inspection Guidance

Sales Agent Training and Monitoring Inspection Guidance

This document is designed to provide guidance for the completion of the compliance inspections for sales agent training and monitoring as part of the RCP.

Text in bold italics has been taken from the Information Request made to selected licensees and is provided in this document to assist in the inspection process. Listed under each point in this document are key areas for consideration when conducting the inspection and reviewing the materials provided by each licensee.

For each of items (2) through (8) above, inclusive, you must also provide an explanation of the roles and responsibilities of the distributor(s) in relation to the subject matter of the item, as well as a description of your company's oversight or control in relation to the distributor(s) as it pertains to the subject matter of the item.

- 1) The relationship between: (a) your company and any third party sales agency ("distributor") with which your company does business, including an indication of the territory in which each distributor operates; (b) your company and any individual sales agents that conduct door-to-door sales activities on behalf of your company; and (c) each distributor referred to in (a) and any individual sales agents that conduct door-to-door sales activities on behalf of your company;***

Independent Agency relationship and door-to-door sales structure
Compensation structure / use of claw-back

- 2) Sales agent recruitment processes;***

Recruitment process

- 3) Sales agent training and certification processes;***

Training and certification processes / length of training
Training manual content / online training content
Who does the training? / where and when
Classroom training / role-playing
Certification tests and required pass mark (%) / written / verbal
Use of criminal background checks
Proof of SIN
ID card process and content of card
Drop off rates during recruitment and training process
Business cards / content / usage

- 4) Scripts, marketing and presentation materials and business cards being used by sales agents;***

Sales presenter materials and scripts

5) *Quality monitoring and quality assurance processes used in the office in relation to sales agents;*

Use of quality circles
Ongoing support and QA
Compliance assessments
QA on how to complete a contract application
Performance metrics

6) *Quality monitoring and quality assurance processes used in the field in relation to sales agents;*

In field monitoring and assessment
Shadowing
Same day assessments
Next day assessments

7) *Processes for addressing complaints in relation to sales agents;*

Agent complaints process
Outcomes – do nothing / reprimand / retrain / suspend / terminate
Time taken to execute outcome

8) *Forgery protocol processes.*

Forgery Protocol process
Valid allegation Vs Invalid allegation determination

Contract Management Inspection Guidance

This document is designed to provide guidance for the completion of the compliance inspections for contract management as part of the RCP.

Reaffirmation: (Worksheet Ref. REA-W1)

Frequency: 50 Records per inspection period.

To complete this inspection, the following materials are required:

- Randomly selected sample of reaffirmation call recordings;
- A copy of the customer contracts for the selected sample;
- A copy of the reaffirmation call script for the period you are assessing;
- The reaffirmation call file sent to the licensee by the vendor;
- Access to the licensee's enrolment system;
- Evidence of utility flows; and
- Inspection worksheet REA-W1.

Follow the order of the inspection worksheet, completing each section in turn. The table below explains what is required to complete each section of the worksheet.

Section	Comments
Did the Contract application require Reaffirmation?	Only sales that require reaffirmation should be marked against the remaining measures.
Was the Reaffirmation within the 10-60 day window?	Check the contract date against the reaffirmation file to ensure the reaffirmation date is in the 10-60 day window
Correct Script Used	Check against the script to ensure script contains the required disclosures and that the script was delivered correctly.
Call Recorded	Check that the entire conversation was recorded.
Call File Disposition	Check to ensure details in call file match details in the call recording and the details on the contract.
Where Positive / Negative, did Licensee submit the Correct Information to the Utility?	Check that the correct flow was sent to the Utility, positive reaffirmation or cancellation of the application.
For negative reaffirmations, was the application cancelled?	Check enrolment system to ensure that cancellation was processed and sent to the Utility to action Check Utility response to ensure confirmation exists that cancellation has been processed by the Utility. Check enrolment system to ensure that customer cancellation was actually processed and that there is no evidence that the customer was actually enrolled and is on flow. If customer cancellation was not processed, provide detailed notes of what happened.

Is the Customer on Flow	Check that the customer is on flow for positive reaffirmations.
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Renewals: (Worksheet Ref. REN-W1)

Frequency: 50 Records per inspection period.

To complete this inspection, the following materials are required:

- Copy of renewal mailer for period being assessed;
- Randomly selected sample of renewal call recordings;
- A copy of the renewals call script (including verification) for the period you are assessing;
- A copy of the renewals call file sent to the licensee by the vendor;
- Access to the licensee’s enrolment system;
- Evidence of utility flows; and
- Inspection worksheet REN-W1.

Follow the order of the inspection worksheet, completing each section in turn. The table below explains what is required to complete each section of the worksheet.

Section	Comments
Renewal Mailer disclosures present and issued in correct timeframe	Check the content of the Renewal Mailer to ensure all required disclosures are present and that the mailer was issued to the consumer not less than 60 days and not more than 120 days before the current contract expires.
Correct Script Used	Check against the sales script / verification script and check to ensure script(s) contains the required disclosures and was delivered correctly.
Call Recorded	Check that the entire conversation for (Inbound) / Verification element (Outbound) was recorded.
Call File Disposition	Check to ensure details in call file match details in the call recording.
Did the Customer request a copy of the Call Recording (and was it provided)?	Check against call recording and check process to ensure call recording was provided to the customer.
If Renewal Mailer not received by Customer was it resent?	Check that a copy of the renewal mailer was sent to the customer and the call ended here.

<p>Correct Option Processed</p>	<p>Check the enrolments system to ensure that customer was renewed on the correct rate / term <u>OR</u> had their contract cancelled in accordance with the customer choice. If the option was to cancel –</p> <ul style="list-style-type: none"> ○ Check enrolment system to ensure that cancellation was processed and sent to the Utility to action ○ Check Utility response to ensure confirmation exists that cancellation has been processed by the Utility. ○ Check enrolment system to ensure that customer cancellation was actually processed and that there is no evidence that the customer was actually enrolled and is on flow. If customer cancellation was not processed, provide detailed notes of what happened.
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Cancellations: (Worksheet Ref. CA-W1)

Frequency: 50 Records per inspection period.

To complete this inspection, the following materials are required:

- Randomly selected sample of cancellation requests;
- Access to the licensee’s enrolment system;
- Evidence of utility flows; and
- Inspection worksheet CA-W1.

Follow the order of the inspection worksheet, completing each section in turn. The table below explains what is required to complete each section of the worksheet.

Section	Comments
Post Flow cancellation	Check the enrolment system for evidence that cancellation request is indeed from a customer who is already on flow.
Enrolment System / Utility File – was cancellation processed	Check enrolment system to ensure that cancellation was processed and sent to the Utility to action.
Utility Response - confirmation of cancellation	Check Utility response to ensure confirmation exists that cancellation has been processed by the Utility.
Enrolment System – evidence that cancellation was effected	Check enrolment system to ensure that customer cancellation was actually processed and that there is no evidence that the customer was actually enrolled and is on flow. If customer cancellation was not processed, provide detailed notes of what happened.

10. Appendix 3: Legal and Regulatory Requirements for Energy Consumers

This section summarizes the consumer protection rules that are enforced by the Board and that apply to low-volume energy consumers.

Fair Marketing Practices

Energy retailers and their salespersons must conduct their businesses using “fair marketing practices”. To comply with fair marketing practice requirements, an energy retailer must, among other things:

1. Immediately and truthfully provide a consumer with its name and the name of its salesperson;
2. State that it is not a consumer’s utility. Although an energy retailer may be an affiliate of a utility, it is required by law to be a separate company. It is also prohibited from gaining any special advantage because of any affiliation with a utility;
3. State the term of the contract and the price to be paid under the contract, expressed per cubic meter of natural gas or per kilowatt hour of electricity;
4. Not exert undue pressure on a consumer;
5. Allow a consumer sufficient time to read all documents provided to a consumer;
6. Not make any statement or provide any information that is false or likely to mislead a consumer, or that is inconsistent with the terms of the contract being offered;
7. Not make any false, misleading or deceptive statements about:
 - the terms and conditions of the contract;
 - the amount of money a consumer would save if a consumer chose one energy retailer over a utility or any other energy retailer;
 - the distribution or delivery charges or the total price of electricity or natural gas;
 - the difference between the price of electricity or natural gas that the energy retailer is offering and the price being offered by the local utility or any other energy retailer;
 - the period of time within which a consumer may enter into a contract at a specified price;
 - any relationship or connection between the energy retailer and any other person or company; or
 - the consequences if a consumer does not enter into a contract;
8. Not make any false, misleading or deceptive statements in any advertisements or other published materials; and

9. Not offer a contract that has a term of more than five years.

An energy retailer must provide a consumer with a written copy of the contract within 40 days of the date on which it was signed. In most instances, a copy is left with a consumer at the door. If a consumer is not sent a copy of the contract within this period, the contract ceases to have effect on the 41st day after the date on which it was signed.

In addition, where a contract is negotiated at a consumer's home or office, the energy retailer's salesperson must:

- provide a consumer with a copy of any paperwork that the consumer signed;
- provide a consumer with a copy of any paperwork that the consumer was shown, if a consumer requests a copy; and
- provide a consumer with a business card that identifies the salesperson and the name and phone number of the energy retailer.

Finally, in the case of a contract for electricity, the energy retailer must tell a consumer the price the consumer will pay under the contract, as well as the price that the consumer would pay if the consumer purchased electricity from a utility under the Regulated Price Plan.

Reaffirmation of Energy Contracts

Once a consumer signs a contract for the purchase of natural gas or electricity, as a general rule it will not remain in effect unless the consumer confirms that they wish to accept the contract. This process is called "contract reaffirmation", and it applies in all but a few circumstances.

The rules that apply to contract reaffirmation are as follows:

1. Starting on the 10th day after a consumer has received a written copy of the contract, the energy retailer is permitted to contact a consumer to ask the consumer to reaffirm acceptance of the contract.
2. At that point a consumer may choose to reaffirm his or her acceptance of the contract, or may choose not to do so. If a consumer notifies the energy or retailer that the consumer does not wish to reaffirm the contract, a consumer cannot be required to pay any cancellation fees or penalties.
3. If a consumer does not reaffirm the contract by the 61st day after a consumer received a written copy, the contract will no longer be in effect as of that date. Again, a consumer will then have no obligations under the contract as of that date, and a consumer cannot be required to pay any cancellation fees or penalties.
4. If a consumer reaffirms the contract and then decides at a later date to cancel it, the consumer may have to pay a cancellation fee. The cancellation fee or the method by which it will be calculated must be stated in the contract.

Typically, the energy retailer will phone a consumer to ask the consumer to reaffirm his or her acceptance of the contract. If a consumer reaffirms by phone, the energy retailer must record the phone call, and the recording must be given to the consumer, if requested by the consumer. A consumer also has the option of reaffirming or refusing to reaffirm by giving written notice to the energy retailer.

There are three situations in which reaffirmation is not required:

- if a consumer contacts the energy retailer more than 30 days after the energy retailer initially contacted the consumer, and asks to be signed up to a contract; or
- if a consumer entered into a contract via the internet; or
- if a consumer responded to the energy retailer's direct-mail campaign.

Renewals and Extensions of Energy 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. The energy 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 or she has read this price comparison. For this reason electricity contracts cannot be automatically renewed.

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

1. A notice must be sent to a consumer between 60 and 120 days before the date that the 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 the consumer. One of the options must be that the consumer can cancel the contract when the term ends;

- A statement that confirms that the contract will be renewed or extended unless the consumer sends a written cancellation request within 30 days after receiving the notice; and
 - A statement that confirms that the consumer may also cancel the contract within 35 days after the first bill under the renewed or extended contract is sent.
3. For electricity contracts, the renewal or extension notices are also required to state the price the consumer will pay if the contract is renewed or extended, and the price the consumer would pay if the consumer purchased electricity from a local utility. The contract cannot be renewed or extended unless the retailer receives express consent from a consumer that he or she has read this price-comparison information.
 4. For natural gas contract renewals or extensions, different rules apply depending on how and when the consumer 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 a consumer signed a contract in person with a marketer's agent on or before July 30, 2005, and if a consumer does 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 without explicit consent.

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 a consumer between 60 and 120 days before the date that the 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, a consumer must confirm in writing with the energy retailer that he or she accepts the renewed or extended contract. This confirmation may take different forms. For example, if a consumer endorses and cashes a cheque from the energy retailer that represents a renewal or extension bonus or rebate, the energy retailer may consider that action to be a consumer's written confirmation.
4. After a consumer accepts the renewal or extension, a consumer has up to 14 days to change his or her mind and cancel the renewed or extended contract. In this case, a consumer must give written notice of cancellation to the energy 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 a consumer will pay if the contract is renewed or extended, and the price a consumer would pay if he or she purchased electricity from a local utility. The contract cannot be renewed or extended unless the retailer receives express consent from a consumer that he or she has read this price-comparison information.

In addition to the requirements described above, an energy retailer is prohibited from renewing or extending a contract without obtaining positive acceptance from a consumer if, within the last year of a contract, the consumer notifies the energy retailer in writing that the customer does not wish to renew or extend the contract.

Electricity and natural gas contracts must contain certain information. If any of this mandatory information is missing, a consumer has the right to cancel the contract within one year of signing.

Among other things, information required in a natural gas or electricity contract includes as follows:

- a consumer's name and address;
- the energy retailer's name, business address and telephone number, as well as any fax number, website address, e-mail address or toll-free number;
- the date on which the consumer signed the contract;
- the consumer's signature and the name and signature of the energy retailer's representative ("electronic signatures" like a recorded phone call or internet agreement are also acceptable.);
- the price that the consumer will be charged under the contract and, in the case of an electricity contract, the price that the consumer would be charged if the consumer purchased the electricity from a utility;
- the length of time the contract will be in effect;
- the intended start date for the supply of natural gas or electricity under the contract, as well as a description of any circumstances that may delay that start date;
- a statement that a consumer is contracting with an energy retailer and not with a utility;
- an explanation of how and when the contract may be cancelled by the consumer or the energy retailer, as well as the address or fax number to which a consumer may send a cancellation notice;
- a statement indicating whether or not the contract applies only to specified premises, and any terms or conditions related to making the contract applicable to other premises;
- a description of how to make a complaint to or ask a question of the energy retailer, as well as instructions on how to contact the Ontario Energy Board's Consumer Relations Centre;
- a statement that the price is for the natural gas or electricity commodity only and does not include regulated transmission, distribution and other charges that will be charged by a utility; and,
- the number of the licence issued to the energy retailer by the Ontario Energy Board.

Regulations, Codes and Legislative Provisions	Legal and Regulatory Requirements
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UNFAIR PRACTICES	
Ontario Energy Board Act, 1998	<p>Unfair practices <u>88.4 (1)</u> No gas marketer or retailer of electricity shall engage in an unfair practice. 2002, c. 1, Sched. B, s. 11.</p> <p>Unfair practices: gas marketers <u>(2)</u> A gas marketer shall be deemed to be engaging in an unfair practice if,</p> <ul style="list-style-type: none"> (a) it engages in any practice prescribed by regulation as an unfair practice or it fails to do anything where such failure constitutes an unfair practice as prescribed by regulation; or (b) Repealed: 2003, c. 3, s. 57 (1). (c) a salesperson acting on behalf of the gas marketer does or fails to do anything that would be an unfair practice if done or if failed to be done by the gas marketer. 2002, c. 1, Sched. B, s. 11; 2003, c. 3, s. 57 (1). <p>Unfair practices: retailers of electricity <u>(3)</u> A retailer of electricity shall be deemed to be engaging in an unfair practice if,</p> <ul style="list-style-type: none"> (a) it engages in any practice prescribed by regulation as an unfair practice or it fails to do anything where such failure constitutes an unfair practice as prescribed by regulation; or (b) Repealed: 2003, c. 3, s. 57 (2). (c) a salesperson acting on behalf of the retailer of electricity does or fails to do anything that would be an unfair practice if done or if failed to be done by the retailer of electricity. 2002, c. 1, Sched. B, s. 11; 2003, c. 3, s. 57 (2).
O. Reg. 200/02, Consumer Protection	<p>Unfair practices 2. (1) The following acts or omissions of a retailer of electricity or gas marketer are unfair practices for the purposes of Part V.1 of the Act:</p> <ul style="list-style-type: none"> 1. Making any false, misleading or deceptive statement to the public or to any consumer, including but not limited to a false, misleading or deceptive statement relating to the following: <ul style="list-style-type: none"> i. The terms and conditions of any contract. ii. The quality or other characteristics of any

	<p>electricity or gas provided by any retailer of electricity or gas marketer.</p> <ul style="list-style-type: none"> iii. The status of any retailer of electricity or gas marketer or the business relationship, affiliation or connection between any retailer of electricity or gas marketer and any other person. iv. Benefits to the consumer arising from the status of any retailer of electricity or gas marketer or the business relationship, affiliation or connection between any retailer of electricity or gas marketer and any other person. v. The rate for the distribution of electricity or gas or the total price of electricity or gas. vi. The difference between any price charged for the provision of electricity or gas by any retailer of electricity or gas marketer, including a distributor, and any price charged by any other retailer of electricity or gas marketer, including a distributor. vii. The amount of money to be saved by a consumer, expressed in any manner, if a consumer chooses one retailer of electricity or gas marketer, including a distributor, over any other entity selling electricity or gas. viii. The period of time during which a consumer may enter into a contract for the provision of electricity or gas at a specified price. ix. The consequences if the consumer does not enter into or reaffirm a contract with the retailer of electricity or gas marketer. <p>2. Failing to disclose information about the products, services, or business of a retailer of electricity or a gas marketer, if,</p> <ul style="list-style-type: none"> i. the failure has the effect of deceiving or misleading a consumer, or ii. the retailer of electricity or gas marketer knows or ought to know that the failure has the capacity or tendency to deceive or mislead a consumer. <p>2.1 Failing, before entering into, renewing or extending a contract for the provision of electricity, to give the consumer a written notice, in not less than 12 point bold type, that states,</p> <ul style="list-style-type: none"> i. the price that would be payable by the consumer for the provision of electricity if the consumer enters into, renews or extends the contract, expressed per
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	<p>kilowatt hour of electricity, and</p> <ul style="list-style-type: none"> ii. the price that would be payable by the consumer if the consumer does not enter into, renew or extend the contract but purchases electricity directly from the consumer's local electricity distributor, expressed per kilowatt hour of electricity. <p>2.2 Structuring the billing arrangements in a contract that is renewed or extended for a period of one year or less in a fashion that misleads or deceives the consumer in respect of the monthly costs of the renewed or extended contract during the period when the consumer may cancel the renewed or extended contract.</p> <p>3. Asking a distributor to provide electricity or gas under a contract between a consumer and the retailer of electricity or gas marketer, if the contract is not signed by the consumer or is otherwise not valid.</p> <p>4. Failing to comply with the Fair Marketing Practices set out in the Electricity Retailer Code of Conduct or the Code of Conduct for Gas Marketers approved by the Board.</p> <p>5. If a person acting on behalf of the retailer of electricity or gas marketer negotiates or concludes a contract in person with another person at a direct sales location,</p> <ul style="list-style-type: none"> i. failing, at the time of negotiating or concluding the contract, to give the other person a written copy of any document that is presented to the other person and is signed by the other person, ii. failing, at the time of negotiating or concluding the contract, to give the other person a written copy of any document that is presented to the other person but is not signed by the other person, if the other person requests a copy, or iii. on or after August 1, 2002, failing, at the time of negotiating or concluding the contract, to give the other person a business card that, <ul style="list-style-type: none"> A. identifies the person acting on behalf of the retailer of electricity or gas marketer, B. identifies the retailer of electricity or gas marketer, C. includes the number of the electricity retailer's licence or gas marketer's licence issued under the Act to the retailer of electricity or gas
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	<p>marketer, and</p> <p>D. includes the telephone number of the retailer of electricity or gas marketer.</p> <p>6. Despite the terms of any contract and subject to the rules for an extension or renewal of a contract for a period of one year or less provided in subsection 6 (2.1), amending any term of a contract for the provision of electricity or gas to a consumer without the express written consent of the consumer given not more than one month before the amendment is made.</p> <p>7. Any act or omission that is an unfair practice under Part III of the <i>Consumer Protection Act, 2002</i>. O. Reg. 200/02, s. 2 (1); O. Reg. 340/02, s. 1; O. Reg. 194/03, s. 1; O. Reg. 25/05, s. 1.</p> <p>(2) In paragraph 5 of subsection (1), “direct sales location” means any place other than,</p> <ul style="list-style-type: none"> (a) the place of business of the retailer of electricity or gas marketer, (b) a market place, (c) an auction, (d) a trade fair, (e) an agricultural fair, or (f) an exhibition. O. Reg. 200/02, s. 2 (2).
<p>Electricity Retailer Code of Conduct</p>	<p>Fair Marketing Practices</p> <p>2.1 A retailer or salesperson of a retailer, when retailing to a consumer, shall:</p> <ul style="list-style-type: none"> (a) immediately and truthfully give the name of the salesperson and the retailer to the consumer, and state that the retailer offering a contract for the supply of electricity is not the consumer’s distributor; (b) state the price to be paid under the contract for the supply of electricity, expressed per kilowatt hour of electricity for low volume consumers, and state the term of the contract; (c) not exert undue pressure on a consumer; (d) allow the consumer sufficient opportunity to read all documents provided; (e) not make any offer or provide any promotional

	<p>material to a consumer that is inconsistent with the contract being offered to or entered into with the consumer;</p> <p>(f) not make any representation or statement or give any answer or take any measure that is false or is likely to mislead a consumer; and</p> <p>(g) if retailing to a low volume consumer at a place other than the retailer's place of business, display a photograph of the salesperson, with the salesperson's name and the name of the retailer.</p>
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<p>Code of Conduct for Gas Marketers</p>	<p>Fair Marketing Practices</p> <p>2.1 A gas marketer or salesperson of a gas marketer, when marketing to a consumer, shall:</p> <p>(a) immediately and truthfully give the name of the salesperson and the gas marketer to the consumer, and state that the gas marketer offering a contract for the supply of gas is not the consumer's local gas distributor;</p> <p>(b) state the price to be paid under the contract for the supply of gas, expressed per cubic metre of gas, and state the term of the contract;</p> <p>(c) not exert undue pressure on a consumer;</p> <p>(d) allow the consumer sufficient opportunity to read all documents provided;</p> <p>(e) not make any offer or provide any promotional material to a consumer that is inconsistent with the contract being offered to or entered into with the consumer;</p> <p>(f) not make any representation or statement or give any answer or take any measure that is false or is likely to mislead a consumer; and</p> <p>(g) if marketing at a place other than the gas marketer's place of business, display a photograph of the salesperson, with the salesperson's name and the name of the gas marketer.</p>
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<p>WRITTEN COPY OF A CONTRACT</p>	
<p>Ontario Energy Board Act, 1998</p>	<p>Written copy of contract</p> <p>88.9 (1) If a retailer of electricity or gas marketer enters into a contract with a consumer, the retailer of electricity or gas marketer shall deliver a written copy of the</p>

	<p>contract to the consumer within the time prescribed by regulation. 2002, c. 1, Sched. B, s. 11.</p> <p>Contract ceases to have effect <u>(2)</u> If a gas marketer or retailer of electricity fails to deliver a written copy of the contract in accordance with subsection (1), the contract ceases to have effect. 2002, c. 1, Sched. B, s. 11.</p> <p>Contract ceases to have effect <u>(10)</u> A contract ceases to have effect on a day prescribed by regulation or determined in accordance with the regulations,</p> <ul style="list-style-type: none"> (a) if the contract is not delivered to the consumer in accordance with subsection (1); (b) if the contract is delivered and the consumer does not reaffirm the contract in accordance with subsection (4); or (c) if the contract is delivered and the consumer gives notice not to reaffirm the contract in accordance with subsection (6). 2002, c. 1, Sched. B, s. 11 <p>Application of subss. (3) to (6) and cl. (10) (b) and (c) <u>(16)</u> Subsections (3) to (6) and clauses (10) (b) and (c) do not apply to the following contracts:</p> <ol style="list-style-type: none"> 1. A contract negotiated and entered into as a result of a consumer contacting a gas marketer or retailer of electricity, unless the contact occurs within 30 days after the gas marketer or retailer of electricity contacts the consumer. 2. A contract entered into by a consumer's response to a direct mail solicitation from a gas marketer or retailer of electricity. 3. An internet agreement within the meaning of Part IV of the <i>Consumer Protection Act, 2002</i>. 2003, c. 3, s. 59 (4).
<p>O. Reg. 200/02, Consumer Protection</p>	<p>Written copy of contract 3. For the purpose of section 88.9 of the Act, the written copy of the contract shall be delivered to the consumer within 40 days after the consumer signs the contract. O. Reg. 200/02, s. 3.</p> <p>Date for contract to cease to have effect 5. (1) If clause 88.9 (10) (a) of the Act applies to a contract, the 41st day after the consumer signs the contract is prescribed,</p>

	<p>(a) for the purpose of subsection 88.9 (10) of the Act, as the day the contract ceases to have effect; and</p> <p>(b) for the purpose of subsection 88.9 (13) of the Act, as the day the consumer has no further obligations. O. Reg. 200/02, s. 5 (1).</p> <p>(2) If clause 88.9 (10) (b) or (c) of the Act applies to a contract, the 61st day following the day on which the written copy of the contract was delivered to the consumer is prescribed,</p> <p>(a) for the purpose of subsection 88.9 (10) of the Act, as the day the contract ceases to have effect; and</p> <p>(b) for the purpose of subsection 88.9 (13) of the Act, as the day the consumer has no further obligations. O. Reg. 200/02, s. 5 (2); O. Reg. 330/03, s. 1.</p>
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TRANSFER REQUESTS	
Electricity Retailer Code of Conduct	<p>Transfer Requests</p> <p>2.3 A retailer shall not:</p> <p>(a) submit a request to a distributor for a change of electricity supply for a consumer to that retailer unless the retailer has the permission of the consumer in writing to do so; or</p> <p>(b) supply electricity to a consumer unless the retailer has the permission of the consumer in writing to do so, and has received the notice of reaffirmation from the consumer, where reaffirmation is required.</p> <p>2.4 If a retailer discovers that it has submitted a transfer request to a distributor supported by a contract that does not comply with the Act, the Regulations, the Retailer's Licence or this Code, or does not contain the signature of the consumer, the retailer shall contact the affected consumer, clearly explain the non-compliance, and offer that consumer a compliant contract; and</p> <p>(a) if the consumer accepts the compliant contract, provide a copy of the compliant contract to the consumer within 14 days of acceptance by that consumer; or</p> <p>(b) if the consumer does not accept the compliant contract, immediately reverse the transfer request.</p>
Code of Conduct for Gas Marketers	<p>Transfer Requests</p> <p>2.3 A gas marketer shall not:</p> <p>(a) submit a request to a gas distributor for a change of</p>

	<p>gas supply for a consumer to that gas marketer unless the gas marketer has the permission of the consumer in writing to do so; or</p> <p>(b) supply gas to a consumer unless the gas marketer has the permission of the consumer in writing to do so, and has received the notice of reaffirmation from the consumer, where reaffirmation is required.</p> <p>2.4 If a gas marketer discovers that it has submitted a transfer request to a gas distributor supported by a contract that does not comply with the Act, the Regulations, the Gas Marketer's Licence or this Code, or does not contain the signature of the consumer, the gas marketer shall contact the affected consumer, clearly explain the non-compliance, and offer that consumer a compliant contract; and</p> <p>(a) if the consumer accepts the compliant contract, provide a copy of the compliant contract to the consumer within 14 days of acceptance by that consumer; or</p> <p>(b) if the consumer does not accept the compliant contract, immediately reverse the transfer request.</p>
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CONTRACT INFORMATION REQUIRED	
Ontario Energy Board Act, 1998	<p>Information required in contract</p> <p>88.10 (1) A contract with a consumer must,</p> <p>(a) in the case of retailing of electricity and in the case of gas marketing, contain such information as may be required by regulation, presented in the manner, if any, prescribed by regulation;</p> <p>(b) in the case of the retailing of electricity by a retailer of electricity, contain such information as may be required by a code issued under section 70.1, presented in the manner, if any, required by the code, if a condition of a licence requires the retailer to comply with the code; and</p> <p>(c) in the case of gas marketing, contain such information as may be required by rules made by the Board pursuant to clause 44 (1) (c), presented in the manner, if any, required by the rules. 2002, c. 1, Sched. B, s. 11; 2003, c. 3, s. 60.</p>
O. Reg. 200/02, Consumer Protection	<p>Information to be included in contracts</p> <p>7. (1) For the purpose of clause 88.10 (1) (a) of the</p>

	<p>Act, a contract must contain the following information:</p> <ol style="list-style-type: none"> 1. The consumer's name and address. 2. The name, business address, telephone number and, if any, fax number, website address, e-mail address and toll-free telephone number of the retailer of electricity or gas marketer. 3. The number of the electricity retailer's licence or gas marketer's licence issued under the Act to the retailer of electricity or gas marketer. 4. The name of the person who signed the contract on behalf of the retailer of electricity or gas marketer. 5. The date on which the parties to the contract entered into it. 6. The date that the provision of electricity or gas is intended to start under the contract and a description of any circumstances that may prevent electricity or gas from being provided on that date. 7. A statement, in not less than 12 point bold type, that the contract ceases to have effect unless the retailer of electricity or gas marketer delivers a written copy of the contract to the consumer within 40 days after the consumer signs the contract. 8. A statement, in not less than 12 point bold type, that the contract ceases to have effect unless it is reaffirmed by the consumer in accordance with section 88.9 of the <i>Ontario Energy Board Act, 1998</i> before the 61st day following the day on which the written copy of the contract is delivered to the consumer, unless subsections 88.9 (3) to (6) and clauses 88.9 (10) (b) and (c) of the Act do not apply to the contract pursuant to subsection 88.9 (16) of the Act. 9. A statement, in not less than 12 point bold type, that the consumer has the right set out in subsection 88.10 (2) of the <i>Ontario Energy Board Act, 1998</i> to cancel the contract within one year of entering into the contract if the contract does not meet the requirements referred to in subsection 88.10 (1) of the Act. 10. The heading "Consumer's Rights" in not less than 12 point bold underlined type preceding the statements described in paragraphs 7, 8 and 9. 11. A statement that the consumer is contracting with a retailer of electricity or gas marketer, not the consumer's local electricity distributor or local gas distributor. 12. In the case of a contract for the provision of gas, a statement of the price to be paid under the
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	<p>contract for the provision of gas, expressed per cubic metre of gas.</p> <p>12.1 In the case of a contract for the provision of electricity,</p> <ul style="list-style-type: none"> i. a statement, in not less than 12 point bold type, of, <ul style="list-style-type: none"> A. the price to be paid under the contract for the provision of electricity, expressed per kilowatt hour of electricity, and B. the price that would be payable by the consumer if the consumer does not enter into the contract but purchases electricity directly from the consumer's local electricity distributor, expressed per kilowatt hour of electricity, and ii. a statement, immediately adjacent to the information referred to in subparagraph i, that is signed by the consumer and indicates that the consumer acknowledges having read the information referred to in subparagraph i. <p>13. The terms of payment that the contract requires, including the terms relating to any deposit, any late payment charges and any other charges or penalties payable under the contract.</p> <p>14. A statement that the price for the provision of electricity or gas set out in the contract is the price for electricity or gas only and does not include regulated transmission, distribution and other charges that will be charged by the consumer's local electricity distributor or local gas distributor.</p> <p>15. The circumstances in which the contract may be terminated by the consumer or by the retailer of electricity or gas marketer, and the address or fax number to which a consumer may send a notice of termination.</p> <p>16. Whether or not the contract may be assigned by the retailer of electricity or gas marketer, and any terms or conditions relating to such an assignment.</p> <p>17. Whether or not the contract applies only to specified premises and any terms or conditions relating to making the contract applicable to other premises.</p> <p>18. If a contract for the provision of electricity contains a term assigning a rebate to which the consumer is entitled to another person, a statement in not</p>
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	<p>less than 12 point bold type informing the consumer that the consumer will not receive the rebate.</p> <p>19. A description of how to make a complaint to or ask a question of the retailer of electricity or gas marketer.</p> <p>20. A description of how to contact the Ontario Energy Board's Customer Service Centre.</p> <p>21. The signatures of the parties to the contract. O. Reg. 200/02, s. 7 (1); O. Reg. 340/02, s. 3; O. Reg. 330/03, s. 3.</p> <p>(2) The information required by subsection (1) shall be contained in the contract in not less than 10 point type, unless subsection (1) provides otherwise. O. Reg. 200/02, s. 7 (2).</p> <p>(3) In the event of a conflict, this section prevails over any code governing the conduct of a retailer of electricity made by the Board or any rules that apply to gas marketing made by the Board under clause 44 (1) (c) of the Act. O. Reg. 200/02, s. 7 (3).</p> <p>(4) This section does not apply to contracts entered into before this section comes into force. O. Reg. 200/02, s. 7 (4).</p>
<p>Electricity Retailer Code of Conduct</p>	<p>Contracts with low volume consumers</p> <p>2.5 In addition to any requirements imposed by law, a contract between a retailer and a consumer shall clearly state:</p> <ul style="list-style-type: none"> (a) the time period for which the contract is in effect; (b) the type and frequency of bills the consumer will receive; and (c) any terms and conditions for renewal. <p>2.6 A retailer shall not enter into any contract with a low volume consumer that has a term of more than five years.</p>
<p>Code of Conduct for Gas Marketers</p>	<p>Contracts</p> <p>2.5 In addition to any requirements imposed by law, a contract between a gas marketer and a consumer shall clearly state:</p> <ul style="list-style-type: none"> (a) the time period for which the contract is in effect; (b) the type and frequency of bills the consumer will receive; and (c) any terms and conditions for renewal. <p>2.6 A gas marketer shall not enter into any contract with a consumer that has a term of more than five years.</p>

FALSE ADVERTISING	
Ontario Energy Board Act, 1998	<p>False advertising 88.12 No gas marketer or retailer of electricity shall make false, misleading or deceptive statements in any advertisement, circular, pamphlet or material published by any means relating to gas marketing or the retailing of electricity to consumers. 2002, c. 1, Sched. B, s. 11.</p>

CONSUMER COMPLAINTS	
Electricity Retailer Code of Conduct	<p>Consumer Complaints</p> <p>3.1 A retailer shall provide to its low volume customers and prospective customers in all written offers, contracts and renewal forms, the telephone number of the retailer's customer service centre and the telephone number of the Ontario Energy Board Customer Service Centre.</p> <p>3.2 If any low volume consumer makes a complaint to a retailer regarding retailing by the retailer or its salespersons, the conduct of the retailer's salespersons, the contract the consumer has with the retailer, or any other matter related to the retailer, the retailer shall expeditiously investigate the complaint and take all appropriate and necessary steps to resolve the complaint. If the complaint is not resolved to the satisfaction of the consumer, the retailer shall provide to the consumer the telephone number of the Ontario Energy Board Customer Service Centre.</p> <p>3.3 In cases where a consumer complaint has been referred to the retailer from the Ontario Energy Board and resolution of that complaint is reached, the retailer shall implement the resolution immediately and shall confirm this, in writing, with the Ontario Energy Board.</p> <p>Services to be Maintained by an Electricity Retailer</p> <p>4.1 A retailer shall have a current mailing address in Ontario and a current telephone number listed in Ontario, and shall provide them to every customer. If the retailer retails electricity to low volume consumers, the retailer shall have a telephone number which may be reached by the general public without charge, and shall provide the telephone number to every low volume customer.</p>

	<p>Confidentiality of Consumer Information</p> <p>5.1 A retailer shall not disclose consumer information as defined in the Code to any person other than the consumer or the Board without the consent of the consumer in writing, except when the information has been sufficiently aggregated such that an individual consumer's information cannot be identified, or where the consumer information is required to be disclosed:</p> <ul style="list-style-type: none"> (a) for billing or market operation purposes; (b) for law enforcement purposes; (c) to comply with a statute or an order of a court or tribunal; (d) when past due accounts of the consumer have been passed to a debt collection agency; or (e) for the purpose of complying with the Market Rules. <p>5.2 A retailer shall inform consumers regarding the conditions described in paragraph 5.1 under which consumer information may be released to a third party without the consumer's consent.</p> <p>5.3 A retailer shall not use consumer information obtained for one purpose from a consumer for any other purpose without the consent of the consumer in writing.</p> <p>Transfer and Assignment of Contracts</p> <p>6.1 A retailer shall not sell, transfer or assign the administration of a contract with a customer to another person who is not a licensed electricity retailer.</p> <p>6.2 A retailer must notify the Board of any sale, transfer or assignment of contracts within 10 days of the sale, transfer or assignment.</p> <p>6.3 Within 60 days of any sale, transfer or assignment of a contract to another retailer, the new retailer must notify the affected customers of the new retailer's address for service and telephone number.</p>
<p>Code of Conduct for Gas Marketers</p>	<p>Consumer Complaints</p> <p>3.1 A gas marketer shall provide to its customers and prospective customers in all written offers, contracts and renewal forms, the telephone number of the gas marketer's customer service centre and the telephone number of the Ontario Energy Board Customer Service Centre.</p> <p>3.2 If any consumer makes a complaint to a gas marketer</p>

regarding marketing by the gas marketer or its salespersons, the conduct of the gas marketer's salespersons, the contract the consumer has with the gas marketer, or any other matter related to the gas marketer, the gas marketer shall expeditiously investigate the complaint and take all appropriate and necessary steps to resolve the complaint. If the complaint is not resolved to the satisfaction of the consumer, the gas marketer shall provide to the consumer the telephone number of the Ontario Energy Board Customer Service Centre.

3.3 In cases where a consumer complaint has been referred to the gas marketer from the Ontario Energy Board and resolution of that complaint is reached, the gas marketer shall implement the resolution immediately and shall confirm this, in writing, with the Ontario Energy Board.

Services and Information to be Maintained by a Gas Marketer

4.1 A gas marketer shall have a current mailing address in Ontario and a current telephone number listed in Ontario which may be reached by the general public without charge, and shall provide them to every customer.

4.2 A gas marketer shall maintain on file, and provide to the Board on request:

- (a) a current list of salespersons who act for that gas marketer; and
- (b) for as long as contracts with customers or any renewal of them are in effect:
 - (i) a list of the gas marketer's customers;
 - (ii) permission from each customer, signed by the customer, to submit a request for a change of gas supply;
 - (iii) the contract with each customer, with the customer's signature, to purchase gas from the gas marketer or for the gas marketer to purchase gas as an agent for the customer;
 - (iv) where reaffirmation of a contract is required, the notice of reaffirmation of the contract by the customer; and

where notice of acceptance of contract renewal or extension is required, the notice of acceptance of the renewal or extension from the customer.

Confidentiality of Consumer Information

	<p>5.1 A gas marketer shall not disclose consumer information as defined in this Code to any person other than the consumer or the Board without the consent of the consumer in writing, except when the information has been sufficiently aggregated such that an individual's consumer information cannot be identified, or where consumer information is required to be disclosed:</p> <ul style="list-style-type: none"> (a) for billing or market operation purposes; (b) for law enforcement purposes; (c) to comply with a statute or an order of a court or tribunal; or (d) when past due accounts of the consumer have been passes to a debt collection agency. <p>5.2 A gas marketer shall inform consumers regarding the conditions described in paragraph 5.1 under which consumer information may be released to a third party without the consumer's consent.</p> <p>5.3 A gas marketer shall not use consumer information obtained for one purpose from a consumer for any other purpose without the consent of the consumer in writing.</p> <p>Transfer and Assignment of Contracts</p> <p>6.1 A gas marketer shall not sell, transfer or assign the administration of a contract with a customer to another person who is not a licensed gas marketer.</p> <p>6.2 A gas marketer must notify the Board of any sale, transfer or assignment of contracts within 10 days of the sale, transfer or assignment.</p> <p>6.3 Within 60 days of any sale, transfer or assignment of a contract to another gas marketer, the new gas marketer must notify the affected customers of the new gas marketer's address for service and telephone number.</p>
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REAFFIRMATION	
Ontario Energy Board Act, 1998	<p>Reaffirmation</p> <p>Need to reaffirm contract</p> <p>88.9 (3) If a contract has been delivered to a consumer in accordance with subsection (1), the contract ceases to have effect unless it is reaffirmed by the consumer in accordance with this section before the 61st day following the day on which the written copy of the contract is delivered</p>

to the consumer. 2002, c. 1, Sched. B, s. 11; 2003, c. 3, s. 59 (1).

Consumer to take steps to reaffirm

(4) A consumer may reaffirm a contract only by taking such steps as are prescribed by regulation. 2003, c. 3, s. 59 (2).

Restriction on reaffirmation

(4.1) Unless authorized by regulation, the consumer may not reaffirm the contract under subsection (4) before the 10th day after a written copy of the contract is delivered to the consumer in accordance with subsection (1). 2003, c. 3, s. 59 (2).

Effect of reaffirmation

(5) A consumer who has reaffirmed a contract in accordance with subsection (4) may not give notice under subsection (6) to not reaffirm the contract. 2002, c. 1, Sched. B, s. 11.

Contract not reaffirmed

(6) The consumer may give notice to not reaffirm the contract in accordance with the regulations at any time before the 61st day following the day on which the written copy of the contract is delivered to the consumer. 2002, c. 1, Sched. B, s. 11; 2003, c. 3, s. 59 (3).

Contract ceases to have effect

(10) A contract ceases to have effect on a day prescribed by regulation or determined in accordance with the regulations,

- (a) if the contract is not delivered to the consumer in accordance with subsection (1);
- (b) if the contract is delivered and the consumer does not reaffirm the contract in accordance with subsection (4); or
- (c) if the contract is delivered and the consumer gives notice not to reaffirm the contract in accordance with subsection (6). 2002, c. 1, Sched. B, s. 11.

Application of subss. (3) to (6) and cl. (10) (b) and (c)

(16) Subsections (3) to (6) and clauses (10) (b) and (c) do not apply to the following contracts:

1. A contract negotiated and entered into as a result of a consumer contacting a gas marketer or retailer of electricity, unless the contact occurs within 30 days after the gas marketer or retailer of electricity contacts the consumer.
2. A contract entered into by a consumer's response to a direct mail solicitation from a gas marketer or retailer of electricity.
3. An internet agreement within the meaning of Part IV of the *Consumer Protection Act, 2002*. 2003, c. 3,

	<p>s. 59 (4).</p> <p>Same</p> <p>(17) For the purpose of paragraph 1 of subsection (16), a gas marketer or retailer of electricity shall be deemed not to have contacted a consumer if the only contact by the gas marketer or retailer of electricity is through the dissemination of an advertisement that is seen or heard by the consumer. 2003, c. 3, s. 59 (4).</p>
<p>O. Reg. 200/02, Consumer Protection</p>	<p>Reaffirming or not reaffirming contracts</p> <p>4. (1) Subject to subsection (3), for the purpose of section 88.9 of the Act, a consumer may reaffirm a contract or give notice to not reaffirm a contract by giving written notice to the retailer of electricity or gas marketer by any means that indicates an intention of the consumer to reaffirm the contract or to not reaffirm the contract, as the case may be. O. Reg. 200/02, s. 4 (1).</p> <p>(2) Where notice is given under subsection (1) other than by personal service, it shall be deemed to have been given when sent. O. Reg. 200/02, s. 4 (2).</p> <p>(3) Despite the <i>Electronic Commerce Act, 2000</i>, notice under subsection (1) may not be given by telephone unless a voice recording of the telephone notice is made and, on request, is given to the consumer. O. Reg. 200/02, s. 4 (3).</p>
<p>Ontario Energy Board Act, 1998</p>	<p>Reaffirmation of existing contracts</p> <p>Application</p> <p>88.9.1 (1) This section applies in respect of contracts for electricity between retailers and residential consumers that are entered into or renewed on or after June 15, 2004 and before the day prescribed by the regulations. 2004, c. 23, Sched. B, s. 31.</p> <p>Contract ceases to have effect if not reaffirmed</p> <p>(2) A contract for electricity to which this section applies ceases to have effect on a day determined under the regulations unless the consumer under the contract reaffirms the contract in accordance with the regulations. 2004, c. 23, Sched. B, s. 31.</p> <p>Recovery of overpayments</p> <p>(3) A consumer may recover an amount paid under a contract that ceases to have effect under subsection (2) if,</p> <p>(a) the amount was paid before the contract ceased to have effect; and</p> <p>(b) the amount was paid in respect of electricity that was to have been supplied after the contract</p>

	<p>ceased to have effect. 2004, c. 23, Sched. B, s. 31.</p> <p>No cause of action</p> <p>(4) No cause of action arises as a result of a contract ceasing to have effect under subsection (2). 2004, c. 23, Sched. B, s. 31.</p> <p>Regulations</p> <p>(5) The Lieutenant Governor in Council may make regulations,</p> <ul style="list-style-type: none"> (a) prescribing a date for the purposes of subsection (1); (b) governing reaffirmations of contracts for the purposes of this section; (c) prescribing rules for determining the day as of which a contract ceases to have effect if it is not reaffirmed. 2004, c. 23, Sched. B, s. 31.
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PRESCRIBED DATE	
<p>O. Reg. 476/05, Reaffirmation of Contracts Under Section 88.9.1 of the Act</p>	<p>Prescribed date</p> <p>2. October 1, 2005 is the day that is prescribed for the purposes of subsection 88.9.1 (1) of the Act. O. Reg. 476/05, s. 2.</p> <p>Reaffirmation of existing contract</p> <p>3. (1) A consumer who wants to reaffirm his or her existing contract under section 88.9.1 of the Act shall do so by giving notice in writing or by telephone indicating his or her intention to reaffirm the existing contract to the retailer at any time during the period commencing the 10th day following the operative day for the existing contract and ending the 60th day following the operative day. O. Reg. 476/05, s. 3 (1).</p> <p>(2) Despite subsection (1), notice may be given to a retailer by telephone only if a voice recording of the telephone notice is made and, on request, is given to the consumer. O. Reg. 476/05, s. 3 (2).</p> <p>(3) If written notice is given other than by personal service, it shall be deemed to have been given when sent. O. Reg. 476/05, s. 3 (3).</p> <p>Date existing contract ceases to have effect</p> <p>4. For the purposes of subsection 88.9.1 (2) of the Act, if an existing contract is not reaffirmed in accordance with section 3, it ceases to have effect on the 61st day following the operative day for the contract. O. Reg. 476/05, s. 4.</p> <p>s. 88.9 of the Act not applicable re certain existing contracts</p> <p>5. (1) Subsections 88.9 (3) and (6) of the Act do not apply to a consumer in respect of an existing contract if the</p>

	<p>consumer enters into the existing contract on or after the day this Regulation comes into force or during the 60 days immediately before the day this Regulation comes into force. O. Reg. 476/05, s. 5 (1).</p> <p>(2) A reaffirmation of an existing contract by a consumer under section 88.9.1 of the Act in accordance with section 3 shall be considered to be a reaffirmation of the contract in accordance with subsection 88.9 (4) of the Act for the purposes of clause 88.9 (10) (b) of the Act. O. Reg. 476/05, s. 5 (2).</p>
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RENEWAL OR EXTENSION OF A CONTRACT	
Ontario Energy Board Act, 1998	<p>Renewal or extension of contract</p> <p><u>88.9 (8)</u> A contract with a consumer may be renewed or extended only in accordance with the regulations. 2002, c. 1, Sched. B, s. 11.</p> <p>Application of subs. (8)</p> <p><u>(9)</u> Subsection (8) applies to the renewal or extension of any contract that would, if not renewed or extended, expire after subsection (8) comes into force. 2002, c. 1, Sched. B, s. 11.</p>
O. Reg. 200/02, Consumer Protection	<p>Renewals and extensions of contracts</p> <p>6. (1) For the purpose of subsection 88.9 (8) of the Act, a contract may be renewed or extended only if,</p> <p>(0.a) the contract,</p> <p>(i) contains a provision that allows for its renewal or extension, and</p> <p>(ii) no matter how many times it is renewed or extended and subject to subsections (2) and (2.1), the contract is renewed or extended in total for a period no longer than the renewal or extension period contemplated in the provision in the contract;</p> <p>(a) the contract contains the same information that subsection 88.10 (1) of the Act would require in a contract that is entered into on the day the retailer of electricity or gas marketer complies with paragraph 1 of subsection (2);</p> <p>(b) the contract is renewed or extended without any changes, other than changes to the term of the contract and the price for the provision of electricity or gas; and</p> <p>I the contract is renewed or extended,</p>

	<p>(i) in accordance with subsection (2), in the case of a contract that is renewed or extended for a period of more than one year, or</p> <p>(ii) in accordance with subsection (2.1), in the case of a contract that is renewed or extended for a period of one year or less. O. Reg. 200/02, s. 6 (1); O. Reg. 194/03, s. 2 (1, 2).</p> <p>(2) The following rules apply to the renewal or extension of a contract for a period of more than one year:</p> <ol style="list-style-type: none"> 1. The retailer of electricity or gas marketer must give the consumer written notice of the changes to the contract, a copy of the original contract and a renewal or extension form. 2. The renewal or extension form must clearly indicate, in not less than 12 point type, <ol style="list-style-type: none"> i. that the purpose of the form is to renew or extend the contract, ii. that the retailer of electricity or gas marketer is offering to renew or extend the contract without any changes, other than changes described on the form, in not less than 12 point type, to the term of the contract and the price for the provision of electricity or gas, <ol style="list-style-type: none"> ii.1 in the case of a contract for the provision of electricity, <ol style="list-style-type: none"> A. the price that would be payable by the consumer for the provision of electricity if the consumer renews or extends the contract, expressed per kilowatt hour of electricity, and B. the price that would be payable by the consumer if the consumer does not renew or extend the contract but purchases electricity directly from the consumer's local electricity distributor, expressed per kilowatt hour of electricity, iii. that the contract will only be renewed or extended if the consumer accepts the renewal or extension by giving written notice to the retailer of electricity or gas marketer, iv. even if the consumer accepts the renewal or extension, the contract will not be renewed or extended if, not later than 14 days after giving the notice of acceptance, the consumer retracts the acceptance by giving
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	<p>written notice of the retraction to the retailer of electricity or gas marketer, and</p> <p>v. in the case of a contract for the provision of electricity, that the contract will only be renewed or extended if the consumer specifically acknowledges in writing that the consumer has read the information referred to in subparagraph ii.1.</p> <p>3. If the current term of the contract expires less than 60 days after this section comes into force, the material referred to in paragraph 1 must be given to the consumer not more than 120 days before the current term of the contract expires.</p> <p>4. If the current term of the contract expires 60 days or more after this section comes into force, the material referred to in paragraph 1 must be given to the consumer not less than 60 and not more than 120 days before the current term of the contract expires.</p> <p>5. The consumer may accept the renewal or extension of the contract with the changes described on the renewal or extension form only by giving written notice to the retailer of electricity or gas marketer that indicates an intention of the consumer to accept the renewal or extension.</p> <p>5.1 In the case of a contract for the provision of electricity, an acceptance under paragraph 5 is void unless the consumer specifically acknowledges in writing that the consumer has read the information referred to in subparagraph 2 ii.1.</p> <p>6. Not later than 14 days after giving notice under paragraph 5, the consumer may retract the acceptance by giving written notice to the retailer of electricity or gas marketer that indicates an intention of the consumer to retract the acceptance.</p> <p>7. The renewal or extension only takes effect if the consumer accepts the renewal or extension under paragraph 5 and, on the 15th day after giving notice under paragraph 5, the consumer has not retracted the acceptance under paragraph 6. O. Reg. 200/02, s. 6 (2); O. Reg. 340/02, s. 2 (1-4); O. Reg. 194/03, s. 2 (3).</p> <p>(2.1) The following rules apply to the renewal or extension of a contract for a period of one year or less:</p> <p>1. Not less than 60 days before and more than 120 days before the renewal or extension date of the contract, the retailer of electricity or gas marketer must give the consumer written notice, in not less than 12 point type in each case except for the</p>
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	<p>copy of the original contract, that includes,</p> <ul style="list-style-type: none"> i. the changes to the contract, ii. a copy of the original contract, iii. a statement of all the information required under subsection 88.10 (1) of the Act, iv. in the case of a contract for the provision of electricity, <ul style="list-style-type: none"> A. the price that would be payable by the consumer for the provision of electricity if the contract is not cancelled, expressed per kilowatt hour of electricity, and B. the price that would be payable by the consumer if the contract is cancelled and the consumer purchases electricity directly from the consumer's local electricity distributor, expressed per kilowatt hour of electricity, v. a cancellation form, vi. the renewal or extension date of the contract and the options that are available to the consumer as of that date, of which one option must be that the consumer may cancel the contract, vii. the fact that the contract will be renewed or extended unless the consumer gives written notice of their intention to cancel the contract within 30 days after the consumer receives notice under this paragraph, viii. the fact that the consumer may also cancel the contract within 35 days after the first bill under the renewed or extended contract is sent, and ix. in the case of a contract for the provision of electricity, a statement that the contract will only be renewed or extended if the consumer specifically acknowledges in writing that the consumer has read the information referred to in subparagraph iv. <p>2. The cancellation form must clearly indicate, in not less than 12 point type,</p> <ul style="list-style-type: none"> i. that the consumer may use the form to cancel the contract or may cancel the contract in writing in any way, as long as it indicates the consumer's intention to cancel the contract, ii. that the consumer may give notice of the
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	<p>cancellation at the postal address or the electronic mail address that must be included in the form,</p> <p>iii. that the consumer may reach the retailer of electricity or gas marketer by telephone at the toll-free telephone number that must be included in the form,</p> <p>iv. that, in the absence of its cancellation by the consumer, the retailer of electricity or gas marketer will renew or extend the contract without any changes, other than the changes described, in not less than 12 point type, on the form, to the terms of the contract and the price for the provision of electricity or gas.</p> <p>3. The contract is renewed or extended for a period of no more than one year if the retailer of electricity or gas marketer complies with paragraphs 1 and 2 and the consumer does not give written notice of cancellation of the contract under subparagraph 1 vii.</p> <p>4. Despite the renewal or extension of the contract under paragraph 3, a consumer may give written notice of cancellation of the contract within 35 days after the day on which the first bill under the renewed or extended contract is sent.</p> <p>5. In the case of a contract for the provision of electricity, a renewal or extension of the contract is void unless the consumer specifically acknowledges in writing that the consumer has read the information referred to in subparagraph 1 iv. O. Reg. 194/03, s. 2 (4); O. Reg. 261/03, s. 1 (1, 2); O. Reg. 330/03, s. 2.</p> <p>(2.2) Where notice is given under subsection (2.1) other than by personal service, it shall be deemed to have been given when sent. O. Reg. 194/03, s. 2 (4).</p> <p>(3) Subject to subsection (5), notice under paragraph 5 or 6 of subsection (2) may be given by any means. O. Reg. 200/02, s. 6 (3).</p> <p>(4) Where notice is given under paragraph 5 or 6 of subsection (2) other than by personal service, it shall be deemed to have been given when sent. O. Reg. 200/02, s. 6 (4).</p> <p>(5) Despite the <i>Electronic Commerce Act, 2000</i>, notice under paragraph 5 or 6 of subsection (2) may not be given by telephone unless a voice recording of the telephone notice is made and, on request, is given to the consumer. O. Reg. 200/02, s. 6 (5).</p> <p>(5.1) Subject to subsection (5.3), an acknowledgement under paragraph 5.1 of subsection (2) may be given by any</p>
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	<p>means. O. Reg. 340/02, s. 2 (5).</p> <p>(5.2) Where an acknowledgement is given under paragraph 5.1 of subsection (2) other than by personal service, it shall be deemed to have been given when sent. O. Reg. 340/02, s. 2 (5).</p> <p>(5.3) Despite the <i>Electronic Commerce Act, 2000</i>, an acknowledgement under paragraph 5.1 of subsection (2) and paragraph 5 of subsection (2.1) may not be given by telephone unless a voice recording of the telephone acknowledgment is made and, on request, is given to the consumer. O. Reg. 261/03, s. 1 (3).</p> <p>(6) Nothing in this section prevents a new contract from being entered into in accordance with the Act. O. Reg. 200/02, s. 6 (6).</p>
Electricity Retailer Code of Conduct	<p>Renewal of low volume consumer contracts</p> <p>2.7 If, within the last year of a contract, a customer notifies a retailer in writing that the customer does not wish to renew or extend the contract, the retailer shall not renew or extend the contract unless the retailer reminds the customer of the notice and obtains positive acceptance of the renewed contract from the customer.</p>
Code of Conduct for Gas Marketers	<p>Renewal</p> <p>2.7 If, within the last year of a contract, a customer notifies a gas marketer in writing that the customer does not wish to renew or extend the contract, the gas marketer shall not renew or extend the contract unless the gas marketer reminds the customer of the notice and obtain positive acceptance of the renewed contract from the customer.</p>

CANCELLATION OF A CONTRACT	
Ontario Energy Board Act, 1998	<p>Cancellation of contract</p> <p>88.10 (2) A consumer may cancel a contract referred to in subsection (1) within one year after the date of entering into the contract if the contract does not meet the requirements referred to in subsection (1). 2002, c. 1, Sched. B, s. 11.</p> <p>Application</p> <p>(3) Subsections (1) and (2) apply with respect to contracts entered into on or after the day on which this section comes into force. 2002, c. 1, Sched. B, s. 11.</p> <p>No required form for cancellation</p>

88.11 (1) Cancellation of a contract by a consumer pursuant to this Part may be expressed in writing in any way, as long as it indicates the intention of the consumer to cancel the contract. 2002, c. 1, Sched. B, s. 11.

Means of delivery

(2) The notice of cancellation may be given to a gas marketer or retailer of electricity by any means that provides evidence of the date on which the consumer delivered or sent the notice including personal service, registered mail, courier or fax. 2002, c. 1, Sched. B, s. 11.

When given

(3) Where the notice is given other than by personal service, the notice of cancellation shall be deemed to have been given when sent. 2002, c. 1, Sched. B, s. 11.

Effect of cancellation

(4) If a contract respecting gas is cancelled pursuant to this Part, the cancellation takes effect on a day prescribed by regulation or determined in accordance with the regulations, and the consumer has no further obligations as of that day under that contract or under any agreement entered into by the gas marketer as agent or broker for the consumer for the provision of gas. 2002, c. 1, Sched. B, s. 11.

Retailer to ensure reading of consumer's meter

(5) If a consumer gives notice of cancellation under subsection (2) with respect to a contract for the provision of electricity, the retailer of electricity shall promptly notify the distributor that the contract has been cancelled and the distributor shall read the consumer's electricity meter within the period prescribed by regulation. 2002, c. 1, Sched. B, s. 11.

Retailer responsible for additional costs

(6) The retailer of electricity is responsible for the payment to the distributor of any additional costs that are incurred by the distributor to ensure compliance with subsection (5). 2002, c. 1, Sched. B, s. 11.

Same

(7) If a contract respecting electricity is cancelled pursuant to this Part, the cancellation takes effect on a day prescribed by regulation or determined in accordance with the regulations, and the consumer has no further obligations as of that day under that contract or under any agreement entered into by the retailer of electricity as agent or broker for the consumer for the provision of electricity. 2002, c. 1, Sched. B, s. 11.

Same

(8) No cause of action against the consumer arises as a result of the cancellation of a contract under this Part or as a result of the operation of subsection (4) or (7). 2002, c. 1, Sched. B, s. 11.

Return of prepayment

(9) Within 15 days after a cancellation takes effect

	<p>under this section, the retailer of electricity or gas marketer shall refund to the consumer any amount paid under the contract before the day the cancellation took effect in respect of electricity or gas that was to be sold on or after that day. 2002, c. 1, Sched. B, s. 11.</p>
<p>O. Reg. 200/02, Consumer Protection</p>	<p>Date for cancellation of contract</p> <p>8. (1) For the purpose of subsection 88.11 (4) of the Act, the cancellation of a contract takes effect on the first day of the first month that begins more than 30 days after the notice of cancellation is given under subsection 88.11 (2) of the Act. O. Reg. 200/02, s. 8 (1).</p> <p>(2) For the purpose of subsection 88.11 (7) of the Act, the cancellation of a contract takes effect on the day of the first reading of the consumer's electricity meter that is more than 30 days after the notice of cancellation is given under subsection 88.11 (2) of the Act. O. Reg. 200/02, s. 8 (2).</p> <p>Reading electricity meter</p> <p>9. (1) For the purpose of subsection 88.11 (5) of the Act, the distributor shall read the consumer's electricity meter not less than 31 days and not more than 45 days after the notice of cancellation was given by the consumer. O. Reg. 200/02, s. 9 (1).</p> <p>(2) Despite subsection (1), the Board may authorize the distributor to read the consumer's electricity meter within a period specified by the Board that ends more than 45 days after the notice of cancellation was given if the Board is satisfied that it is not reasonably possible for the distributor to read the meter within the time period set out in subsection (1). O. Reg. 330/03, s. 4.</p>
<p>Ontario Energy Board Act, 1998</p>	<p>Definitions</p> <p>88.1 In this Part,</p> <p>"consumer" means,</p> <p>(a) in respect of the retailing of electricity, a consumer as defined in section 56 who annually uses less than the amount of electricity prescribed by regulation, and</p> <p>(b) in respect of gas marketing, a low-volume consumer as defined in section 47;</p>

	<p>“contract” means an agreement between a consumer and a retailer of electricity for the provision of electricity or an agreement between a consumer and a gas marketer for the provision of gas;</p> <p>“gas marketer” and “gas marketing” have the same meaning as in section 47;</p> <p>“retail”, with respect to electricity, has the same meaning as in section 56 and “retailing” has a corresponding meaning. 2002, c. 1, Sched. B, s. 11.</p> <p>“salesperson” means,</p> <ul style="list-style-type: none"> (a) in respect of gas marketing, a person who is employed by or otherwise conducts gas marketing on behalf of a gas marketer or makes representations to consumers on behalf of a gas marketer for the purpose of effecting sales of gas or entering into agency agreements with consumers, and (b) in respect of the retailing of electricity, a person who is employed by or otherwise conducts retailing of electricity on behalf of a retailer of electricity or makes representations to consumers on behalf of a retailer of electricity for the purpose of effecting sales of electricity or entering into agency agreements with consumers. 2002, c. 1, Sched. B, s. 11. <p>47. In this Part,</p> <p>“gas marketer” means a person who,</p> <ul style="list-style-type: none"> (a) sells or offers to sell gas to a low-volume consumer, (b) acts as the agent or broker for a seller of gas to a low-volume consumer, or (c) acts or offers to act as the agent or broker of a low-volume consumer in the purchase of gas, <p>and “gas marketing” has a corresponding meaning;</p> <p>“low-volume consumer” means a person who annually uses less than the amount of gas prescribed by regulation. 1998, c. 15, Sched. B, s. 47.</p> <p>56. In this Part,</p> <p>“retail”, with respect to electricity, means,</p> <ul style="list-style-type: none"> (a) to sell or offer to sell electricity to a consumer, (b) to act as agent or broker for a retailer with respect to the sale or offering for sale of electricity, or (c) to act or offer to act as an agent or broker for a consumer with respect to the sale or offering for sale of electricity; <p>“low-volume consumer” means a consumer who</p>
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	annually uses less than 150,000 kilowatt hours of electricity or such other amount of electricity as is prescribed by the regulations;
O. Reg. 200/02, Consumer Protection	<p>Definition of consumer</p> <p>1. The amount of electricity referred to in clause (a) of the definition of “consumer” in section 88.1 of the Act is 150,000 kilowatt hours. O. Reg. 200/02, s. 1.</p>
O. Reg. 328/03, General	<p>Definition of “low-volume consumer”</p> <p>1. The amount of gas referred to in the definition of “low-volume consumer” in section 47 of the Act is 50,000 cubic metres. O. Reg. 328/03, s. 1.</p>