

Ontario Energy
Board

Commission de l'énergie
de l'Ontario



EB-2011-0309

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

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

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

I. INTRODUCTION

By Notice of Intention to Make an Order (the "Notice") under section 112.3 and 112.5 of the *Ontario Energy Board Act, 1998*, (the "Act") for compliance and an administrative penalty issued August 25, 2011 the Board announced that it intended to make an order against RiteRate to pay an administrative penalty in the amount of \$10,000. Pursuant to s. 112.2(4) RiteRate was advised that it may, within 15 days after receiving the notice, give notice to the Board requiring the Board to hold a hearing. RiteRate has elected not to request a hearing and in order to fully and finally resolve this matter RiteRate is prepared to admit to the deficiencies set out in the Notice and to enter into this Assurance of Voluntary Compliance.

II. COMPLIANCE INSPECTION

Following the enactment of the *Energy Consumer Protection Act, 2010* (the "ECPA") and supporting regulatory instruments on January 1, 2011, the Board had a series of compliance inspections of electricity retailers and gas marketers operating in the Ontario market.

The purpose of the inspections was to confirm the statements made in the Certificate of Compliance filed by the supplier and to assess the extent to which electricity retailers' and gas marketers' practices and processes are in compliance with all applicable legal and regulatory requirements including the ECPA, Ontario Regulation 389/10, Ontario Regulation 90/99, the Code of Conduct for Gas Marketers ("Marketers Code") and the Electricity retailer Code of Conduct ("Retailer Code") (collectively referred to as the "Codes"). In addition, the extent to which supplier 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 suppliers related to the retailing of electricity or the marketing of gas to low-volume consumers as defined in the Act.

III Assurance of Voluntary Compliance

Contract content requirements for new contracts

RiteRate admits to the following deficiency set out in the Notice:

1. The contract does not contain a statement that if the consumer cancels the contract within the 10-day period, the consumer is entitled to a full refund of all amounts paid under the contract; contrary to section 12 of the ECPA and section 7 (1) 9 of Ontario Regulation 389/10.

2. The contract does not contain an acknowledgment to be signed and dated by the consumer or account holder's agent that he or she has received a text-based copy of the contract following the signatures required by section 7(1)17 of Ontario Regulation 389/10; contrary to section 12 of the ECPA and section 7(1)18 of Ontario Regulation 389/10.

Subsequent to the issuance of the Notice, RiteRate provided to Board staff a revised form of the new contract to be used when RiteRate is entering into a contract with a low volume consumer. It is Board staff's view that the above noted deficiencies have been remedied.

RiteRate commits to ensuring that, effective as of the date of this Assurance, the form of and content of contract entered into with a low volume consumer meets the requirements set out in section 7(1)9, 7(1)17 and 7(1)18 of Ontario Regulation 389/10.

IV Administrative Monetary Penalty

RiteRate agrees to pay an administrative monetary penalty in the amount of \$5,000 to the Board on or before September 30, 2011.

V Consumer Rights

Nothing in this Assurance affects any rights a consumer may have under his or her contract, the ECPA or any other law.

VII 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.

I have authority to bind Canadian RiteRate Energy Corporation to the terms set out in this Assurance of Voluntary Compliance:

Name: Tim Nerbas
President & CEO

Signature: 

Dated: September 12, 2011