

**Assurance of Voluntary Compliance**

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

**CANADA ENERGY WHOLESALERS LTD.**

## I. BACKGROUND

Board staff conducted an inspection in November 2011 in relation to the Certificate of Compliance of Canada Energy Wholesalers Ltd. ("Canada Energy") under the authority of Part VII of the *Ontario Energy Board Act, 1998* (the "OEB Act").

The purpose of the inspection was to assess the extent to which Canada Energy's practices and processes are in compliance with all applicable legal and regulatory requirements. In addition, the extent to which Canada Energy's systems, processes and business practices are appropriate in terms of facilitating and achieving compliance and identifying the need for remedial action was assessed. The inspection was limited to the activities of Canada Energy related to the retailing of electricity to low-volume consumers as defined in the OEB Act.

During the course of the inspection, the standard form electricity contract used by Canada Energy was reviewed and Canada Energy confirmed that all contracts used the same format and content as the standard form contract. Board staff observed that Canada Energy contravened the following requirements in relation to contract content requirements for electricity contracts:

1. The contract fails to state that the consumer has the right under the Act [*Energy Consumer Protection Act, 2010*] to cancel the contract without cost or penalty up to 10 days after the consumer acknowledges receipt or is deemed to acknowledge receipt of a text-based copy of the contract; contrary to section 12 of the *Energy Consumer Protection Act, 2010* and section 7(1)(8) of Ontario Regulation 389/10.

The contract does state that the consumer may cancel this agreement without penalty if the consumer cancels in writing within 10 days, but it does not include "after the consumer acknowledges receipt or is deemed to acknowledge receipt of a text based copy of the contract".

2. The contract states that Canada Energy will notify the utility of the cancellation within 10 days of receipt of the cancellation fee. This is contrary to section 3.7 of the Electricity Retailer Code of Conduct which requires Canada Energy to submit a cancellation to the utility within 10 days of notice of cancellation from the consumer. This is also contrary to section 7(2)(a) of Ontario Regulation 389/10, which states that a contract must not contain any provision or be accompanied by any document that purports to negate or vary any of the consumer's rights under any Act or regulation or under any code, order or rule issued or made by the Board. As well, this is an unfair practice as defined in section 5(1)(i) of Ontario Regulation 389/10 by knowingly making a false or misleading statement related to the provisions of the contract.

## **II. ASSURANCE OF VOLUNTARY COMPLIANCE**

Upon being notified by Board staff of these contraventions, Canada Energy admitted to the contraventions and agreed to immediately amend its contract in order to align the wording with the statutory and regulatory requirements.

Canada Energy and the Ontario Energy Board (the "Board") are satisfied that this matter can be resolved with the filing of this Assurance of Voluntary Compliance ("Assurance").

Canada Energy commits to ensuring that as of the date of this Assurance, the form of and content of any contract entered into with a low volume electricity

consumer meets the requirements set out in section 12 of the *Energy Consumer Protection Act, 2010*, sections 7(1)(8) and 7(2)(a) of Ontario Regulation 389/10 and section 3.7 of the Electricity Retailer Code of Conduct as well as ensuring that it is not engaging in an unfair practice as defined in section 5(1)(i) of Ontario Regulation 389/10 by knowingly making a false or misleading statement related to the provisions of its contract.

### III. CONSUMER RIGHTS

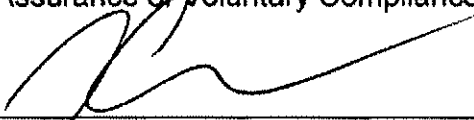
Nothing in this Assurance affects any rights a consumer may have under his or her contract, or under any applicable laws.

### IV. FAILURE TO COMPLY

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

### V. EXECUTION OF ASSURANCE

I have authority to bind Canada Energy Wholesalers Ltd. to the terms set out in this Assurance of Voluntary Compliance.

  
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Name: JOHN COWAN

Title: PRESIDENT

Company: CANADA ENERGY WHOLESALERS LTD.

Dated this 18TH day of July, 2012.