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June 30, 2015

**Via Email**  
**Original via Mail**

British Columbia Utilities Commission  
6<sup>th</sup> Floor, 900 Howe Street  
Vancouver, BC V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: FortisBC Energy Inc. (FEI)**  
**2014 Customer Choice Annual Report – Summary of the Seventh Annual General Meeting Issues**

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On May 8, 2015, the Commission issued Order A-3-15, finalizing the Regulatory Timetable and Issues List for the 2014 Customer Choice Seventh Annual General Meeting. Order A-3-15 directed FEI to file the Customer Choice Annual Report, addressing the issues raised by June 30, 2015.

In accordance with Order A-3-15, FEI submits the Customer Choice Annual Report.

If further information is required, please contact Howard Mak at 778-571-3273.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed by: Ilva Bevacqua***

**For:** Diane Roy

Attachments

cc (email only): Registered Parties



## **FORTISBC ENERGY INC.**

# **2014 Customer Choice Annual Report – Summary of the Seventh Annual General Meeting Issues**

**June 30, 2015**

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## 1. INTRODUCTION

On February 26, 2015, the British Columbia Utilities Commission (BCUC or the Commission) issued Order A-2-15 directing:

1. FortisBC Energy Inc. (FEI) to file its 2014 Customer Choice Program Statistics by Friday, March 6, 2015;
2. FEI and Interveners to submit issues for discussion at the Seventh Customer Choice Annual General Meeting (AGM) by Friday, March 27, 2015; and
3. FEI and Interveners to submit reply submissions on those issues by Friday, April 10, 2015.

On March 27, 2015, Access Gas Services Inc. (Access Gas), Direct Energy Marketing Limited (Direct Energy), Just Energy (B.C.) Limited Partnership (Just Energy), Commission Staff, the British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre *et al.* (BCOAPO) and FEI raised the following sixteen issues to be discussed at the Seventh AGM:

**Table 1-1: Preliminary Issues Raised for Discussion at the Customer Choice Seventh AGM**

| #  | Issue   | Raised By                              |
|----|---|--|
| 1  | Update on Complaints  | BCOAPO                                 |
| 2  | Customer Protection Education Activities                                  | BCOAPO                                 |
| 3  | Expansion of the Customer Choice Program to Vancouver Island and Whistler | FEI                                    |
| 4  | Review of Transaction Fee Charges to Gas Marketers                        | FEI                                    |
| 5  | Code of Conduct for Gas Marketers   | Commission Staff                       |
| 6  | Third Party Verification (TPV) Enhancement                                | Direct Energy                          |
| 7  | Anniversary Drop Rule   | Access Gas                             |
| 8  | Cost Recovery, Fees and Mechanisms  | BCOAPO                                 |
| 9  | Review of Essential Services Model  | Just Energy, Access Gas, Direct Energy |
| 10 | Marketing Disputes  | BCOAPO                                 |
| 11 | Bill Ready Billing Capability – Additional Service Offerings              | Just Energy                            |
| 12 | On-Bill Financing – Pay-As-You-Save Program                               | Just Energy                            |
| 13 | Access to the Bill – Additional Line Items                                | Just Energy                            |
| 14 | Evergreen Provision   | Just Energy, Access Gas                |
| 15 | Removal of the 24-hour Wait Period for TPV Calls                          | Access Gas, Direct Energy, Just Energy |
| 16 | Voice Contracting   | Access Gas, Direct Energy, Just Energy |

On April 10, 2015, in its Reply Submission, FEI indicated that items 7, 9, 11, 12, 13 and 14 from the list above did not warrant further discussion at the Seventh Annual General Meeting as they were either out-of-scope, dealt with in past proceedings and decisions, and/or sufficiently addressed in writing in the Reply Submission<sup>1</sup>.

BCOAPO, in its Reply Submission, indicated that items 12, 13, 14, 15, 16 from the list above were not appropriate items for discussion at the AGM as the topics were either previously addressed, decrease consumer protection measures or require a separate application<sup>2</sup>.

On May 8, 2015, the Commission issued Order A-3-15, which finalized the Regulatory Timetable and Issues list to be discussed at the Customer Choice Seventh Annual General Meeting proceeding. After reviewing the submissions and reply submissions on the Issues to be addressed at the AGM, the Commission excluded items 11 thru 16 from the issues list above from the Customer Choice AGM. As well, items 6, 7, 8, and 9 were included on the agenda with a modified scope. The following Agenda items were included to be discussed at an in-person meeting to be held June 9, 2015:

**Table 1-2: Agenda for 2014 Customer Choice Program Seventh Annual General Meeting by Order A-3-15**

| Item for discussion  | Presented by                  |
|--|-------------------------------|
| 1. Update on customer complaints   | Commission staff              |
| 2. Customer protection education activities                                  | FortisBC                      |
| 3. Expansion of the Customer Choice Program to Vancouver Island and Whistler | FortisBC and Commission staff |
| 4. Review of transaction fees charges to gas marketers                       | FortisBC                      |
| 5. Code of Conduct for Gas Marketers   | Commission staff              |
| 6. Third Party Verification (TPV) enhancement                                | Direct Energy                 |
| 7. Anniversary drop rule   | Access Gas                    |
| 8. Cost recovery, fees and mechanisms – plan and timing to review            | Commission staff              |
| 9. Potential for review of Essential Services Model                          | Commission staff              |
| 10. Marketing disputes   | BCOAPO                        |

<sup>1</sup> Exhibit B-3 Letter Dated April 10, 2015 – FEI Reply Submission on Issues for the Seventh Annual General Meeting.

<sup>2</sup> Exhibit C5-3 Letter Dated April 10, 2015 – BCOAPO submission on AGM Issues.

1 The Gas Marketers and interested stakeholders that attended the June 9, 2015 AGM included  
2 the following:

- 3 1. Access Gas
- 4 2. Direct Energy
- 5 3. Just Energy
- 6 4. Bluestream Energy
- 7 5. Commission Staff
- 8 6. BCOAPO
- 9 7. FEI

10

## 2. SEVENTH CUSTOMER CHOICE ANNUAL GENERAL MEETING ISSUES SUMMARY

Sections 2.1 through 2.9 outline the positions of Gas Marketers, Commission Staff and the BCOAPO on each issue discussed at the AGM. FEI tried to accurately capture the positions of Gas Marketers, Commission Staff and BCOAPO with respect to the agenda items based on the transcript of the meeting held on June 9, 2015. In section 2.4, Review of Transaction Fees, FEI has requested clarification from the Commission as to whether the total operating costs of the Customer Choice Program excluding customer education should be borne by Gas Marketers.

### 2.1 *UPDATE ON CUSTOMER COMPLAINTS*

Commission Staff began the AGM with a discussion regarding customer complaints, how they differ from customer disputes, and delivered a presentation on the complaint statistics. Standard disputes are disputes raised by the customer against their Gas Marketer in dispute of their contract's validity. Customer disputes are always about a contract and logged in the GEM system and adjudicated by the Commission

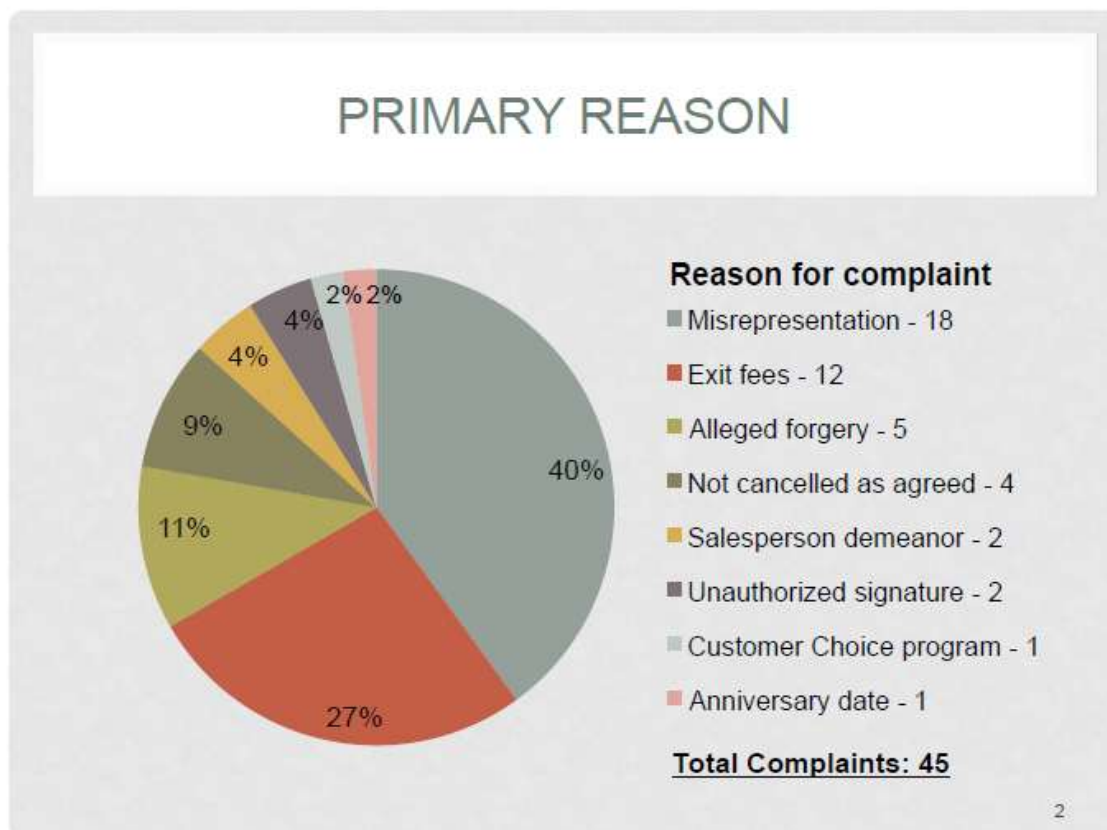
Customer complaints are generally from customers without a marketer contract but on occasion the complaint does refer back to a customer contract. In instances where a customer has a contract and submits a complaint to the Commission, it is dealt with as more of an informal written process where the customer and Gas Marketer attempt to resolve the matter. Also, expired contracts are dealt with as complaints as the GEM system is unable to track an expired contract.

Figure 2-1 below shows the primary reasons for complaints. There were 45 complaints submitted in 2014 with the top three reasons being misrepresentation, exits fees and alleged forgery. Misrepresentation accounted for 40% of total complaints. Figure 2-2 shows the complaint outcomes. In 31% of the complaint resolutions, the customer was provided information and that solved the complaint. In the remaining 69%, the reasons for resolution were solved by Gas Marketers taking corrective action with the agent, cancelling the contract and/or waiving the exit fee.



1

**Figure 2-1: Complaint Reasons**



2

**Figure 2-2: Complaint Outcomes**



## **2.2 CUSTOMER PROTECTION EDUCATION ACTIVITIES**

BCOAPO submitted this topic for discussion to understand the connection between customer protection education activities and the findings from the Commission's dispute and complaints process.

### **2.2.1 Intervener Positions**

#### **Direct Energy**

Direct Energy requested an overview of the communications budget from the time the Customer Choice program was launched. Direct indicated there was a lack of clarity regarding this issue because of the conflicting budget amounts that were referenced in some of the historical Customer Choice Program filings. In some instances an ongoing \$3 million budget is referred to,

1 in other cases only \$300,000. Direct requested FEI clarify the Customer Choice  
2 communications budget allocations since Program inception.<sup>3</sup>

### 3 ***Just Energy***

4 No comments on this issue.

### 5 ***Access Gas***

6 No comments on this issue.

### 7 ***Bluestream***

8 No comments on this issue.

### 9 ***BCOAPO***

10 BCOAPO requested information regarding the budgeted amount for future Customer Choice  
11 education plans, and whether it would be reduced from \$300,000.<sup>4</sup> BCOAPO also inquired as to  
12 whether Consumer Protection BC would be provided with the Customer Choice complaints and  
13 dispute statistics so that they may conduct a targeted consumer education plan.<sup>5</sup>

## 14 **2.2.2 Commission Staff Position**

15 Commission Staff advised that the information in the AGM proceedings is public and would be  
16 accessible by Consumer Protection BC. Commission Staff also expressed that Consumer  
17 Protection BC would be the appropriate party to assume the role of consumer protector as  
18 opposed to FEI or the Commission. Consumer Protection BC has established working  
19 relationships with Commission Staff and has been involved in previous compliance inquiries.<sup>6</sup>

## 20 **2.2.3 FEI Position**

21 FEI stated that the Customer Choice education plan focuses on program awareness and  
22 customer education, and through these measures, a level of customer protection is achieved.  
23 The education plan is not typically adjusted based on complaints and disputes lodged by  
24 customers. It is FEI's responsibility to maintain neutrality, which is at odds with the concept of  
25 consumer protection as it relates to communications. Only in exceptional circumstances would  
26 the communications be adjusted to address a specific concern. For example, when the  
27 Customer Choice program was first launched, there was confusion amongst customers around  
28 whether the sales person knocking on their door was a utility employee. In this one exception,  
29 FEI adjusted the communications to emphasize that FEI does not approach customers door-to-

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<sup>3</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p.17.

<sup>4</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p.18, lines 13 & 17.

<sup>5</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p.18, lines 15-18.

<sup>6</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p.18, lines 19-26, & p.19, lines 1-4.

door to sell natural gas commodity products. Rather than adjusting the communication plan, FEI prefers to address specific customer issues with marketers directly.<sup>7</sup>

FEI feels the current annual budget of \$300,000 for the Customer Choice education plan is a reasonable amount to educate consumers about the Customer Choice program and FEI does not intend to request a budget adjustment<sup>8</sup>. The original communication budget when the program was launched in 2007<sup>9</sup> was \$5 million. That plan was focused on establishing consumer awareness about the Customer Choice product for the first time, and its scope may reflect that there were fewer consumer protection safeguards like the TPV in place. The current budget of \$300,000 does not allow the same breadth of communication options. FEI's communication plan today is primarily to promote the Customer Choice name and direct customers to the FortisBC website for more information.<sup>10</sup>

Table 2-1 summarizes the Customer Choice education plan budget and actual expenses since program inception. Note that in 2006, FEI requested approval for a budget of \$3 million for the education plan for 2008 and subsequent years. The Commission's decision approved the \$3 million budget for 2008 only and directed FEI to address the funding requirements for 2009 and subsequent years in its post implementation review in 2008.<sup>11</sup> The confusion voiced by Direct Energy may have arisen due to the differences between FEI's request and the Commission's approved budgets.

**Table 2-1: Customer Choice Education Plan Budget and Actual Expenses<sup>12 13</sup>**

|                | 2006/07     | 2008           | 2009       | 2010       | 2011 <sup>14</sup> | 2012       | 2013       | 2014       |
|----------------|-------------|----------------|------------|------------|--------------------|------------|------------|------------|
| <b>BUDGET</b>  | \$5 million | \$3 million    | \$ 750,000 | \$ 500,000 | \$ 300,000         | \$ 300,000 | \$ 300,000 | \$ 300,000 |
| <b>ACTUALS</b> | \$5 million | \$2.99 million | \$ 747,642 | \$ 497,454 | \$ 234,060         | \$ 310,433 | \$ 295,346 | \$ 267,022 |

<sup>7</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p 14-15.

<sup>8</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 15-16.

<sup>9</sup> Terasen Gas Inc. Customer Choice Post Implementation Review Report and Application for Program Enhancements and Additional Customer Education Funding, dated July 2008, p 41.

<sup>10</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 17-18.

<sup>11</sup> Terasen Gas Inc. Commodity Unbundling Project for Residential Customers, Certificate of Public Convenience and Necessity Application, BCUC Decision, dated August 14, 2006, p 35.

<sup>12</sup> Terasen Gas Inc. Commodity Unbundling Project for Residential Customers, Certificate of Public Convenience and Necessity Application, BCUC Decision, dated August 14, 2006, pp 8, 35.

<sup>13</sup> BCUC Order G-181-08, Appendix A, dated Dec 12 2008, p 14.

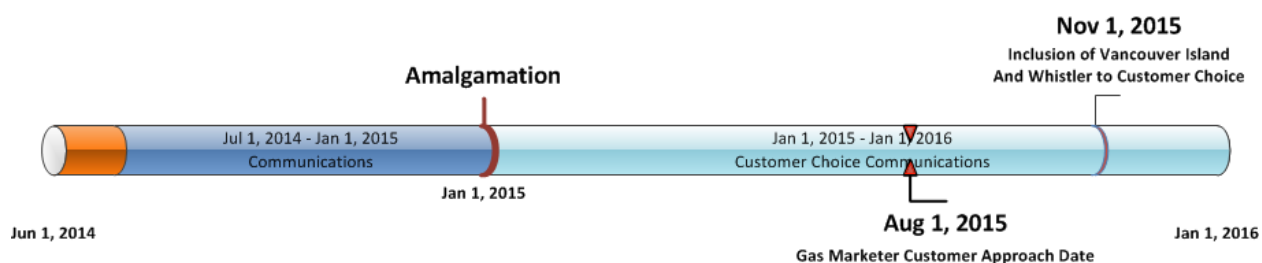
<sup>14</sup> Spending on the 2011 Customer Education Plan was delayed while the 2010 Program Summary was being reviewed by the Commission awaiting Order A-9-11.

## 2.3 EXPANSION OF THE CUSTOMER CHOICE PROGRAM TO VANCOUVER ISLAND AND WHISTLER

FEI raised this topic for discussion at the AGM to provide stakeholders with an update on the preparation for the expansion of the Program into the FortisBC Energy (Vancouver Island) Inc. (FEVI) and FortisBC Energy (Whistler) Inc. (FEW) service areas.

At the AGM, FEI presented stakeholders with a summary of the tasks required to prepare the IT systems to accommodate the two service areas. Figure 2-3 below shows the timeline for Customer Choice expansion to Vancouver Island and Whistler.

Figure 2-3: Timeline for Expansion



FEI also presented its anticipated communication strategy for Vancouver Island and Whistler and indicated its plan to cover the Vancouver Island and Whistler communication activities within the existing \$300 thousand Customer Education budget. Refer to the Transcript Volume 2 for presentation slides.

### 2.3.1 Intervener Positions

#### **Direct Energy**

Direct Energy sought clarification regarding the portability of contracts between the Lower Mainland and Vancouver Island. Specifically, they wanted to know if contracts effective prior to November 1<sup>st</sup> would be ported if someone moved from the Lower Mainland to Vancouver Island. Additionally, Direct Energy requested that draft copies of all marketing materials be sent to all Gas Marketers, including the script of the video to air on CHEK-TV. Also, there was a question regarding the communications budget and as to whether or not there was any intention on FEI's part to increase it.

#### **Bluestream**

Bluestream Energy was seeking clarification regarding the ability of Gas Marketers to undertake advertising prior to August 1, 2015.

#### **Just Energy**

Just Energy inquired about the number of licenses issued to Gas Marketers intending to offer Customer Choice to Vancouver Island and Whistler residents. Moreover, Just Energy also

1 inquired whether any updates to FEI's website regarding the introduction of the Customer  
2 Choice program to Vancouver Island and Whistler was done or anticipated.

### 3 **BCOAPO**

4 BCOAPO sought an explanation regarding the budget dollars for IT system changes to deal with  
5 the introduction of the Customer Choice program to Vancouver Island and Whistler. Additionally,  
6 clarification was sought regarding whether the Vancouver Island advertising was part of the  
7 overall communications budget.

### 8 **2.3.2 Commission Staff Position**

9 Commission staff stated that any marketing activities by Gas Marketers cannot be undertaken  
10 prior to August 1, 2015. The Commission believes that before Gas Marketers approach  
11 customers, they should have time to familiarize themselves with the FEI bill changes  
12 necessitated by amalgamation.

13 Details regarding the number of licences issued to Gas Marketers was not released by  
14 Commission staff.

### 15 **2.3.3 FEI Position**

16 FEI stated that only contracts effective November 1<sup>st</sup> and after would be portable between the  
17 Lower Mainland and Vancouver Island. For moves done before November 1<sup>st</sup>, the contracts  
18 would drop.

19 Drafts of the creative as well as blocking charts that depict when each ad will be in market will  
20 be sent to the Gas Marketers for comment. FEI will endeavour to consult with the Gas  
21 Marketers, and ensure that they get an opportunity to provide feedback on the creative.

22 FEI does not intend to apply for an increase in the communications budget for the Customer  
23 Choice program. The communications for the expansion will be covered within the existing  
24 \$300,000 budget.

25 The FAQs section pertaining to the Customer Choice program on FEI's website will be updated  
26 to include Vancouver Island, Whistler, Powell River and Sunshine Coast. Additionally, FEI has  
27 adjusted its website's search engine to reference updated Customer Choice program  
28 information.

29 The IT system changes required for the expansion of the Customer Choice Program are  
30 covered through the FEI's amalgamation project's budget.

## 2.4 REVIEW OF TRANSACTION FEE CHARGES TO GAS MARKETERS

FEI requested a discussion regarding potential fee adjustments to the customer billing and confirmation letter charges at the AGM. This request was made because the transaction fees Gas Marketers remit to FEI no longer cover the costs the Company incurs to manage the Program. Marketer fees have not been adjusted since Program inception.

In an effort to minimize the projected shortfall in 2015, FEI presented its proposal to increase Gas Marketer recoveries by adjusting the customer billing fee and confirmation letter fee to cover the current cost of business postage retroactively to January 1, 2015. FEI proposed to conduct a fulsome review of the Program's transaction fees, and to submit a recommendation in a separate application in 2016. Refer to the Transcript Volume 2 for presentation slides.

### 2.4.1 Intervener Positions

#### *Gas Marketer Group*

The Gas Marketer Group does not believe that a detailed review of the cost recovery fees is warranted at this time. The collective group supports justifiable changes to the fees so that FEI can recover Program print and postage costs.

Specifically, Gas Marketers support a change to the print and postage rate for the confirmation letter to \$1.02. Further, they agree this change can be back dated to January 1, 2015.

Gas Marketers did not support a change to the billing fee. Direct Energy argued that "they were not sure that 80 cents for the shared bill was really reflective of what actual postage charges are for Gas Marketers".<sup>15</sup>

Access Gas questioned the proportion of customers that are on e-bill.

Just Energy asked if FEI offers any incentives to sign up for e-bill. Just Energy questioned whether FEI would take into consideration if Gas Marketers should be paying for the total operating costs of the Customer Choice Program when preparing a fulsome review of the fee structure next year. It was their understanding that this was not a requirement as the Program was designed to benefit all rate payers.<sup>16</sup>

Direct Energy wanted to present the marketers position on cost recoveries first before stating a position on the fee adjustment and felt the change being proposed by FEI was not solely to recover postage fees, but also to recover program costs. Direct Energy stated the Gas Marketers are not opposed to keeping up with the current costs of postage and print fees. Direct questioned what portion of the 80 cents is actually related to postage or print fees.<sup>17</sup>

<sup>15</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 55, lines 6-14

<sup>16</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 42, lines 7-15

<sup>17</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 46, lines 9-16



## **BCOAPO**

BCOAPO questioned the process for increasing postage rates and if there needed to be an application submitted or if it could be agreed upon during the AGM proceedings<sup>18</sup>.

### **2.4.2 Commission Staff Position**

Commission Staff stated that if all Stakeholders agreed on the increase to the postage fees for the confirmation letter and billing fee and the effective date of January 1, 2015 at the AGM, then staff would take the agreement forward to the Commission Panel for determination.

### **2.4.3 FEI Position**

At current enrolment levels, Gas Marketer fees do not cover the expenses incurred to administer the Program. To immediately address this shortfall, FEI proposed to increase the customer billing fee and confirmation letter fee in a manner consistent with previously approved rate recovery.

The existing and proposed customer billing fee and confirmation letter fee adjustments are listed below in Table 2-2.

**Table 2-2: Existing and Proposed Transaction Fees**

| <b>Fees</b>                |              | <b>2007</b>   | <b>2015</b>    |
|----------------------------|--------------|---------------|----------------|
| <b>Customer Bill</b>       | Postage      | \$ .38        | \$ .80         |
|                            | Admin        | \$ .02        | \$ .02         |
|                            | <b>Total</b> | <b>\$ .40</b> | <b>\$ .82</b>  |
| <b>Confirmation Letter</b> | Postage      | \$ .38        | \$ .80         |
|                            | Admin        | \$ .22        | \$ .22         |
|                            | <b>Total</b> | <b>\$ .60</b> | <b>\$ 1.02</b> |

FEI submits that the Company's proposal to update the postage fee component of the billing and confirmation letter charge to cover the current cost of business postage is fair. FEI suggests to leave the administration fee as-is until a more extensive review of the Program's fees is

<sup>18</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 45, lines 1-4



conducted. This proposal will allow FEI to avoid an estimated Program shortfall of approximately \$200,000<sup>19</sup> in 2015.

FEI notes that the current fee structure approved by Commission Order C-6-06 dated August 14, 2006<sup>20</sup> was designed to recover the cost to produce and mail the letters and bills to customers. Table 2-3 provides a description of transaction fees as originally proposed and approved by Order C-6-06 for the Customer Choice Program.

**Table 2-3: Description of Transactions Fees as Originally Proposed in 2006**

| Fee   | Description   | Cost Type                | Existing                                 | New |
|---|---|--------------------------|--|-----|
| <b>Group Fee</b>                            | \$150 per month for each active marketer group will be charged to Gas Marketers; fee is designed to offset the cost to set up rates in the Energy CIS.                                      | Operating cost recovery. | Exists in Commercial Unbundling program. |     |
| <b>Customer Bill Fee</b>                    | \$0.40 per month will be charged to Gas Marketers based on the number of bills sent to customers; fee is designed to offset the cost to produce and mail monthly bills.                     | Operating cost recovery. | Exists in Commercial Unbundling program. |     |
| <b>Confirmation Letter Fee<sup>17</sup></b> | \$0.60 will be charged to Gas Marketers based on the number of enrollments that take place for a Gas Marketer; fee is designed to recover to cost to produce and mail confirmation letters. | Operating cost recovery. |  | New |
| <b>Dispute Resolution Fee<sup>18</sup></b>  | Amount of fee to be determined; fee to be comprised of a fixed and variable component; fee is designed to recover costs incurred in operating the Independent Dispute Resolution process.   | Operating cost recovery. |  | New |

FEI proposes to increase the postage rates retroactively to January 1, 2015 to offset the estimated \$200,000 Program shortfall expected in 2015. This recommendation aligns with a previously approved fee structure that will allow FEI to allocate program costs back to Gas Marketers. Gas Marketers will be charged a one-time fee that represents the difference between

<sup>19</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript Volume 2, Exhibits Book, FEI Slides, p. 13.

<sup>20</sup> Order C-6-06, Commodity Unbundling Project for Residential Customers CPCN Application Decision, p. 2, item #3.

1 the total amount under the updated fees and the total amount paid up to the effective date the  
2 updated fee structure is implemented.

3 With respect to e-billing, FEI looked into the statistics for Customer Choice customers on  
4 paperless billing to see if that number should factor into the decision. The results were  
5 inconsequential. There are approximately 209,000 customers signed up for paperless billing.  
6 Only 313 of which, or 0.9% Customer Choice contract accounts have opted for paperless billing  
7 services.

8 FEI intends to review the transaction fee structure closer in 2016 and submit an application with  
9 its recommendations regarding an appropriate fee structure going forward for the Program.

10 FEI requests clarification from the Commission as to whether the total operating costs of the  
11 Program excluding customer education costs should be borne by Gas Marketers. After the  
12 Program has been introduced into Vancouver Island and Whistler, and Commission Staff have  
13 provided clarity regarding cost recovery, FEI believes it can define a suitable long-term fee  
14 structure.

## 15 **2.5 CODE OF CONDUCT FOR GAS MARKETERS**

16 Table 2-4 depicts relative support for the proposed changes to the Code of Conduct for Gas  
17 Marketers as discussed at the Customer Choice Seventh Annual General Meeting. Items that  
18 were supported are shown in green. Items requiring further attention are depicted in yellow. Red  
19 items identify stakeholder dissent regarding specific proposals. Issues 14, 16, 20, 25 and 27  
20 were the most contentious proposed changes, while several other items revealed at least some  
21 dissent. References to "NP" indicate "No Position".

22  
23 The table also provides reference to the draft Code of Conduct page associated with the issue,  
24 as well as the Transcription page(s) in which the issue was discussed.  
25

**Table 2-4: Discussion of Proposed Changes in Code of Conduct for Gas Marketers**

| Issue | Description   | Code Page | Trans Page | FEI | BCDPO | Access | Bluestream | Just Energy | Direct Energy |
|-------|---|-----------|------------|-----|-------|--------|------------|-------------|---------------|
| 1     | Adjust definition of Consumer's Agreement(s)                                      | 4         | N/A        |     |       |        |            |             |               |
| 2     | Delete Internet Marketing definition.   | 5         | 66-67      |     |       |        |            |             |               |
| 3     | Adjust Marketing definition   | 5         | 67-71      |     |       |        |            |             |               |
| 4     | Delete phrase in first paragraph that references rollover provisions              | 6         | 71-72      |     |       |        |            |             |               |
| 5     | Add reference to applicable consumer protection legislation                       | 7         | 72-73      |     |       |        |            |             |               |
| 6     | Business card requirements of sales representatives                               | 8         | 73-82      |     |       |        |            |             |               |
| 7     | Identification Badge Requirements   | 8         | 82-83      |     |       |        |            |             |               |
| 8     | Deletion of Article 12, moving relevant content to other articles in the document | 11        | 83-84      |     |       |        |            |             |               |
| 9     | Copy addition regarding Consumer consent to hear recorded offer                   | 12        | 85-86      |     |       |        |            |             |               |
| 10    | Proposed training and testing requirements for gas marketer Salespersons          | 15        | 86-87      |     |       |        |            |             |               |
| 11    | Copy deletion regarding sub-contractors   | 16        | 87         |     |       |        |            |             |               |
| 12    | Reference to Consumer's Agreement   | 17        | 88-90      |     |       |        |            |             |               |
| 13    | Copy adjustment to clarify use of Title field on Consumer's Agreement             | 18        | 90-92      |     |       |        |            |             |               |
| 14    | Copy deletion referencing "spouse."   | 18        | 92-108     |     |       |        |            |             |               |
| 15    | Copy adjustments to clarify legal authority to enter into an Agreement            | 18        | 108-115    |     |       |        |            |             |               |
| 16    | Copy additions to clarify start and end date of the Agreement                     | 18        | 116-120    |     |       |        |            |             |               |
| 17    | Copy deletion to account for removal of rollover provisions                       | 18        | 120        |     |       |        |            |             |               |
| 18    | Copy adjustment to clarify date field and signatory requirement                   | 18        | 121-122    |     |       |        |            |             |               |
| 19    | Copy addition to reference federal and provincial legislation                     | 18        | 122-123    |     |       |        |            |             |               |
| 20    | Article addition to address requirements for New Agreements                       | 18        | 123-126    |     |       |        |            |             |               |
| 21    | Copy addition clarifying renewal package requirements                             | 19-20     | 126-130    |     |       |        |            |             |               |
| 22    | Clarifying rules surrounding written or electronic signatures, TPV calls          | 19-20     | 130-130    |     |       |        |            |             |               |
| 23    | Adjust copy in Consumer Agreement via Voice Contract                              | 20        | 131-132    |     |       |        |            |             |               |
| 24    | Adjust copy to refer to new Article   | 21        | 130        |     |       |        |            |             |               |
| 25    | Add copy regarding time and date stamp to TPV                                     | 22        | 132-138    |     |       |        |            |             |               |
| 26    | Add copy regarding pace and tone of TPV call                                      | 22        | 138-139    |     |       |        |            |             |               |
| 27    | Adjust copy to clarify when TPV calls are not required                            | 22        | 140-174    |     |       |        |            |             |               |
| 28    | Add copy regarding Automated TPV calls  | 22        | 175-178    |     |       |        |            |             |               |
| 29    | Adjust copy for skip logic regarding authorization to enter into a contract       | 24        | 178-181    |     |       |        |            |             |               |
| 30    | Copy change to clarify reference to price   | 25        | 181-182    |     |       |        |            |             |               |
| 31    | Add copy to clarify that the AGM can be a written or in-person process            | 26        | 183        |     |       |        |            |             |               |

## 2.5.1 Summary of Stakeholder Positions Regarding Code of Conduct for Gas Marketers

The following section provides an abbreviated summary of each stakeholder's statements regarding the proposed changes put forth in the draft copy of the Code of Conduct for Gas Marketers provided by Commission Staff. Refer to the Transcript Volume 1 for an electronic copy of this transcription. The specific locations of the issues are marked in Appendix A: Code of Conduct for Gas Marketers - Draft.

The following issue numbers relate to the above table. Within each "Proposal" section, changes are presented as italicized, underlined copy to indicate text additions suggested by Commission staff. Strikeouts indicate suggested copy deletions. The first issue presented below concerns an item not discussed at the AGM that relates to the Code of Conduct Definitions section.

**1. Reference:** Definitions, page 4.

**Issue:** Adjust definition of Consumer's Agreement(s).

**Transcription:** Not discussed at AGM.

**Proposal:**

Consumer's Agreement(s) means all ~~written~~ agreements and contracts between a Gas Marketer and a Consumer for the Marketing of Gas.

**Positions:**

**BCUC** – This was not discussed at the AGM.

**FEI** – FEI suggests adjusting so that the copy specifically addresses, "...all written, recorded voice, and electronic agreements..."

**BCOAO** – No comment at time of AGM

**Gas Marketers** – No comment at time of AGM

**2. Reference:** Definitions, Code of Conduct page 5.

**Issue:** Delete Internet Marketing definition.

**Transcription:** Pages 66-67.

**Cross-reference:** Issues 28 and 29

**Proposal:**

~~Internet Marketing means marketing of natural gas that uses the Internet, e-mail or mobile device without a Salesperson's presence and/or involvement.~~

**Positions:**

**BCUC** – Recommends deleting definition of "Internet Marketing," specifically to mitigate possible confusion regarding the applicability of the TPV. Commission staff suggested that this issue might better wait until the discussion about Article 33, items 28 and 29 below.

**FEI** – Approve

**BCOAO** – Did not object to this change.

**Gas Marketers** – Suggested they would weigh-in when Article 33 was discussed.

**3. Reference:** Definitions, Code of Conduct page 5.

**Issue:** Adjust Marketing definition.

**Transcription:** Pages 67-71.

**Proposal:**

**Marketing** for the purpose of this Code, means any activities intended to solicit a Consumer or potential Consumer to contract with a Gas Marketer, including providing for a Consumer's consideration an Offer, and is characterized by door-to-door selling, ~~internet~~ online marketing, telemarketing, direct mail selling activities, network marketing, multi-level marketing and any other means by which a Gas Marketer or its Salesperson ~~interacts directly~~ markets to with a Consumer or potential Consumer.

**Adjusted Proposal made by Commission staff at AGM:**

**Marketing** for the purpose of this Code, means any activities intended to solicit a Consumer or potential Consumer to contract with a Gas Marketer, including providing for a Consumer's consideration an Offer, and is characterized by door-to-door selling, ~~internet~~ online marketing, telemarketing, direct mail selling activities, network marketing, multi-level marketing and by any other means by which a Gas Marketer or its Salesperson ~~interacts directly~~ with a Consumer or potential Consumer.

**Positions:**

**BCUC** – Propose adjusting the definition of “marketing” so that it avoids being overly broad and specifically speaks to the sales and promotional activities used by Gas Marketers in BC.

**FEI** – FEI supports the Adjusted Proposal presented above.

**BCOAPO** – Approved online marketing, network marketing, and multi-level marketing. They voiced concern that the definition was circular, if “markets” is referenced in the definition as initially proposed. BCOAPO offered no concerns with respect to the Adjusted Proposal.

**Gas Marketers** – Access Gas, Bluestream, and Just Energy offered no comment on this change at the AGM.

**Direct Energy** – Voiced concern that the change may adversely affect stakeholder interpretation with respect to when a TPV call might be required. Additionally, Direct reserved right to comment further during the written submission process.

**4. Reference:** Article 2, Price and Other Terms. Code of Conduct page 6.

**Issue:** Delete phrase in first paragraph that references rollover provisions.

**Transcription:** Pages 71-72.

**Proposal:**

Whether an Offer is on cash or any other basis, the Offer and Consumer's Agreement shall clearly state the price and payment terms and any other financial provisions, including any deposit requirement, allocation of cost savings and/or services, and the nature and amount of any additional charges. The Offer and Consumer's Agreement shall clearly state agreement renewal provisions ~~including default rollover provisions.~~

**Positions:**

**FEI** – Approve

**BCOAPO** – Approve

**Gas Marketers** – Access Gas, Bluestream and Just Energy offered no comment.

**Direct Energy** – Approve

**5. Reference:** Article 4, Protection. Code of Conduct page 7.

**Issue:** Add reference to BC Business Practices and Consumer Protection Act and related Consumer Contracts Regulation.

**Transcription:** Pages 72-73.

**Proposal:**

This Code shall be interpreted in accordance with all applicable federal and provincial Consumer protection and business practice legislation, including the British Columbia Business Practices and Consumer Protection Act and related Consumer Contracts Regulation.

**Positions:**

**FEI** – Approve

**BCOAPO** – Approve

**Gas Marketers** Access Gas and Just Energy offered no comment.

**Bluestream** – Approve

**Direct Energy** – Voiced no issue with the change.

**6. Reference:** Article 7, Identity of the Gas Marketer. Code of Conduct page 8.

**Issue:** Business card requirements of sales representatives.

**Transcription:** Pages 73-82.



**Proposal:**

A Gas Marketer shall ensure that every Salesperson that is acting on its behalf and that is marketing to a Consumer in person:

- provides the Consumer with a business card that meets the requirements below, before making any representation to the Consumer about the Gas Marketer's products, services or business and before requesting any information about the Consumer, including asking that the Consumer locate any utility bills; and
- wears at all times, on the front of the Salesperson's outer clothing, an identification badge that meets the requirements below.

The identification badge shall be clear and legible and:

(a) include a photograph of the Salesperson's face that is not more than 2 years old at any time;

(b) identify the Gas Marketer; and

(c) identify the name and identification number of the Salesperson acting on behalf of the Gas Marketer.

The Salesperson's photograph and all of the required information set out above must be shown on the same side of the identification badge, and must at all times be facing the Consumer.

**Positions:**

**BCUC** – This change would ensure the customer, Commission, and marketer could identify the Gas Marketer and the sales agent involved in the event a complaint is received.

**FEI** – Agree with the intent of the change, but suggests the specific requirement should recognize the need to keep costs low for Gas Marketers and thereby Consumers.

**BCOAPO** – Support the objective and are amenable to suggestions from the Gas Marketers. BCOAPO strongly prefer pre-printed collateral to avoid the possibility that the Salesperson either forgets or avoids filling out their ID information.

**Gas Marketers** – Gas marketers are in support of the objective of identifying the company and salesperson but reject the prescriptive nature of the proposal in terms of the business card requirements, primarily due to the additional costs that would be incurred to comply with such a change. Marketers already provide contact sheets and "leave behind" materials for customers which include the company name, agent name and/or identification number, and a contact telephone number should the customer have any questions or concerns. Marketers propose that such practices be allowed to continue in order to meet the intent of the proposed change without adding additional costs.

Should the Commission's final determination be that a "Leave Behind" is a requirement then we would suggest

- replace "Business Card" with "Identity Collateral" throughout,
- remove "of standard size (approximately 3.5" by 2")"
- remove "(a) the licence number issued to the Gas Marketer under the Act" as this number changes annually and its inclusion only serves to increase our printing costs.
- replace "name and identification number" with "name and/or identification number" in order to make its inclusion less onerous when being filled out.

**7. Reference:** Article 7, Identity of the Gas Marketer. Code of Conduct page 8.

**Issue:** Identification Badge Requirements.

**Transcription:** Pages 82-83.

**Proposal:**

The identification badge shall be clear and legible and:

(a) include a photograph of the Salesperson's face that is not more than 2 years old at any time;

(b) identify the Gas Marketer; and

(c) identify the name and identification number of the Salesperson acting on behalf of the Gas Marketer.

The Salesperson's photograph and all of the required information set out above must be shown on the same side of the identification badge, and must at all times be facing the Consumer.

**Positions:**

**BCUC** – This is an extra measure that can be used to help mitigate and address potential complaints. Adoption of the proposed language is recommended for the same reasons as described in the business card section above.

**FEI** – Approve

**BCOAPO** – Approve

**Gas Marketers** – No issues with this proposed change.

**8. Reference:** Article 12, "Telephone, Door to Door and Internet Marketing." Code of Conduct page 11.



**Issue:** Deletion of Article 12, moving relevant content to other articles in the document.

**Transcription:** Pages 83-84.

**Proposal:**

**Telephone and Door to Door Marketing**

~~When conducting telephone or door to door Marketing, the Gas Marketer shall comply with applicable laws. All telephone and door to door contacts must be made Monday to Friday between the hours of 9 a.m. and~~

~~9:30 p.m. or on Saturday and Sunday between the hours of 10:00 a.m. and 6:00 p.m. local time. Salespersons must immediately, truthfully and fully identify themselves to the prospective Consumers. They shall also immediately, truthfully and fully indicate the purpose of their approach to the Consumers, identify the Gas Marketer with whom they are associated and indicate that they are selling Gas under the Commodity Unbundling Service.~~

**Telephone Marketing**

~~For telephone marketing, in the event that a recorded message constitutes a portion, or all of the sales process, the caller must first personally obtain the consent of the recipient to play a recorded offer. The Gas Marketer shall forward a written agreement to sign up for service by telephone marketing and obtain from the Consumer a signed agreement in return. The Gas Marketer shall accept a written or electronic signature. The Gas Marketer shall direct the LDC to switch the Consumer's Gas supply only once the Gas Marketer is in possession of the signed agreement from the Consumer.~~

**Internet Marketing**

~~The Gas Marketer may engage in and/or enrol customers via Internet Marketing for Consumers committing to new agreements and for the renewal of existing agreements.~~

~~The Gas Marketer shall forward a written agreement to sign up for service by Internet Marketing and obtain from the Consumer a signed agreement in return or obtain an electronic signature which complies with the B.C. Electronic Transactions Act. The Gas Marketer shall direct the LDC to switch the Consumer's Gas supply only once the Gas Marketer is in possession of the signed agreement from the Consumer. Provided that the signed agreement is fully compliant with the Code of Conduct, a TPV call is not required.~~

**Positions:**

**BCUC** – Deferred discussion to later document sections in which Article 12 content was addressed.

**FEI** – FEI supports the deletion of this Article in principal, however content additions elsewhere in the Code of Conduct must appropriately speak to the Article's content.

**BCOAPO** – Voiced no concern with the approach.

**Gas Marketers** – Reserved comment for later sections.

**9. Reference:** Article 14, Respect of Privacy. Code of Conduct page 12.

**Issue:** Copy addition regarding Consumer consent to hear recorded offer.

**Transcription:** Pages 85-86.

**Proposal:**

#### **Positions**

**BCUC** – Adjusting content previously located in Article 12.

**FEI** – Agree to change.

**BCOAPO** – Agree to change.

**Gas Marketers** – Agree to change.

**10. Reference:** Article XX, new article called Training and Testing. Code of Conduct page 15.

**Issue:** Proposed training and testing requirements for Gas Marketer Salespersons.

**Transcription:** Pages 86-87

**Proposal:**

A Gas Marketer shall ensure that no Salesperson that acts on its behalf markets to a Consumer or negotiates, enters into, verifies, renews, or amends a contract with a Consumer unless the Salesperson has successfully completed training as set out in this Code.

A Gas Marketer shall ensure that training includes the following for a Salesperson:

a) training in relation to all of the legal and regulatory requirements applicable to the sales process, contract verification, consumer cancellation rights and the renewal or amendment process; and

b) adequate and accurate material covering the following areas:

i. gas market structure;

ii. how to complete a contract;

iii. how gas pricing works, including the pricing of gas supplied by the LDC;

iv. the content of this Code; and

v. all relevant regulatory requirements.

A Gas Marketer shall determine the successful completion of training by means of a training test that is designed and administered in order to assess each Salesperson's knowledge of the elements listed above.

The Gas Marketer shall maintain, for each Salesperson that acts on its behalf, records of the training and testing materials and results. The records shall be provided to the Commission on request.

**Positions:**

**FEI** – Supports this change.

**BCOAPO** – Supports this change.

**Gas Marketers** – Access Gas, Bluestream, and Direct Energy agree to the proposed change.

**Just Energy** – Provided tentative support, however they did voice some reservations.

**11.Reference:** Article 23, Information to be Maintained by a Gas Marketer. Code of Conduct, page 16.

**Issue:** Copy deletion regarding sub-contractors.

**Transcription:** Page 87.

**Proposal:**

- A list of all Salespersons ~~and sub-contractors~~ who act for that Gas Marketer;

**Positions:**

**FEI** – Agree.

**BCOAPO** – Agree.

**Gas Marketers** – Agree.

**12.Reference:** Article 26, Agreement Specifications. Code of Conduct, page 17.

**Issue:** Reference to Consumer's Agreement.

**Transcription:** Pages 88-90.

1           **Proposal:**

2           **Suggested copy addition:**

3           The Consumer's Agreement, in accompaniment with the Notice of Appointment of  
4           Marketer, will be clearly designated as an "Agreement" or a "Contract." The terms  
5           "Application" or "Enrollment" do not accurately reflect the agreement made between  
6           the Marketer and the Consumer and shall not be used by the Gas Marketer or  
7           Salesperson in the Marketing or contracting process. There should be no confusion  
8           in the mind of the customer that this is a binding contract and not an application or  
9           enrollment.

10          **Amended during the AGM to:**

11          The Consumer's Agreement, in accompaniment with the Notice of Appointment of  
12          Marketer, will be clearly designated as an "Agreement" or a "Contract." The terms  
13          "Application" or "Enrollment" do not accurately reflect the agreement made between  
14          the Marketer and the Consumer and shall not be used by the Gas Marketer or  
15          Salesperson when referring to the contract or contracting process. There should be  
16          no confusion in the mind of the customer that this is a binding contract and not an  
17          application or enrollment.

18          **Positions:**

19          **FEI** – Agree to change and amenable to further adjustments.

20          **BCOAPO** – Agree to change and amenable to further adjustments.

21          **Gas Marketers** – Generally voiced concerns that FEI's use of the word "enrollment," can  
22          introduce possible ambiguity in the interpretation and application of this change. Access  
23          Gas suggested alternate text that is reflected in the amended copy above. No concern  
24          was voiced with the amended copy; however Gas Marketers may choose to offer  
25          alternative copy during this preceding.

26  
27          **13. Reference:** Article 26, Agreement Specifications. Code of Conduct page 18.

28          **Issue:** Copy adjustment to clarify use of Title field on Consumer's Agreement.

29          **Transcription:** Pages 90-92

30          **Proposal:**

31                 The agreement must include a Title *field* next to Consumer's Name, to be  
32                 completed by the signatory. ~~as part of the confirmation that the Consumer~~  
33                 ~~has the signing authority to enter into the agreement.~~

**Positions:**

**BCUC** – Suggested that this clause also pertains to residential customers.

**FEI** – Suggests limiting the clause to commercial customers as the copy is not applicable to residential consumers.

**BCOAPO** – Requested some clarification with respect to when the “Title” field might be applicable, and voiced no issues with the proposed change.

**Gas Marketers** – Access Gas, Bluestream and Direct Energy had no issues with the change.

**Just Energy** – Asked for clarification with respect to the use of checkboxes etc., to accommodate the collection of this information. BCUC staff felt there was sufficient breadth in the proposed copy to accommodate different ways of collecting the information from the Consumer.

**14.Reference:** Article 26, Agreement Specifications. Code of Conduct page 18.

**Issue:** Copy deletion referencing “spouse.”

**Transcription:** Pages 92-108.

**Proposal:**

For Residential Consumers, the signatory may be the Account Holder, ~~the spouse~~, or a person authorized at law to enter into the agreement on behalf of the Account Holder (e.g. power or attorney) legally authorized representative.

**Positions:**

**BCUC** – Noted at the outset of this discussion, that even if “spouse” is deleted from the Article, there would still be a context in which a spouse could still sign if legally authorized to do so. BCUC staff determined this issue would be sent to outside counsel for interpretation and direction.

**FEI** – As this is a source of very few complaints and disputes, FEI suggests ongoing review of the matter and further discussion of the proposal in 2016.

**BCOAPO** – Supports the Commission getting a legal opinion about whether or not a spouse can enter into this kind of contract without the explicit consent of the account holder. As noted by Ms. Sadrehashemi, “...regardless of what the Code says, if a spouse cannot legally (sign on behalf of the account holder), then you have an invalid contract.”<sup>21</sup>

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<sup>21</sup> Ms. Sadrehashemi, BCOAPO, 2014 Customer Choice Seventh Annual General Meeting Transcript, page 104.

**Gas Marketers** – Marketers are adamantly opposed to the removal of spouse as an authorized signatory, and believe that they have the authority to do so under matrimonial property law. Marketers do not believe any impetus for this suggested change has been provided as the complaint to sales ratio for spouse signatures is approximately 0.004%. Proposing such a change would dramatically affect customers’ right to choose resulting in plummeting sales at a time when certain parties are looking to recover more program costs from Marketers.

**15. Reference:** Article 26, Agreement Specifications. Code of Conduct page 18.

**Issue:** Copy adjustments to clarify legal authority to enter into an Agreement.

**Transcription:** Pages 108-115.

**Cross Reference:** Issue 29.

**Proposal:**

For Residential Consumers, the signatory may be the Account Holder, the spouse, or a person authorized at law to enter into the agreement on behalf of the Account Holder (e.g. power of attorney) ~~legally authorized representative~~. For Commercial Consumers, the signatory must confirm that he/she is authorized ~~the authority~~ to sign on behalf of the company.

**Positions:**

**BCUC** – The driver for this change is the same as in the last section, legal foundation. “Rather than just someone saying they are legally authorized, the shift would be to, is the signatory authorized at law to sign the agreement on behalf of the account holder.”<sup>22</sup> Ms. Carlsen added, “So, the idea here is, there would be a legal foundation for, and evidence of their authorization. So, I mentioned power of attorney, executor, being listed as an authorized person on the FEI account, and as mentioned earlier, the proposed wording here would cover off that spouse issue that we were talking about earlier where they are listed on the account.”<sup>23</sup>

**FEI** – Agrees with BCOAPO that the distinction would be difficult to communicate to consumers. Further: (1) the change seems unwarranted given the negligible disputes associated with the proposal; and (2) as noted by Just Energy, the TPV call specifically addresses this particular concern.

BCOAPO also queried FEI regarding the availability of information about account holders that have authorized others to manage their account. FEI notes there is no formal process to gather spousal information and/or authorization in its information systems. Pursuing such a change and linking the information with Customer Choice

<sup>22</sup> Ms. Carlsen, BCUC, 2014 Customer Choice Seventh Annual General Meeting Transcript, page 109.

<sup>23</sup> Ibid.

enrollments would be cost prohibitive. FEI maintains that the contractual arrangements are between Gas Marketers and Consumers. The utility should not be pulled into a position where it has to authenticate a spousal relationship.

**BCOAPO** – No firm position stated.

**Gas Marketers** – Marketers position is to leave the wording as “legally authorized representative”.

**16.Reference:** Article 26, Agreement Specifications. Code of Conduct page 18.

**Issue:** Copy additions to clarify start and end date of the Agreement.

**Transcription:** Pages 116-120

**Proposal:**

Term (length in years and, agreement start and end dates [Month, Day, Year])

**Positions:**

**BCUC** – Commission staff suggest the proposed adjustment aligns with requirements set out in the Business Practice and Consumer Protection Act.

**FEI** – FEI agrees with Gas Marketers that implementation of this proposal is impractical given the existing business processes. Furthermore, the information requirements outlined in the proposal are already included in the each Consumer’s Confirmation Letter.

**BCOAPO** – No comment

**Gas Marketers** – Marketers already include start and end dates in their contracts based on the operational parameters of the enrollment process with FEI. Marketers oppose the specification of Month, Day, and Year as it is not possible to be correct on that matter 100% of the time based on the limitations of the enrollment process.

**17.Reference:** Article 26, Agreement Specifications. Code of Conduct page 18.

**Issue:** Copy deletion to account for removal of rollover provisions.

**Transcription:** Page 120.

**Proposal:**

Renewal provisions ~~(type, frequency, dates) including default rollover provisions;~~

**Positions:**

**FEI** – Agree.

1           **BCOAPO** – Agree.

2           **Gas Marketers** – No comment.

4           **18.Reference:** Article 26, Agreement Specifications. Code of Conduct page 18.

5           **Issue:** Copy adjustment to clarify date field and signatory requirement.

6           **Transcription:** Pages 121-122.

7           **Proposal:**

8           The Consumer's Agreement must also include a ~~fill-in~~ date signed field (beside the  
9           Consumer's signature), to be completed by the signatory ~~for the Consumer to~~  
10          ~~complete~~ at the time the contract or agreement is signed.

11  
12          **Positions:**

13          **FEI** – Although the “signed field” and “to be completed by the signatory” were discussed  
14          separately, they have been combined here for brevity. FEI agrees with the proposed  
15          copy changes.

16          **BCOAPO** – No issues

17          **Gas Marketers** – No issues

19          **19.Reference:** Article 26, Agreement Specifications. Code of Conduct page 18.

20          **Issue:** Copy addition to reference federal and provincial legislation.

21          **Transcription:** Pages 122-123.

22          **Proposal:**

23          The Consumer's Agreement must comply with all applicable federal and provincial  
24          Consumer protection and business practice legislation, including the British  
25          Columbia Business Practices and Consumer Protection Act and related Consumer  
26          Contracts Regulation.

27  
28          **Positions:**

29          **FEI** – No issues with proposed change.

30          **BCOAPO** – No issues.

31          **Gas Marketers** – No issues.



**20. Reference:** New Article, New Agreements. Code of Conduct page 18.

**Issue:** Article addition to address requirements for New Agreements

**Transcription:** Pages 123-126

**Proposal:**

In the case where a Consumer enters into an agreement with a Gas Marketer for the first time, the Gas Marketer shall obtain the Consumer's written signature or electronic signature on the Consumer Agreement. In the case of electronic signature, the Gas Marketer shall ensure all applicable requirements under the British Columbia Electronic Transactions Act are met.

Voice contracting is not allowed for new agreements.

The Gas Marketer shall direct the LDC to switch the Consumer's Gas supply only once the Gas Marketer is in possession of the signed (written or electronic) Consumer Agreement from the Consumer.

**Positions:**

**FEI** – FEI supports BCOAPO's position. The Code of Conduct should stipulate that voice contracting is not currently permitted. It can be amended if that changes in the future.

**BCOAPO** – "The Code should reflect what is currently allowed and not allowed, then that should be reflected in the Code. And if that changes, then the Code is just amended."<sup>24</sup>

**Gas Marketers** – Marketers are opposed to the inclusion of this wording at this time as voice contracting was raised as an issue in this proceeding, and Marketers were directed to make a formal application to have this issue heard. Marketers suggested that if a formal application is not brought prior to next year's AGM that the language be proposed at that time. Procedural fairness would indicate that it would be premature to add this language into the Code at this time.

**21. Reference:** Article 27, Renewal Package. Code of Conduct page 19-20.

**Issue:** Copy addition clarifying renewal package requirements; and deletion of Paper Contract section on page 20.

**Transcription:** Pages 126-130

**Proposal:**

The Gas Marketer shall give written notice in the form of a renewal package delivered to the Consumer no less than 90 days prior to the applicable renewal date,

<sup>24</sup> Seventh Annual AGM Transcript, Ms. Sadrehashemi, pages 125-126.

via one or more of the following methods: mail, facsimile or e-mail. The renewal package must include a new Consumer's Agreement which shall contain all essential terms of the Offer and complete terms and conditions. A new Notice of Appointment is not necessary.

The Consumer shall have 30 days after the receipt of written notice from the Gas Marketer to execute the renewal agreement ~~select renewal terms~~ or the contract will expire. In the event the Consumer does not respond to the renewal package, the Consumer's LDC will return to being the natural gas supplier at the end of the contract.

~~• The Consumer shall have the option to accept the new contract via written agreement, electronic transaction or voice contracting;~~

~~• In the event the Consumer does not respond to the renewal package, the Consumer's LDC will return to being the natural gas supplier at the end of the contract.~~

The timing of written notices (delivery of renewal packages) must align with notice periods on entry dates on the 1st day of the month to permit a Consumer to change Gas Marketers upon expiry or cancellation of an existing agreement.

The renewal date shall be such that it coincides with the program entry date on the 1st day of the month following the effective end date of the contract being renewed.

~~The renewal package must include a new Consumer's Agreement which shall contain all essential terms of the Offer and complete terms and conditions. A new Notice of Appointment is not necessary.~~

The Consumer shall have the option to execute the renewal agreement via agreement with a written or electronic signature or voice contracting.

#### **Revised wording proposed by Commission staff during proceeding:**

In order to renew a customer ~~The Gas Marketer shall...~~

#### **Positions:**

**FEI** – No comment

**BCOAPO** – No comment

**Gas Marketers** – Agree to changes that include the revised wording noted above. Gas Marketers should not be under an obligation to renew or to provide a renewal offer for an expiring agreement. Suggest the addition of, "Should the Gas Marketer want to renew a Consumer's Agreement," to the beginning of the paragraph. Per the transcript, Katharine had indicated she didn't have a problem adding "In order to renew a customer."

**22. Reference:** Article 27, Renewal of Agreements. Code of Conduct pages 19-20.

**Issue:** Copy addition clarifying rules surrounding Consumer Agreement with written or electronic signatures; when TPV calls are unnecessary.

**Transcription:** Pages 130-131

**Proposal:**

The Gas Marketer shall obtain the Consumer's written signature or electronic signature on the Consumer's Agreement. In the case of electronic signature, the Gas Marketer shall ensure all applicable requirements under the British Columbia Electronic Transactions Act are met. The Gas Marketer shall direct the LDC to switch the Consumer's Gas supply only once the Gas Marketer is in possession of the signed Consumer Agreement from the Consumer.

The TPV call is not required if the Consumer executes the Consumer Agreement with no contact by a Salesperson, through any means (e.g. in-person, telephone, online, etc.), in the Marketing or contracting process.

**Paper Contract**

~~In instances where a Consumer is responding in writing to written material which is fully compliant with the Code, a TPV call is not required.~~

~~In case of acceptance, the renewal package and acceptance of a renewal offer must be provided to and obtained from the Account Holder. The Gas Marketer shall accept a written or electronic signature.~~

**Positions:**

**BCUC** – Suggested that material aspects of this section could be addressed later in the agenda.

**FEI** – Is agreeable to the recommended change suggested by Gas Marketers below.

**BCOAO** – No comment

**Gas Marketers** – As discussed at AGM and as further noted and explained by Direct Energy in (the discussion pertaining to) Article 33, remove “in the Marketing or contracting process.” and replace with “at the time of contracting.”

**23. Reference:** Article 27, Renewal of Agreements. Code of Conduct page 20.

**Issue:** Adjust copy in Consumer Agreement via Voice Contract.

**Transcription:** Pages 131-132

**Proposal:**

~~Contract +~~Renewal Consumer Agreements may be completed executed via voice contracting ~~with the Account Holder~~. The Gas Marketer will file with the Commission for its comment and approval the new voice contracting script and/or as soon as changes are made to the voice contracting script, and prior to its commercial use. The script shall include all matters that are required in the TPV call. Providing all the requirements of the TPV call are met in the approved voice contracting script, a second TPV call is not necessary.

**Positions:**

**FEI** – No comment.

**BCOAPO** – No comment.

**Gas Marketers** – No comment.

**24. Reference:** Article 28, Amendment of Agreements. Code of Conduct page 21.

**Issue:** Adjust copy to refer to new Article.

**Transcription:** Page 130.

**Proposal:**

The Consumer shall have the option to amend the Consumer Agreement via agreement with a written or electronic signature or voice contracting. The Agreement Amendment may be executed in writing, through electronic transaction or via voice contracting. See Article XX above for the agreement and TPV call requirements, which apply to both renewal and amendment of agreements.

~~Paper Contract – In instances where a Consumer is responding in writing to written material which is fully compliant with the Code, a TPV call is not required. In case of acceptance, the acceptance of an agreement amendment offer must be provided to and obtained from the Account Holder. The Gas Marketer shall accept a written or electronic signature.~~

- ~~• Voice Contracting – Agreement Amendment may be completed via voice contracting. The Gas Marketer will file with Commission staff for its comment and approval the new voice contracting script and as soon as changes are made and prior to its commercial use. The script shall include all matters that are required in the TPV call. Providing all the requirements of the TPV call are met, a second TPV call is not necessary.~~

**Positions:**

**FEI** – No comment

**BCOAPO** – No comment

**Gas Marketers** – No comment

**25.Reference:** Article 33, Third Party Verification. Code of Conduct page 22.

**Issue:** Add copy regarding time and date stamp to TPV.

**Transcription:** Pages 132-138.

**Proposal:**

Third Party Verification (TPV) is the form of a digitally recorded telephone call either initiated as an outbound call from the Gas Marketer to the Consumer or as an inbound call from the Consumer. The recording of the TPV call must have associated with it a verifiable date and time stamp.

**Positions:**

**BCUC** – This change is to better align with the business requirement that the TPV is conducted after the 24 waiting period has elapsed. Commission staff suggested this change was not in response to any particular disputes or complaints.

**FEI** – FEI supports the change if Gas Marketer information systems can easily accommodate the request. However, as the change is not addressing an underlying performance issue, the Company believes that there is no pressing need for the change at this time. Should Program participation rates improve and this issue becomes a Commission concern suitable measures can be reviewed at that time.

**BCOAPO** – Voiced no firm position on this matter.

**Gas Marketers** – Access Gas suggested that compliance will drive new systems costs and force up the price they sell to Consumers. Gas Marketers also suggested that question two of the TPV asks the Consumer to confirm that they signed their agreement, "...more than 24-hours ago." Given the possible systems cost impact, detrimental effect on end Consumer prices, redundant check within the TPV, and near or at zero disputes associated with this proposal, Gas Marketers suggest the change is not warranted at this time.

**26.Reference:** Article 33, Third party Verification. Code of Conduct page 22.

**Issue:** Add copy regarding pace and tone of TPV call.

**Transcription:** Pages 138-139.

**Proposal:**

The Salesperson must conduct the TPV call clearly in an understandable pace and tone.

**Positions:**

**FEI** – Agree

**BCOAPO** – Agree

**Gas Marketers** – Agree

**27. Reference:** Article 33, Third party Verification. Code of Conduct page 22.

**Issue:** Adjust copy to clarify when TPV calls are not required.

**Transcription:** Pages 140-174

**Proposal:**

The TPV call is not required if the Consumer executes the Agreement with no contact by a Salesperson, through any means (e.g. in-person, telephone, online, etc.), in the Marketing or contracting process ~~was entered into via Internet Marketing or if the Consumer responded to a Gas Marketer's direct mail or telemarketing campaign.~~

**Positions:**

**BCUC** – Commission staff provided the following background regarding this proposal:

*So, in Staff's view, the current wording in the Code was intended to waive the TPV call for new agreements where there was no potential for salesperson influence. So as mentioned earlier, "internet marketing" is listed in the current wording around waiving TPV. And in that definition, it's clear there is no presence or involvement of a salesperson. So the TPV call is waived if the customer enters into the contract as a result of internet marketing with no presence or involvement of a salesperson.*

*So, as I mentioned earlier, we've had a few problems with defining it that way, with it being unclear if that means that if they contact online with a salesperson, for example, they might not need TPVs. And also "involvement" is a vague term that can be argued what that constitutes.*

*So for these reasons, Staff have come up with the new wording that's proposed, which is "the TPV call is not required if the consumer executes the agreement*

with no contact by a salesperson, through any means", some examples in the marketing or contracting process.<sup>25</sup>

**FEI** – Maintains that incremental adjustments to the existing Code of Conduct should be driven in response to identified shortcomings. There was no evidence presented to suggest there is a reason to adjust this language at this time. FEI suggests should changes proceed there may be value in clarifying when TPV calls are needed, and contrasting those situations to when TPVs are not needed. Proposed Article 33 copy does not outline when TPVs must take place.

**BCOAO** –Maintains that Program stakeholders have a responsibility to continue to try and improve the Code of Conduct. As noted by Ms. Braithwaite, "...it seems to me that disputes and complaints are decreasing because of the extra protections that have been put in, so we wouldn't want to see any backing off of those protections."<sup>26</sup>

**Gas Marketers** – For the reasons listed on pages 143-156 of the transcripts, Marketers reject the proposed wording as it is too broad. Further, the wording does not allow for instances of customers who do not enter into a contract at the time of receiving information about offers from a salesperson, but then decide to sign up with a Marketer at a later date on their own volition. Marketers feel the issue could be addressed by proposing the following wording: "with no contact by salesperson through any means, e.g. in person, telephone, online, at the time of contracting." This would then address the very narrow issue of "internet" sales at the door having to be TPV'd.

## 28. Reference: Article 33, Third party Verification. Code of Conduct page 22.

**Issue:** Add copy regarding Automated TPV calls.

**Transcript:** Pages 175-178

### **Proposal:**

The following additional requirements are in place for the use of automated TPV calls (i.e. where a live-person is not conducting the TPV call):

- the call must use voice verification (as opposed to using button tones to confirm understanding, e.g. press 1 for "yes" or 2 for "no");
- the call must include a verifiable record of the incoming or outgoing telephone number dialed to/from the Consumer to complete the call; and
- the Gas Marketer must review a minimum of X% of the calls for quality assurance.

### **Positions:**

**FEI** – No comment

<sup>25</sup> Ms. Carlsen, BCUC, 2014 Customer Choice Seventh Annual General Meeting Transcript, page 140-141.

<sup>26</sup> Ms. Braithwaite, BCOAPO, 2014 Customer Choice Seventh Annual General Meeting Transcript, page 157.



**BCOAPO** – Expects some minimum percentage of calls should be reviewed for quality assurance.

**Access Gas** – Voiced concern that about 10% of numbers have blocked IDs that would compromise their ability to provide a, “...verifiable record of the incoming or outgoing number dialed.” Access reviews all of their calls.

**Bluestream** – Uses a manual process for TPV so this proposal is not applicable to their business.

**Just Energy** – Provided no comment.

**Direct Energy** – Provided no comment.

## **29. Reference:** Question 4 of TPV Script. Code of Conduct page 24.

**Issue:** Adjust copy for skip logic regarding authorization to enter into a contract.

**Discussion:** Pages 178-181

### **Proposal:**

4. Are you the FortisBC account holder? Y/N

If no – are you authorized at law to enter into a contract/agreement for this residence/premise on behalf of the account holder ~~the spouse or legally authorized to enter into a contract/agreement for this residence/premise on behalf of the account holder?~~ Y/N

### **Positions:**

**BCUC** – See BCUC position as noted in Issue 15.

**FEI** – Concur with BCOAPO that the change will not be evident to Consumers, and may in fact make this more difficult for people to understand.

**BCOAPO** – Ms. Braithwaite did not “...think people are going to have any idea what you’re talking about if you ask them if they’re authorized at law to enter into a contract for the residence. So, I think people would do better with examples of what might mean, like, are you listed on the account, or are you – do you have a power of attorney?”<sup>27</sup>

**Gas Marketers** – Per Direct Energy’s comment regarding Article 27: Gas Marketers believe by the end of the day we landed on leaving “legally authorized representative” as the wording. In addition, Gas Marketer’s indicated the retention of “Spouse” was warranted.

<sup>27</sup> Ms. Braithwaite, BCOAPO, 2014 Customer Choice Seventh Annual General Meeting Transcript, page 179.



1       **30. Reference:** Question 7 of TPV Script. Code of Conduct page 25.

2           **Issue:** Copy change to clarify reference to price.

3           **Transcript:** Page 181-182

4           **Proposal:**

5           Do you understand that we will be supplying your natural gas at a fixed rate of  
6           “PRICE” [x dollars and x cents per gigajoule] for a term of “TERM” years? Y/N

7  
8           **Positions:**

9           **FEI** – Agree

10          **BCOAPO** – Agree

11          **Gas Marketers** – Agree

12  
13       **31. Reference:** Article 34, Modification to the Code. Code of Conduct page 26.

14           **Issue:** Add copy to clarify that the AGM can be a written or in-person process.

15           **Transcript:** Page 183

16           **Proposal:**

17           The Code shall be reviewed and modified, if required, at an annual general meeting,  
18           via written process and/or in-person, as established by the Commission.  
19           Modifications to the Code are subject to the approval of the Commission.

20  
21           **Positions:**

22           **FEI** – Is in agreement, but suggests that extensive Code of Conduct changes are better  
23           addressed off-line by iterating a draft document. This approach could leverage extranet  
24           technology, facilitate discussions with internal counsel if required, and ensure that  
25           stakeholders provide clear points of view on proposed changes. FEI can assist  
26           Commission staff by coordinating this requirement annually.

27           **BCOAPO** – Has no issues with the proposed changes.

28           **Access Gas** – No comment

29           **Bluestream** – No comment

30           **Just Energy** – Prefer an in-person meeting and voiced concern that given the nature of  
31           the discussions, a written process would have been challenging.

32           **Direct:** – No comment

## **2.6 THIRD PARTY VERIFICATION (TPV) ENHANCEMENT**

In Exhibit C2-2 Direct Energy proposed to provide customers with the ability to self-verify the contract that they signed electronically.

The Commission determined that only the proposal to allow customers to verify via electronic means would be considered at the AGM. The Commission denied Direct Energy's proposal to discuss the removal of the 24-hour waiting period to conduct the TPV call.

Refer to the Transcript Volume 2 for presentation slides from Direct Energy regarding the proposed electronic TPV process.

### **2.6.1 Intervener Positions**

#### **Gas Marketer Group**

The electronic TPV would give customers the option to complete the verification of their contract through an electronic means. An email with a verification link will be sent to potential customers so that they can verify themselves at their convenience. Access to the electronic TPV process will only be possible via the email link. This new TPV process would be based on the existing TPV process, timelines and scripting. All emails will adhere to the Canadian anti-spam legislation.

The email with the verification link will be sent 24-hours after the door-to-door contract sale. This link will remain available to customers until 20 calendar days following a contract signing, as per existing rules. Customers have to answer "Yes" to all the questions within the verification form, in order for it to be considered a successful enrollment. If the verification is successful, then the Gas Marketer will send that enrollment to FEI for processing.

In the event that the customer does not respond to the electronic TPV within a certain timeframe, then an outbound TPV telephone call will be initiated. If a potential customer does not provide an email address then the TPV process would default to a telephone call.

Access Gas made the comment that they were disappointed that the 24-hour wait period was excluded from the AGM agenda as they pointed out it was a big expense for them and their price offerings reflected that. They suggested that as disputes have declined significantly in the Program, it would be worthwhile to review the rule again<sup>28</sup>.

#### **BCOAPO**

The BCOAPO would like the word "enrollment" dropped from the email script of the electronic TPV process.

<sup>28</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 239-240.

## 2.6.2 Commission Staff Position

No comments on this issue

## 2.6.3 FEI Position

FEI supports the use of alternative electronic means to allow customers to verify their marketer contract. FEI believes that this new process should reflect the same level of consumer protection that exists for the current TPV call. The electronic TPV verification process acknowledges widespread Consumer adoption of new technology and their increasingly busy lifestyles. Providing Consumers with access to alternative electronic verification channels especially makes sense given the declining use of home phones.

FEI also supports the BCOAPO's viewpoint that the word "enrollment" should be dropped from the email script of the electronic TPV process.

## 2.7 ANNIVERSARY DROP RULE

Access Gas proposed a discussion on the Anniversary Drop Rule at the AGM based on their assumptions that all FEI customers have access to Customer Choice and over time each FEI customer will positively and/or negatively impact the MCRA account. These impacts stem from daily, weekly and annual consumption patterns, opening of accounts, closing of accounts, enrolling in Customer Choice, etc. Allowing a consumer (not the Gas Marketer) to end an enrollment midterm could have either a positive or negative impact that is not materially different from an account closure or commencement. Over a year the impacts are offsetting and it follows that the option to terminate mid-contract should be made available to all consumers<sup>29</sup>. Access Gas prepared a presentation for the AGM to discuss their proposal that would allow customers to initiate contract drops outside of the anniversary drop. They also discussed the flaws they saw in the FEI paper titled Cost Estimate to Add Functionality to Calculate Midstream Cost Revenue Account (MCRA) Impact of Early Cancellations<sup>30</sup>. Refer to the Transcript Volume 2 for presentation slides.

### 2.7.1 Intervener Positions

#### Access Gas

Access Gas' position is that a customer-initiated drop is not in contravention of the spirit of the ESM. Customers do not have an incentive to initiate drops so as to adversely affect the MSR. Access Gas pointed out that there is an impact to the MCRA account whether the customer is with FEI or a Gas Marketer which they believe should allow for the flexibility to move between the service providers at any time customers choose. The important distinction Access believes is that the request is that the customer initiates the cancellation request and not a change to the

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<sup>29</sup> Exhibit C1-2 Access Gas List of Issues dated March 27, 2015.

<sup>30</sup> Dated December 31, 2014.

rules for the Gas Marketer. Gas Marketers should continue to adhere to the Anniversary Drop Rule for contracting purposes.

Access Gas took issue with the way FEI calculated the exit fee in the Cost Estimate to Add Functionality to Calculate Midstream Cost Revenue Account (MCRA) Impact of Early Cancellations document. They suggested that the calculation should just look at what has already happened not what could happen. They believe the balance of payments from the last anniversary date to the drop date is the only relevant factor. The notice requirement should follow that of an enrollment request giving greater than 30 days' notice while the entry date window is still open. Following a non-anniversary drop the customer returns to FEI supply and the MCRA is not adversely impacted from the drop date forward.

Access Gas feels it is in the best interests of customers to be allowed to end their Customer Choice contract promptly without having to file a dispute or close their FEI account to return to the Utility rate. The average expected impact to the MCRA account is zero if cancellations are distributed evenly throughout the year. Allowing customers to drop on the first of the month would create both positive and negative impacts to the MCRA account. Citing the FEI Dispute Statistics, Access has reasoned that "customers are more likely to request a drop in the winter months – November to March – which would likely benefit the MCRA account"<sup>31</sup>. Refer to the ESM Cash Flows spreadsheet in the Transcript Volume 2 for more details.

Access Gas proposed that Marketers be allowed to submit drop requests before the 14<sup>th</sup> of the month for the open entry date on customer's behalf to effect an early exit from their gas contract. The Marketer would keep evidence that the request was initiated by the customer and cancellation disputes would be discontinued. As well, given the expected impact to the MCRA over time is negligible; an exit fee would not be calculated by FEI. They believe this change to the Anniversary Drop Rule to be in the best interests of customers that would actually have a negative impact on Gas Marketer revenues.<sup>32</sup>

## ***Direct Energy***

Direct Energy stated that there is a point where enough time has passed that it may be appropriate to reconsider past decisions and determine if enough has changed to warrant a new type of model. Gas Marketers got together as a group to prepare an alternate proposal to work around the Anniversary Drop Rule to make the Customer Choice Program more appealing to customers. Direct feels that the default customers actually have more choice than Customer Choice customers as they come and go off the default supply whenever they like. The intention of the Marketer is not to game the system. They believe a change to the Anniversary Drop Rule would provide their customers with better customer service. Direct would like the Commission to look at the proposal presented and give it some serious consideration<sup>33</sup>.

<sup>31</sup> Exhibit B-1 2014 Customer Choice Statistics dated March 6, 2015, page 8.

<sup>32</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p.198-209.

<sup>33</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 214-216.

1 ***Just Energy***

2 Just Energy supports the positions as presented by Access Gas on behalf of the Gas Marketers  
3 Group.

4 ***Bluestream Energy***

5 Bluestream Energy supports the positions as presented by Access Gas on behalf of the Gas  
6 Marketers Group.

7 ***BCOAPO***

8 BCOAPO did not think it was an apt comparison to say FEI customers could go on and off the  
9 system whenever they want but Marketer customers couldn't as they do get out of their  
10 marketer contracts when they move out of the service area or cancel gas service. BCOAPO  
11 understood the purpose of the Customer Choice Program to be to allow customers to choose a  
12 variable rate option or a fixed rate option and if customers are allowed to leave the fixed rate  
13 option whenever they choose, then it is not a true fixed rate. They believe it would be hard to  
14 police a customer initiated drop and that an open ended drop rule would be used as a marketing  
15 tactic to obtain customers that would not have signed a contract if they knew there was a time  
16 commitment<sup>34</sup>. BCOAPO disagreed with Gas Marketers point that removing the Anniversary  
17 Drop Rule is only beneficial to the customer and not the Marketer. They suggested that it would  
18 be a more attractive product to offer consumers<sup>35</sup>.

19 **2.7.2 Commission Staff Position**

20 No comments on this issue.

21 **2.7.3 FEI Position**

22 FEI appreciates the effort the Gas Marketers have made to prepare a proposal to address the  
23 drawbacks they associate with the existing Anniversary Drop Rule. However, the Company has  
24 no interest and suggests there is no material customer benefit in re-evaluating the rules or  
25 model that underpins the Customer Choice Program at this time. Without a directive to do so by  
26 the Commission, FEI has neither the inclination nor resources to undertake the development of  
27 a new Customer Choice model. A change to the Program rules as proposed represents a  
28 fundamental modification to the Customer Choice Program and its objectives. The ESM cash  
29 flows example presented by Access Gas on behalf of the Gas Marketer Group was a simplistic  
30 view of the big picture based on their assumptions that represented a sliver of contracted  
31 volume. A real-world situation involving actual system-wide volumes would present a material  
32 impact on the Midstream Cost Recovery Account (MCRA) that could not be predicted. The  
33 proposal fundamentally changes the Gas Marketer product into a variable rate commodity  
34 offering that contravenes the ESM and the original intent of the Customer Choice Program.

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<sup>34</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 216-218.

<sup>35</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 219, lines 11-15.

1 The purpose of the Customer Choice Program is to offer consumers the option of purchasing  
2 their gas from another retailer for a fixed rate and term. The Program is fully meeting its original  
3 goal of providing a fixed product that is not offered by FEI. An opportunity to improve customer  
4 satisfaction within the existing program rules is to adjust Gas Marketer sales practices to ensure  
5 customers fully understand the terms and conditions of the contracts they are signing. This will  
6 result in even fewer disputes filed and less requests by customers to cancel their contracts  
7 outside of their anniversary date. In 2014, 45% of Standard Disputes filed were marketing  
8 disputes. Granting that overall disputes relative to sales are very low, marketing related disputes  
9 have been in the top three most common reasons for standard disputes for the past three  
10 years.<sup>36</sup>

11 The Customer Choice Consumer Agreement that outlines the specifics of each commodity  
12 contract is designed to balance out, on average, the gas consumed and gas paid to the  
13 marketer for each 12-month term. Ending the contract before the full 12 months has elapsed  
14 creates an imbalance. FEI does not dispute that there is an impact to the MCRA when a  
15 customer chooses to move or stop natural gas service. However, the Company maintains that  
16 customers who choose not to participate in Customer Choice should not be affected by  
17 unfulfilled Customer Choice commodity contracts. That is, non-Customer Choice ratepayers  
18 should not pay (or benefit) from failed arrangements between a gas marketer and their  
19 customer that they were not a party to. The Program is functioning as designed and early exit  
20 mechanisms already exist for those customers in need.

21 In the past, the Commission has specified that program costs should be borne by the Gas  
22 Marketers. FEI is of the understanding that principle relates to the recovery of variances that  
23 may well arise should Customer Choice Consumers be given even more flexibility to escape  
24 valid commodity contracts. FEI reminds stakeholders that the exit fee or ESM fee option was  
25 first proposed during the CPCN application for Customer Choice Residential Unbundling.  
26 Although it was decided by all stakeholders not to proceed with implementation after a  
27 workshop held June 15, 2006<sup>37</sup>, participants acknowledged that a cost recovery mechanism  
28 was necessary if consumers were to be given more flexibility to leave their commodity contracts  
29 early.

## 30 **2.8 COST RECOVERY, FEES AND MECHANISMS – PLAN AND TIMING FOR** 31 **REVIEW**

32 BCOAPO submitted that regardless of FEI's future recommendations, the \$500K<sup>38</sup> under-  
33 recovery for 2014 will be borne by non-participants. As it will be very difficult to forecast  
34 recoveries going forward, in addition to adjusting the fees paid by marketers, BCOAPO would  
35 like to discuss the possibility of establishing a variance account such that any over- or under-

<sup>36</sup> Exhibit A-3\_Standard Dispute Data, p. 6-8.

<sup>37</sup> Residential Unbundling CPCN Application Update, D, p. 3.

<sup>38</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript Volume 2, Exhibits Book, FEI Slides, p. 9.



recoveries going forward would be refunded or charged to marketers. BCOAPO would like a discussion of the possibility of a variance account or some other similar mechanism to ensure that program costs are fully recovered from the marketers.

The discussion at the AGM around cost recovery of the Customer Choice Program was tagged onto the agenda item of the review of transaction fees. Direct Energy and the Gas Marketer Group prepared a presentation to discuss their position regarding whether a full review of costs associated with the Customer Choice Program was needed and the timeline for doing so.

### **2.8.1 Intervener Positions**

#### ***Gas Marketer Group***

Direct Energy stated in their presentation “While the Gas Marketer Group supports changes required to marketer fees to keep current with print and postage costs to facilitate the customer notification requirements under the Code of Conduct, it does not believe that a detailed review of the cost recovery fees is warranted at this time”<sup>39</sup>.

The Gas Marketer Group believes that all program costs were never intended to be recovered fully from Gas Marketers as it is a program that is available to all residential consumers. Further, they surmise that increasing fees outside of the postage and print will increase the cost of providing service to Gas Marketer customers and likely result in a further decline of program participation. Gas Marketers believe the focus should be on what can be done to grow the Program responsibly while maintaining an appropriate level of consumer protection. They suggest this could be accomplished by a review of the ESM to allow for variable rate product offerings, removing barriers to sales and customer switching and supporting competition by maintaining the current market rate procurement practices for default supply<sup>40</sup>.

#### ***BCOAPO***

BCOAPO objected to the assumption by Direct Energy that the goal is to grow the Customer Choice Program. That may be the goal of the Marketers but the goal of the customers is to have the best option available to them. It is not in the best interests of the variable rate customers to further subsidize the Program<sup>41</sup>.

### **2.8.2 Commission Staff Position**

The Commission determined a discussion on cost recovery, fees and mechanisms, as raised by BCOAPO, was premature. A fulsome and productive discussion on this issue is not possible without detailed analysis, input and leadership from FEI. On this basis, the Panel determined the discussion on this issue would be limited to whether a detailed review of the cost recovery,

<sup>39</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript Volume 2, Exhibits Book, Direct Energy Slides, p. 2.

<sup>40</sup> 2014 Customer Choice Seventh Annual General Meeting, p. 47-51.

<sup>41</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 56-57.



fees and mechanisms was required at this point; and if so, the development of a potential plan and timeline for doing so.

### **2.8.3 FEI Position**

FEI suggested implementing the customer billing and confirmation letter fee changes now retroactively to January 1, 2015. In the mid-term, FEI will review the impact of this change and the inclusion of the new service areas next year before taking on a fulsome review of the Program funding in Q1 2016.

## **2.9 POTENTIAL FOR REVIEW OF ESSENTIAL SERVICES MODEL**

The Gas Marketers believe a fundamental review of the ESM is warranted as the Program model is now a decade old. The Marketers would like to look at alternatives such as a monthly settlement model to solve impediments to the Program viability and allow for additional products and services.

Just Energy prepared a presentation to discuss the Gas Marketer Groups proposal for reviewing the Essential Services Model.

### **2.9.1 Intervener Positions**

#### ***Gas Marketer Group***

The Gas Marketer Group believes there has been a significant change in market dynamics including decreasing disputes, lower Marketer participation, lower enrollments and an increase in restrictive marketing requirements<sup>42</sup>. They suggest the current Program model adversely impacts customer satisfaction as there is no ability to offer any product alternatives other than a fixed rate for a fixed term<sup>43</sup>. The Gas Marketer Group proposed a working group be setup to review the ESM and determine changes that need to be made to ensure Marketer participation, customer interest and satisfaction and program viability. The Gas Marketer Group suggested that a lot of the costs for changes could be borne by Gas Marketers as there is that much interest in improving Program viability.<sup>44</sup> Refer to the Transcript Volume 2 for presentation slides.

#### ***BCOAPO***

BCOAPO agrees with FEI's position that conducting a working group to reevaluate the ESM is expensive and it always ends up with the ratepayer paying the costs of these processes. It appears to BCOAPO that the Program is starting to stabilize and have fewer problems than it

<sup>42</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 223, lines 17-24.

<sup>43</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 224, lines 15-17.

<sup>44</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 236-237.

1 did initially. A new model would be like starting over again with additional costs and potentially a  
2 bunch of new problems. It seems to be a big undertaking with little benefit for ratepayers.<sup>45</sup>

### 3 **2.9.2 Commission Staff Position**

4 No comments on this issue.

### 5 **2.9.3 FEI Position**

6 FEI believes any further investment or activity to replace the ESM is unnecessary and not in the  
7 best interest of customers. It is up to Gas Marketers to justify to the Commission's satisfaction  
8 that a revised model is a necessary and appropriate undertaking. FEI has no intention to review  
9 the existing model without a Commission Order.

10 FEI believes that customers who have already invested more than \$11 million to implement the  
11 Customer Choice Program will have no appetite to fund a Program redesign simply to satisfy  
12 Gas Marketers' requests. Further, there is no guarantee that a new program design would work  
13 any better than the current one and that compromises any notion that a new program will benefit  
14 customers.

15 FEI submits that the Essential Services Model is providing Gas Marketers and customers with  
16 more benefits than drawbacks. The Program design suitably addresses BC's unique natural gas  
17 transportation infrastructure, and offers Gas Marketers' benefits like 100 percent load factor gas  
18 and immediate and affordable billing services. FEI provided Marketers with a cost estimate to  
19 add functionality to the IT infrastructure to calculate an early exit fee to give them more flexibility  
20 to cancel contracts outside the anniversary date while remaining consistent with the ESM. Gas  
21 Marketers did not agree with the exit fee calculation proposed by FEI and presented their own  
22 formula that suggests an early exit fee is unnecessary. FEI contends this proposal is inherently  
23 flawed because it undermines foundational Program principles.

24 Neither British Columbia's gas transportation infrastructure, nor FEI's annual commodity load  
25 profile has materially changed since the ESM was developed in 2004. There are more things to  
26 take into consideration when looking at changing the ESM model than just Gas Marketer  
27 dissatisfaction with the restrictions of the model. FEI notes that its whole gas portfolio would  
28 need to be restructured if the ESM is abandoned. There would be increased natural gas costs  
29 and significant IT implementation costs to change the model to a monthly or daily demand  
30 model. For example, to implement a monthly balancing model there would be increased costs in  
31 the gas supply portfolio and increased risk for existing customers. The Gas Marketer Group did  
32 not take this into consideration in their presentation. Those are trade-offs that are not in the best  
33 interest of FEI customers, and is therefore an investment that FEI is not interested in pursuing.

34 The ESM was developed based on BC's unique natural gas transportation infrastructure, and  
35 FEI believes it is still the best model for the Program<sup>46</sup>. The Gas Marketer Group requested a

<sup>45</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 238-239.

1 working group be formed to evaluate the ESM model to see if there is any room for changes or  
2 improvements. FEI submits that while it is under a cost of services Performance Based Rates  
3 mechanism this suggestion is not feasible. Even forming a working group constitutes a new and  
4 unforeseen cost. As such, FEI believes it is not in the best interest of customers to proceed  
5 unless directed to do so by the Commission<sup>47</sup>.

6 FEI suggests that if Gas Marketers want to pursue a review of the ESM model they should  
7 submit a formal application for consideration by the Commission<sup>48</sup>. The ESM is realizing the  
8 goals of the Program, giving customers an alternative to the default variable price offering from  
9 FEI and easy access to alternate commodity providers.

10

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<sup>46</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 227-228.

<sup>47</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 229, lines 5-16.

<sup>48</sup> 2014 Customer Choice Seventh Annual General Meeting Transcript, p. 234, lines 7-10.

## 3. NEXT STEPS

### 3.1 *FULSOME REVIEW OF TRANSACTION FEES*

FEI submits that a fulsome review and in-depth analysis of the Gas Marketer transaction fees is warranted to determine the best way to cover the Program total operating expenses and keep Customer Choice viable for Gas Marketer participation. FEI will submit an application for review by the Commission in the first quarter of 2016.

**Appendix A**

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**CODE OF CONDUCT FOR GAS MARKETERS - DRAFT**

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CODE OF CONDUCT  
FOR GAS MARKETERS

engaged in the

COMMODITY UNBUNDLING SERVICE  
IN THE PROVINCE OF BRITISH COLUMBIA

~~Ninth~~ Revision  
Effective ~~tbd~~

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## CODE OF CONDUCT FOR GAS MARKETERS

engaged in the

### COMMODITY UNBUNDLING SERVICE IN THE PROVINCE OF BRITISH COLUMBIA

~~Ninth~~ Revision  
Effective ~~tbd~~

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## INTRODUCTION

Marketing of natural gas under the Commodity Unbundling Service takes place usually, though not exclusively, in a Consumer's place of business or home, by personal contact, or via telephone or ~~online~~ marketing. Marketing of Gas under the Commodity Unbundling Service involves several parties including Gas Marketers, utilities and the Consumer of the Gas. The relationship between the various parties must be based on fair and ethical principles.

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## SCOPE

The purpose of this Code is to foster and uphold a sense of responsibility towards the Consumer and towards the general public by all those engaged in the Marketing of Gas to Low Volume Consumers participating in the Commodity Unbundling Service in the Province of British Columbia.

The Code applies to all practices used in the Marketing of Gas under the Commodity Unbundling Service for both residential and commercial Consumers. Where the practices are different between residential and commercial Consumers, it is noted.

The Code is to be applied in spirit as well as to the letter, bearing in mind the varying degrees of knowledge, experience and discriminatory ability of Consumers.

## BASIC PRINCIPLES

All Marketing of Gas under the Commodity Unbundling Service will conform to the principles of fair competition as generally accepted in business, with particular regard to:

- the terms of the offer and the methods and form of the contact with the Consumer;
- the methods of presentation and the information on the supply; and
- the fulfilment of any obligation arising from the offer of purchase of Gas under the Commodity Unbundling Service.

Marketing of Gas under the Commodity Unbundling Service will be carried out in conformity with the laws of Canada and its provinces, where applicable.

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Gas Marketers shall voluntarily assume responsibility towards the Consumer with respect to fair sales methods, accurate and truthful dissemination of information, and product value, and shall make every reasonable effort to ensure Consumer satisfaction.

Gas Marketers shall ensure that their Salespersons are fully informed as to the characteristics of the gas supplies and/or services offered to enable them to give the Consumer all necessary information to make informed decisions.

### DEFINITIONS

For the purpose of this Code:

- **Account Holder** means the Consumer who is listed on the account with the LDC and who is responsible for the account.
- **Act** means the *Utilities Commission Act* of British Columbia as amended from time to time.
- **Agreement Amendment** means the change in price and/or term of the original Consumer's Agreement where the new agreement solicitation and/or enrolment are fully compliant with the Code.
- **Cancellation Period** is period within which the Consumer can cancel the Customer Agreement with no penalty incurred, being 10 calendar days from the date the enrolment is received by the LDC from the Gas Marketer. This will generally coincide with the date of the LDC confirmation letter to the Consumer.
- **Code** means this Code of Conduct for Gas Marketers.
- **Commission** means the British Columbia Utilities Commission.
- **Commodity Unbundling Service** is defined as the series of transactions involving the sale of gas by a Gas Marketer to a Gas utility for resale to a Low Volume Consumer arranged by Gas Marketer at a price agreed to between the Gas Marketer and the Low Volume Consumer.
- **Consumer** refers to any person or entity to which Gas Marketers direct or may direct their Gas Marketing activities under the Commodity Unbundling Service and includes both Consumers contracted with Gas Marketers or Consumers being supplied by a utility. Consumers include Residential and Commercial as defined by the local utility offering the Commodity Unbundling Service.
- **Consumer's Agreement(s)** means all agreements and contracts between a Gas Marketer and a Consumer for the Marketing of Gas.
- **Consumer Information** means information related to a specific Consumer obtained by a Gas Marketer or its Salesperson in the process of selling or offering to sell Gas to the Consumer, and includes information obtained without the consent of the Consumer.
- **Day(s)** means a calendar day(s) unless otherwise indicated.
- **End User** is an entity or person who utilizes Gas either as fuel or a raw material.
- **Enrolment** is the act of submitting the Consumer's Agreement to the LDC once it has been signed and verified by Third Party Verification in accordance with this Code.
- **Gas** means natural gas, substitute natural gas, synthetic gas, manufactured gas, propane-air gas or any mixture of any of them.

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- **Gas Marketer** means an entity licensed by the Commission to engage in Gas Marketing to Low Volume Consumers under the Commodity Unbundling Service.
- **Licence** means a licence issued under the Act by the Commission for the Marketing of Gas by a Gas Marketer to a Low Volume Consumer.
- **Licensed** means a person or entity holding a current valid Licence.
- **Local Distribution Company (LDC)** is a person/company enfranchised to distribute Gas within a defined territory.
- **Low Volume Consumer** – as defined by the Commission pursuant to section 71.1 of the Act. A “low-volume consumer” is defined as a person who, for the applicable period, either:
  - has, or is expected to have, a normalized annual consumption at one premise of less than 2,000 gigajoules of Gas per year; or
  - has chosen the Commodity Unbundling Service supply option, whatever the person’s annual consumption of Gas.

Deleted: <#>Internet Marketing means marketing of natural gas that uses the Internet, e-mail or mobile device without a Salesperson’s presence and/or involvement.¶

3

- **Marketing** for the purpose of this Code, means any activities intended to solicit a Consumer or potential Consumer to contract with a Gas Marketer, including providing for a Consumer’s consideration an Offer, and is characterized by door-to-door selling, online marketing, telemarketing, direct mail selling activities, network marketing, multi-level marketing and any other means by which a Gas Marketer or its Salesperson markets to a Consumer or potential Consumer.
- **Offer** means a proposal to enter into an agreement made to an existing or prospective Consumer for the sale of Gas.
- **Premise** means the building or portion of a building that is provided with Gas through a single meter.
- **Renewal** is the replacement of an existing contract with a further contract with the same Gas Marketer which will have a new term; may have a different price than the Consumer’s previous contract; and may also include revisions as a result of changes in law, the Code of Conduct or Rules for Gas Marketers.
- **Regulation** means a regulation made under the Act.
- **Salesperson** means a person who is employed by or otherwise conducts Marketing and/or Third Party Verification on behalf of a licensed Gas Marketer, or makes representations to Consumers on behalf of a Gas Marketer for the purpose of effecting sales of Gas to Low-Volume Consumers.
- **Third Party** with respect to Confidentiality of Consumer’s Agreement, means a person other than the Gas Marketer, and includes other Gas Marketers, affiliates, Consumers and other persons.
- **Third Party Verification (TPV)** is a digitally recorded telephone call between the Gas Marketer and the Consumer to confirm the Consumer’s understanding of the Offer, Consumer’s Agreement, Confirmation Letter and Cancellation Rights.

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## THE TERMS OF THE CONSUMER'S AGREEMENT AND THE OFFER

### ACCURACY

#### Article 1

The terms of any Offer and Consumer's Agreement shall be clear, so that the Consumer shall know the nature of the product and the benefits, the commitment and risks involved in agreeing to contract for Gas with the Gas Marketer. In particular, but without limiting the generality of the foregoing, any Offer and Consumer's Agreement will be accurate and truthful as to any representation made as to price, delivery arrangements, payment terms and conditions, quality and value of services, and quantity and performance and warranty conditions.

### PRICE AND OTHER TERMS

#### Article 2

Whether an Offer is on cash or any other basis, the <sup>4</sup> and Consumer's Agreement shall clearly state the price and payment terms and any other financial provision including any deposit requirement, allocation of cost savings and/or services, and the nature and amount of any additional charges. The Offer and Consumer's Agreement shall clearly state agreement renewal provisions.

Deleted: including default rollover provisions

The Gas supply price must be a fixed price for 12 month intervals expressed in Canadian dollars per gigajoule. This price shall only apply to the sale of Gas and shall not include provision of other services. If any other term or condition is subject to re-determination, indexation or arbitration, the Offer shall so state.

All Gas Marketers licensed to actively market and/or enrol customers shall submit to the LDC, by the third week of every month, the price that a customer can contract for in the upcoming month. The prices submitted by the Gas Marketers will be displayed in the price depository on the LDC's website.

All Offers shall contain clear statements as to the quantities of Gas to be purchased, intended start-up and delivery dates, and the term of the agreement. The term shall not be less than one year or more than five years in length.

The Consumer's Agreement shall accurately and fully reflect the terms and conditions of the Offer as accepted by the Consumer.

No Offer shall require a sign-up fee to be taken in order to initiate a purchase of natural Gas arrangement under the Commodity Unbundling Service.

## OBLIGATIONS AND LIABILITIES

### Article 3

The Offer and Consumer's Agreement shall state the respective obligations, liabilities and risks of the Gas Marketer and Consumer in clear and understandable terms so that the Consumer may be sufficiently informed to understand them prior to executing the Consumer Agreement.

The Gas Marketer shall confirm with the Consumer that the Consumer has the signing authority to enter into the Consumer Agreement.

## PROTECTION

### Article 4

This Code shall be interpreted in accordance with all applicable federal and provincial Consumer protection and business practice legislation, including the *British Columbia Business Practices and Consumer Protection Act* and related *Consumer Contracts Regulation*.

5

## GUARANTEES

### Article 5

Offers and Consumer's Agreement may contain the words "guarantee", "guaranteed", "warranty" or "warranted", or words having the same or similar meanings, only if the terms of the guarantee as well as the remedial action open to the Consumer are clearly and succinctly set out in the Offer and Consumer's Agreement. Any such guarantee shall in no way diminish the rights which a purchaser would otherwise enjoy under Canadian or applicable provincial laws. The name and address of the guarantor shall be clearly and fully stated.

## PRESENTATION OF THE OFFER

### IDENTITY OF THE GAS MARKETER

### Article 6

The name, permanent address, main British Columbia office address and the telephone number, fax number, e-mail and website addresses of the Gas Marketer shall be clearly and fully disclosed in any Marketing document or other Marketing literature distributed to the Consumer, including the Consumer's Agreement, so as to enable the Consumer to remain in touch directly with the Gas Marketer. Marketing documents and other literature containing only an accommodation address or a post office box number are not acceptable.

### Article 7

All Salespersons shall immediately, truthfully and fully identify themselves and provide proof of licensing and bonding, to prospective Consumers. They shall also truthfully and fully indicate the purpose of their approach to the Consumers, identify the Gas Marketer with whom they are associated and indicate that they are Marketing Gas under the Commodity Unbundling Service.

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6

A Gas Marketer shall ensure that every Salesperson that is acting on its behalf and that is marketing to a Consumer in person:

- provides the Consumer with a business card that meets the requirements below, before making any representation to the Consumer about the Gas Marketer's products, services or business and before requesting any information about the Consumer, including asking that the Consumer locate any utility bills; and
- wears at all times, on the front of the Salesperson's outer clothing, an identification badge that meets the requirements below.

**Business Card Requirements:**

The business card shall be clear, legible, of standard size (approximately 3.5" by 2") and include the following information:

- (a) the licence number issued to the Gas Marketer under the Act;
- (b) the name and address of the Gas Marketer;
- (c) the name and identification number of the Salesperson acting on behalf of the Gas Marketer;
- (d) the toll-free telephone number of the Gas Marketer; and
- (e) the website address of the Gas Marketer.

7

**Identification Badge Requirements:**

The identification badge shall be clear and legible and:

- (a) include a photograph of the Salesperson's face that is not more than 2 years old at any time;
- (b) identify the Gas Marketer; and
- (c) identify the name and identification number of the Salesperson acting on behalf of the Gas Marketer.

The Salesperson's photograph and all of the required information set out above must be shown on the same side of the identification badge, and must at all times be facing the Consumer.

**Article 8**

Neither a Gas Marketer nor any Salesperson shall mislead or otherwise create any confusion in the mind of a Consumer about the identity of the represented Gas Marketer, its promotion campaigns or trade mark, or those of competitors and/or LDCs.

Specifically, a Gas Marketer or any Salesperson when marketing a supply contract to a Consumer shall state that they are not representing the Consumer's local distribution company.

**INTEGRITY**

**Article 9**

Salespersons shall in good faith assist Consumers to evaluate the nature of the transactions. Marketing efforts shall be organized and carried out so as not to:

- create confusion in the mind of the Consumer;
- mislead the Consumer or misrepresent any aspect of the Offer or Consumer's Agreement;
- abuse the trust of the Consumer;

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- unduly pressure or harass the Consumer to enter into transactions; and
- exploit the lack of experience and knowledge of the Consumer.

#### CLARITY

##### Article 10

Gas Marketers and Salespersons shall ensure that all terms of any Offer or Consumer's Agreement are communicated to the Consumer in writing in a clear, complete, accurate and understandable manner. Print which by its size or other visual characteristics is likely to negatively affect the legibility or clarity of any Offer or Consumer's Agreement, shall not be used.

#### TRUTHFUL PRESENTATION

##### Article 11

The characteristics of any transaction shall include:

- price, deposit, credit and rebate terms;
- terms of payment and frequency;
- intended beginning and end dates of the agreement;
- identity of and accessibility to the Gas Marketer;
- process for making a complaint to or enquiry of the Gas Marketer;
- delivery terms and conditions, during-and after-sales services;
- sources and reliability of supplies;
- terms of guarantee and warranty;
- liabilities and obligations of the Gas Marketer and Consumer;
- benefits/risks to Consumer;
- awards, bonuses, prizes, discounts and other incentives with respect to the Offer and Consumer's Agreement;
- Consumer's entitlement to receive a copy of this Code from the Gas Marketer;
- Consumer's entitlement to receive a copy of the Customer Choice Standard Information Booklet from the Gas Marketer;
- reasons for which the agreement may be terminated by the Gas Marketer;
- for Commercial Consumers, that the agreement is made with respect to the Consumer's Premise and terminates in the event the Consumer moves;
- for Residential Consumers, that the agreement is made with respect to the Consumer at the Consumer's Premise and in the event the Residential Consumer moves:



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- the Consumer’s Agreement will apply to the Consumer at the Consumer’s new Premise provided that the new Premise is within the eligible service territory of the LDC providing the Commodity Unbundling Service;
- the Consumer’s Agreement will terminate upon the move if the Consumer provides reasonable proof to the Gas Marketer that the new Premise is outside of the eligible service territory or the Consumer is no longer a customer of the LDC providing the Commodity Unbundling Service. Exit fees will not apply in this situation;
- cancellation provisions and rights of the Consumer including a mandatory 10-day Cancellation Period. For Commercial Consumers, a 10-day Cancellation Period will not apply in the case of a single Commercial Consumer whose aggregate annual volume exceeds 2,000 gigajoules per year at one or more premises and who has provided written consent to the gas marketer to waive the 10-day Cancellation Period;
- rights under the Consumer’s Agreement with respect to assignments, transfers and sales to another Gas Marketer;
- any deposit, exit fees, administration fees, late fees or any other charges payable to the Gas Marketer, if applicable;
- any other information required to be provided to the Consumer by Canadian or applicable provincial law; and
- all other terms of the Offer and Consumer’s Agreement shall be presented completely, accurately and truthfully.

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**Deleted:** TELEPHONE, DOOR TO DOOR AND  
INTERNET MARKETING¶

**Deleted:** Article 12¶

¶  
**Telephone and Door to Door Marketing¶**  
¶

When conducting telephone or door to door Marketing, the Gas Marketer shall comply with applicable laws. All telephone and door to door contacts must be made Monday to Friday between the hours of 9 a.m. and 9:30 p.m. or on Saturday and Sunday between the hours of 10:00 a.m. and 6:00 p.m. local time. Salespersons must immediately, truthfully and fully identify themselves to the prospective Consumers. They shall also immediately, truthfully and fully indicate the purpose of their approach to the Consumers, identify the Gas Marketer with whom they are associated and indicate that they are selling Gas under the Commodity Unbundling Service. ¶

¶  
**Telephone Marketing¶**

**Moved down [1]:** For telephone marketing, in the event that a recorded message constitutes a portion, or all of the sales process, the caller must first personally obtain the consent of the recipient to play a recorded offer.

**Deleted:** The Gas Marketer shall forward a written agreement to sign-up for service by telephone marketing and obtain from the Consumer a signed agreement in return. The Gas Marketer shall accept a written or electronic signature. The Gas Marketer shall direct the LDC to switch the Consumer's Gas supply only once the Gas Marketer is in possession of the signed agreement from the Consumer.

**Deleted:** Internet Marketing¶

¶  
The Gas Marketer may engage in and/or enrol customers via Internet Marketing for Consumers committing to new agreements and for the renewal of existing agreements.¶

¶  
The Gas Marketer shall forward a written agreement to sign-up for service by Internet Marketing and obtain from the Consumer a signed agreement in return or obtain an electronic signature which complies with the B.C. Electronic Transactions Act. The Gas Marketer shall direct the LDC to switch the Consumer's Gas supply only once the Gas Marketer is in possession of the signed agreement from the Consumer. Provided that the signed agreement is fully compliant with the Code of Conduct, a TPV call is not required.¶

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**Moved (insertion) [1]**

## COMPLAINTS AND DISPUTE RESOLUTIONS

### Article 13

Should any Consumer complain that a Gas Marketer or Salesperson has engaged in any improper course of conduct pertaining to Marketing under the Commodity Unbundling Service, the Gas Marketer shall promptly investigate the complaint and take all appropriate and necessary steps in the circumstances to redress any and all wrongs disclosed by such investigation.

All Consumer Agreements will include a provision that all disputes between the Gas Marketer and a Consumer arising out of the contract will be referred to and resolved by arbitration administered by the Commission or other body appointed by the Commission for purpose of resolving such disputes and conducted according to the Commission's rules for the resolution of such disputes. The Gas Marketer shall pay a dispute resolution fee for each dispute referred to the Commission as determined by the Commission, except for a dispute where the Commission determines that the Consumer will be solely responsible for the dispute resolution fee.

The Gas Marketer and the Consumer must follow the guidelines approved by the Commission from time to time as they pertain to Customer Choice entitled Complaint Guidelines, Dispute Guidelines and Reconsideration Guidelines.

## SALESPERSON OPERATIONS

### RESPECT OF PRIVACY

#### Article 14

Marketing shall not be intrusive, aggressive, or harassing in nature. Marketing activity (excluding online marketing) shall be limited to between Monday to Friday between the hours of 9:00 a.m. and 9:30 p.m. or on Saturday and Sunday between the hours of 10:00 a.m. and 6:00 p.m. local time. The right of a Consumer to refuse further discussion shall be respected. Posted signs restricting and/or prohibiting marketing and soliciting must be respected.

For telephone marketing, in the event that a recorded message constitutes a portion, or all of the sales process, the caller must first personally obtain the consent of the recipient to play a recorded offer.

### HONESTY, FAIRNESS AND VERACITY

#### Article 15

A Salesperson shall not abuse the trust of individual Consumers or exploit their lack of experience or knowledge, nor play on ignorance or on fear, thereby exerting undue pressure on Consumers. All Offers must, therefore, be clear and honest.

A Salesperson shall not make any statement or take any measure which, directly or by implication, omission, ambiguity or exaggeration, is likely to mislead a Consumer with regard to the benefits of the Program, terms of the Offer, Consumer's Agreement or any other matter.

The Gas Marketer may not request that the Consumer provide their FortisBC account information, including their bill, until the Consumer expresses intent to enter into the Consumer Agreement.

A Salesperson shall, to the best of his or her knowledge and ability, give complete, accurate and clear answers to a Consumer's questions concerning the Offer or any other matter.

#### Article 16

A Salesperson shall ensure that the Consumers clearly and thoroughly understand the information given. The demonstration or explanation of the transaction under the Commodity Unbundling Service shall, as far as possible, be adapted to the needs and enquiries of the Consumers.

A Salesperson shall give sufficient time for Consumers to read the entire contract form thoughtfully and without interruption or harassment. Where a language or comprehension issue is likely to impede the Consumer's ability to fully understand the offer and the transactions, the Salesperson shall not execute the Consumer Agreement(s) and/or the Third Party Verification.

A Salesperson shall not make any verbal representations regarding agreements, rights or obligation unless those representations are contained in the Consumer's Agreement.

Gas Marketers shall ensure that their Salespersons are generally knowledgeable in the natural gas business, fully informed as to the characteristics of gas supplies and/or services offered and the Consumer's Agreement utilized by the Gas Marketer, to enable them to give Consumers all necessary information to make informed decisions.

A Salesperson shall ensure that the Consumer has been provided with a copy of the Customer Choice Standard Information Booklet and shall advise the Consumer to fully review the information contained within before the expiration of the 10 day Cancellation Period. A Salesperson shall provide a copy of the Customer Choice Standard Information Booklet to a potential Consumer, when requested, even if that Consumer decides not to enter into a Consumer Agreement with that Salesperson at that time.

#### **TESTIMONIALS AND ENDORSEMENTS**

#### Article 17

A Salesperson shall not refer to any testimonial, endorsement, or customer experience which is:

- not authorized by the person quoted, if in a private capacity;
- not genuine or unrelated to the experience of the person giving it;
- obsolete or otherwise no longer applicable;
- taken out of context; or
- used in any way likely to mislead the Consumer.

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## COMPARISONS AND FAIR COMPETITION

### Article 18

A Salesperson shall refrain from using comparisons, statistics, and visual material which might mislead and/or which are incompatible with the principles of fair competition. Points of comparison shall be fairly selected and shall be based on facts which can be substantiated. All comparisons, statistics, and visual material must be clearly and accurately labelled.

All comparisons, statistics, and visual material that are provided to a Consumer must be actual data obtained from the LDC and based only on actual data for British Columbia.

All statements or promises made in any promotional material must be complete and in accordance with actual conditions, situations and circumstances existing at the time the promotion is made. Any data referred to must be competent and reliable and support the specific claim for which it is cited. Illustrations of historical data based on past records of more than five years are not permitted, and no projections of future pricing may be presented to the Consumer.

#### Article 19

A Salesperson shall not discredit any competing company, firm or individual, or any supplies or services provided by such parties, directly or by implication. Accurate, complete and truthful comparisons, however, are acceptable. When price comparisons are used, they must be factual, complete and verifiable.

#### Article 20

A Salesperson shall not induce any Consumer to breach a contract with another Gas Marketer.

#### Article 21

A Salesperson shall not take unfair advantage of the goodwill attached to the trade name or symbol of another Gas Marketer or product.

A Salesperson shall clearly indicate that the Offer is not being made by a regulated Gas distributor, and not seek to mislead or otherwise create any confusion in the mind of a Consumer about the identity of the Gas Marketer, or about the trademarks of the regulated distributor or of competitors.

#### Article 22

A Gas Marketer or Salesperson shall not engage in any false or misleading advertising or publish any material which may have the effect of misleading potential Consumers.

#### Article XX

#### TRAINING AND TESTING

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A Gas Marketer shall ensure that no Salesperson that acts on its behalf markets to a Consumer or negotiates, enters into, verifies, renews, or amends a contract with a Consumer unless the Salesperson has successfully completed training as set out in this Code.

A Gas Marketer shall ensure that training includes the following for a Salesperson:

- a) training in relation to all of the legal and regulatory requirements applicable to the sales process, contract verification, consumer cancellation rights and the renewal or amendment process; and
- b) adequate and accurate material covering the following areas:
  - i. gas market structure;
  - ii. how to complete a contract;
  - iii. how gas pricing works, including the pricing of gas supplied by the LDC;
  - iv. the content of this Code; and
  - v. all relevant regulatory requirements.

A Gas Marketer shall determine the successful completion of training by means of a training test that is designed and administered in order to assess each Salesperson's knowledge of the elements listed above.

The Gas Marketer shall maintain, for each Salesperson that acts on its behalf, records of the training and testing materials and results. The records shall be provided to the Commission on request.

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## CONSUMER INFORMATION

### INFORMATION TO BE MAINTAINED BY A GAS MARKETER

#### Article 23

A Gas Marketer shall have a current telephone number listed in British Columbia which may be reached by the general public without charge and shall provide it to every Consumer.

A Gas Marketer shall maintain on file and provide such information to the Commission upon request:

- A list of all Salespersons who act for that Gas Marketer;
- A list of Consumers;
- A log of cancellation requests, including confirmation numbers provided to Consumers and the name or identification number of the representative who accepted the request for cancellation;
- The Notices of Appointment of Marketer signed by its Consumers;
- Copies of the Gas Marketer's supply contract with each Consumer containing the Consumer's written signature; and
- Copies of the Commercial Consumer's written consent waiving the 10 day Cancellation Period.

Deleted: and sub-contractors

In addition, the LDC has a right to audit any Notices of Appointment of Marketers and the Gas Marketer's supply contract with each Consumer by providing prior written notice of five business days to a Gas Marketer.

### REQUEST FOR HISTORICAL GAS CONSUMPTION INFORMATION

#### Article 24

Prior to submitting a request to the LDC for a Consumer's historical gas consumption data, a Gas Marketer must obtain the Consumer's signature on a consent form and provide a copy of this signed consent form to the LDC.

### CONFIDENTIALITY OF CONSUMER INFORMATION

#### Article 25

A Gas Marketer must comply with the Personal Information Protection Act requirements of British Columbia.

A Gas Marketer shall not disclose Consumer information without the consent of the Consumer in writing, except where the Consumer information is required to be disclosed for the following purposes:

- For billing, collections or Gas supply management purposes (i.e. consumption information);
- For law enforcement purposes;
- For the purpose of complying with a legal requirement or an order of a regulatory body exercising jurisdiction over the Gas Marketer or the Consumer;
- For the processing of past due accounts of the Consumer which have been passed to a debt collection agency; or

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- In the event that a Gas Marketer assigns, sells or transfers its list of Consumers and its existing agreements with Consumers to another licensed Gas Marketer.

Consumer information may be disclosed where the information has been sufficiently aggregated such that an individual's information cannot reasonably be identified.

A Gas Marketer shall inform Consumers that information may be released to a Third Party without the Consumer's consent for the purposes listed above.

A Gas Marketer shall not use Consumer information for one purpose from a Consumer for any other purpose without the written consent of the Consumer.

## AGREEMENTS AND CONTRACTS

### AGREEMENT SPECIFICATIONS

#### Article 26

The Consumer's Agreement, in accompaniment with the Notice of Appointment of Marketer, will be clearly designated as an "Agreement" or a "Contract." The terms "Application" or "Enrollment" do not accurately reflect the agreement made between the Marketer and the Consumer and shall not be used by the Gas Marketer or Salesperson in the Marketing or contracting process. There should be no confusion in the mind of the customer that this is a binding contract and not an application or enrollment.

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APPENDIX A  
to Order A-XX-XX  
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{The agreement must include a Title field next to Consumer's Name, to be completed by the signatory.} For Residential Consumers, the signatory may be the Account Holder { } or { a person authorized at law to enter into the agreement on behalf of the Account Holder (e.g. power of attorney)}. For Commercial Consumers, the signatory must confirm that he/she is authorized to sign on behalf of the company. }

The Consumer's right to cancel without penalty must be referred to as the "Ten Day Cancellation" provision and must be clearly stated in the Consumer's Agreement, prominently situated above the Consumer's signature line. Instructions must be included on how the Consumer can exercise this option.

The first page of the agreement between the Gas Marketer and a Consumer must accurately summarize and clearly state the essential elements of the Offer including:

- Price (Canadian \$ per gigajoule);
- Term (length in years and agreement start and end dates [Month, Day, Year]);
- Renewal provisions;
- Cancellation provisions, including the option for an eligible Rate Schedule 2 or Rate Schedule 3 customer to waive the 10-day Cancellation Period with the Consumer's signature for consent;
- Penalties and terms for early termination of the contract, including minimum contract term, and the requirement that the Consumer's Agreement may only be terminated on the anniversary date; and
- Conditions which may affect the price or term of the Offer.

The Consumer's Agreement must also include a date signed field (beside the Consumer's signature), to be completed by the signatory at the time the contract or agreement is signed.

The Consumer's Agreement must comply with all applicable federal and provincial Consumer protection and business practice legislation, including the British Columbia Business Practices and Consumer Protection Act and related Consumer Contracts Regulation.

The minimum contract term is one year with a maximum contract term of no more than five years and the contract start date and contract end date must coincide with the program entry dates which fall on the 1<sup>st</sup> day of each month, e.g. July 1, 2012 to July 1, 2017.

A Consumer may enter into an Agreement with any Gas Marketer, or a combination of Gas Marketers, for a maximum period of five years of gas flow.

#### NEW AGREEMENTS

##### Article XX

In the case where a Consumer enters into an agreement with a Gas Marketer for the first time, the Gas Marketer shall obtain the Consumer's written signature or electronic signature on the Consumer Agreement. In the case of electronic signature, the Gas Marketer shall ensure all applicable requirements under the British Columbia Electronic Transactions Act are met.

Voice contracting is not allowed for new agreements.

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The Gas Marketer shall direct the LDC to switch the Consumer's Gas supply only once the Gas Marketer is in possession of the signed (written or electronic) Consumer Agreement from the Consumer.

#### RENEWAL OF AGREEMENTS

##### Article 27

21

##### Renewal Package

The Gas Marketer shall give written notice in the form of a renewal package delivered to the Consumer no less than 90 days prior to the applicable renewal date, via one or more of the following methods: mail, facsimile or e-mail. The renewal package must include a new Consumer's Agreement which shall contain all essential terms of the Offer and complete terms and conditions. A new Notice of Appointment is not necessary.

Moved (insertion) [2]

The Consumer shall have 30 days after the receipt of written notice from the Gas Marketer to execute the renewal agreement or the contract will expire. In the event the Consumer does not respond to the renewal package, the Consumer's LDC will return to being the natural gas supplier at the end of the contract.

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The timing of written notices (delivery of renewal packages) must align with notice periods on entry dates on the 1<sup>st</sup> day of the month to permit a Consumer to change Gas Marketers upon expiry or cancellation of an existing agreement.

**Deleted:** <#>The Consumer shall have the option to accept the new contract via written agreement, electronic transaction or voice contracting.¶  
<#>In the event the Consumer does not respond to the renewal package, the Consumer's LDC will return to being the natural gas supplier at the end of the contract.¶

The renewal date shall be such that it coincides with the program entry date on the 1<sup>st</sup> day of the month following the effective end date of the contract being renewed.

The Consumer shall have the option to execute the renewal agreement via agreement with a written or electronic signature or voice contracting.

**Moved up [2]:** The renewal package must include a new Consumer's Agreement which shall contain all essential terms of the Offer and complete terms and conditions. A new Notice of Appointment is not necessary.¶

##### Consumer Agreement with written or electronic signature

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The Gas Marketer shall obtain the Consumer's written signature or electronic signature on the Consumer's Agreement. In the case of electronic signature, the Gas Marketer shall ensure all applicable requirements under the British Columbia Electronic Transactions Act are met. The Gas Marketer shall direct the LDC to switch the Consumer's Gas supply only once the Gas Marketer is in possession of the signed Consumer Agreement from the Consumer.

The TPV call is not required if the Consumer executes the Consumer Agreement with no contact by a Salesperson, through any means (e.g. in-person, telephone, online, etc.), in the Marketing or contracting process.

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**Deleted:** In instances where a Consumer is responding in writing to written material which is fully compliant with the Code, a TPV call is not required.¶

##### Consumer Agreement via voice contract

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**Deleted:** In case of acceptance, the renewal package and acceptance of a renewal offer must be provided to and obtained from the Account Holder. The Gas Marketer shall accept a written or electronic signature.¶

Deleted: Voice Contract¶

Renewal Consumer Agreements may be executed via voice contracting. The Gas Marketer will file with the Commission for its comment and approval the new voice contracting script and or as soon as changes are made to the voice contracting script, prior to its commercial use. The script shall include all matters that are required in the TPV call. Provided all requirements of the TPV call are met in the approved voice contracting script, a TPV call is not necessary.

The Consumer must receive comprehensive and complete contract renewal information in the form of a renewal package before a telephone solicitation call is made. Before the renewal may proceed, the Consumer must confirm that the renewal information has been received.

The voice contracting call will be in the form of a digitally recorded telephone call either initiated as an outbound call from the Gas Marketer to the Consumer or as an inbound call from the Consumer.

The digital file will be available for the Commission three days after the initial recording and retained by the Gas Marketer for the term of the Consumer's Agreement.

#### AMENDMENT OF AGREEMENTS

##### Article 28

24

The Consumer shall have the option to amend the Consumer Agreement via agreement with a written or electronic signature or voice contracting. See Article XX above for the agreement and TPV call requirements, which apply to both renewal and amendment of agreements.

Since the enrolment of the amended agreement will automatically trigger a confirmation letter notifying the Consumer of the 10-day Cancellation Period, if the Consumer elects to use this Cancellation Period, the terms and conditions of the original agreement will be reinstated.

#### CANCELLATION OF AGREEMENTS

##### Article 29

A Gas Marketer shall accept a Consumer's request for cancellation when within the 10-day Cancellation Period, and under the terms of the contract without engaging in further sales or marketing activity under that Consumer's Agreement.

A Gas Marketer shall accept a Consumer's request for cancellation when within the Cancellation Period without making the process onerous on the Consumer. The Consumer must be able to exercise their rights under the Cancellation Period by telephone, facsimile, email, or mail.

When exercising a Cancellation Provision to cancel the Consumer's Agreement at the anniversary date of the Consumer's Agreement, the Consumer may provide written notice to the Gas Marketer at any time prior to the 60 days before the anniversary date of the Consumer's Agreement.

#### TRANSFER OF AGREEMENTS

##### Article 30

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<#>Voice Contracting – Agreement Amendment may be completed via voice contracting. The Gas Marketer will file with Commission staff for its comment and approval the new voice contracting script and as soon as changes are made and prior to its commercial use. The script shall include all matters that are required in the TPV call. Providing all the requirements of the TPV call are met, a second TPV call is not necessary.¶

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A Gas Marketer shall not assign, sell or otherwise transfer the Consumer Agreements to another person who is not a licensed Gas Marketer.

Within 30 days of assignment, sale or transfer of the administration of an agreement to another licensed Gas Marketer, the affected Consumer must be notified of the new Gas Marketer's address for service, telephone number and the Consumer complaints process, if these have changed.

The assignment, sale or transfer of a Gas Marketer's Consumer Agreements to another Gas Marketer shall be approved in advance by the Commission.

#### RESPONSIBILITY FOR CODE OBSERVANCE

##### Article 31

The primary responsibility for the observance of this Code and associated Commission Orders rests with the Gas Marketer. Failure to comply with, or breach of, the Code and/or associated Commission Orders, may result in fines or the suspension or revocation of the Gas Marketer's license for a period to be determined by the Commission. A breach of this Code may occur in the course of inducing a person to enter into an Offer or Consumer's Agreement, even in the absence of a contract.

Gas Marketers shall ensure that their Salespersons adhere to the standards required of a Gas Marketer as set out in the Code of Conduct for Gas Marketers, and shall be accountable for the behaviour and performance of their Salespersons.

##### Article 32

The LDC shall refrain from conducting business with anyone who is not licensed in the province of British Columbia and does not strictly adhere to this Code.

#### THIRD PARTY VERIFICATION

##### Article 33

Third Party Verification (TPV) is the form of a digitally recorded telephone call either initiated as an outbound call from the Gas Marketer to the Consumer or as an inbound call from the Consumer. The recording of the TPV call must have associated with it a verifiable date and time stamp.

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The Salesperson must conduct the TPV call clearly in an understandable pace and tone.

For Residential and Rate Schedule 2 customers, the TPV call must not occur until 24 hours after the Consumer executes the contract, and in order to complete the sale, must occur within 20 calendar days of the Consumer executing the contract. The Consumer who signed the contract with a Gas Marketer must confirm their understanding of the key elements of the agreement through a TPV call. The Salesperson is not permitted to be on the premise during the TPV call with a residential or Rate Schedule 2 customer.

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Rate Schedule 3 customers are exempt from the 24 hour TPV waiting period; these Consumers are permitted to complete the TPV immediately upon execution of the contract, and the TPV must occur within 20 calendar days of the Consumer executing the contract.

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The call must be completed before the Consumer's enrolment is submitted to the LDC. The digital file will be available for the Commission three days after the initial recording and retained by the Gas Marketer for the term of the Consumer's Agreement.

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The TPV call is not required if the Consumer executes the Agreement with no contact by a Salesperson, through any means (e.g. in-person, telephone, online, etc.), in the Marketing or contracting process,

Deleted: was entered into via Internet Marketing or if the Consumer responded to a Gas Marketer's direct mail or telemarketing campaign

#### Automated TPV Calls

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The following additional requirements are in place for the use of automated TPV calls (i.e. where a live-person is not conducting the TPV call):

- the call must use voice verification (as opposed to using button tones to confirm understanding, e.g. press 1 for "yes" or 2 for "no");
- the call must include a verifiable record of the incoming or outgoing telephone number dialed to/from the Consumer to complete the call; and
- the Gas Marketer must review a minimum of X% of the calls for quality assurance.

#### Residential Consumers

For Residential Consumers, the TPV call must follow the standardized scripting set out below. The Commission will not allow additions or deviations from the standardized script at this time. If the Gas Marketer wishes to request an amendment to the standardized script, the Gas Marketer may file the modified TPV script with Commission staff for comment and approval.

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*Disclaimer: The gas marketer shall terminate the call if the customer objects to the call being recorded. For points that need confirmation from the customer, a Yes/No (Y/N) is indicated at the end of the question. Gas Marketers can use the term "agreement" or "contract," as appropriate.*

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## Script Preamble

### Outbound

Good morning/afternoon/evening "CUSTOMER." My name is "TPV AGENT's NAME" and I am calling from "GAS MARKETER" to confirm the key points on the contract/agreement you recently signed with (Agent's name OR one of our agents).

This call is the final step before your enrollment with "GAS MARKETER" is completed. We record this call on behalf of the BC Utilities Commission. The Commission will use the information gathered in this verification call to rule on any disagreement that may arise in the future.

### Inbound

My name is (TPV AGENT's NAME). Thank you for calling "GAS MARKETER" to confirm the key points on the contract/agreement you recently signed with (Agent's name OR one of our agents).

This call is the final step before your enrollment with "GAS MARKETER" is completed. We record this call on behalf of the BC Utilities Commission. The Commission will use the information gathered in this verification call to rule on any disagreement that may arise in the future.

1. I understand your full name is ... Is this correct?
2. Our records show that you signed the contract/agreement more than 24 hours ago, on "DATE." Do you agree? Y/N

Unfortunately, your enrollment with "GAS MARKETER" cannot continue as it has been less than 24 hours since you signed the agreement. To proceed with the enrollment we will contact you in "X" days or you have the option to call us back at "PHONE NUMBER."

3. Have you been left with a copy of your signed contract/agreement?

If no – the call shall be terminated

If yes – would you like to get your copy of the contract/agreement for reference? Y/N  
(Must be permitted)

4. Are you the FortisBC account holder? Y/N

If no – are you authorized at law to enter into a contract/agreement for this residence/premise on behalf of the account holder? Y/N

5. Do you understand that "GAS MARKETER" is completely independent of FortisBC or the government and entering into a contract/agreement with our company is entirely voluntary? Y/N
6. Do you understand that "GAS MARKETER" will become your natural gas supplier and FortisBC will remain responsible for invoicing, emergency service, and delivery? Y/N

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7. Do you understand that we will be supplying your natural gas at a fixed rate of "PRICE" [x dollars and x cents per gigajoule] for a term of "TERM" years? Y/N

If applicable: I have a record that you selected our green energy option for an additional "GREEN ENERGY PRICE." Your green energy charge will be included in your Cost of Gas on your bill from FortisBC. Do you understand that your total fixed price will be "TOTAL PRICE?" Y/N

8. Do you understand that by signing a fixed rate contract/agreement, you may not save money? Y/N

9. Did you receive a copy of the Standard Information Booklet entitled "It's Your Choice?" Y/N

This booklet is also available on the FortisBC and BC Utilities Commission websites.

10. You have 10 days to cancel this contract/agreement without penalty. Following your 10-day cancellation period, you can only make a request to cancel your contract/agreement on its anniversary date and you will be responsible for early termination fees. Do you understand your cancellation rights? Y/N

11. You will receive a letter from FortisBC confirming your enrollment with "GAS MARKETER."

Thank you for your time and if you have questions please contact us at the contact information provided on your contract/agreement. We recommend that you review the terms and conditions of your contract/agreement and read the "It's Your Choice" booklet before your 10-day cancellation period expires.

#### Commercial Consumers

For Rate Schedule 2 and Rate Schedule 3 customers, the TPV will cover the topics specified by the Commission for this purpose, and will be sent to the Commission for comments prior to implementation. A list containing the major topics to be included in the script is detailed below and it is up to the Gas Marketer to arrange the script. The topics must be addressed individually and where the topic calls for confirmation, the Consumer must so confirm.

1. Identification of the gas marketer as an independent supplier and not affiliated with the local utility or the government.
2. Collect basic information:
  - a. Full business name
  - b. Full signee name
  - c. Title/Position
  - d. Number of locations to be signed up
3. **Signing Authority** –does the signee have the authority to bind agreements for the organization? To be answered with **Yes** or **No**. If in doubt, proceed with one of the questions below:
  - a. Is there a more senior individual that the marketer should speak to regarding the decision on the agreement? Y/N

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- b. Have you entered into long term, financially binding agreements on behalf of the company in the past? Y/N
4. Confirmation that the Consumer has a copy of the Gas Marketer agreement and that the Consumer understands that he is entering into a binding agreement for the supply of energy for the company.
  5. Confirmation of the price and term.
  6. If customer chose a green energy option, confirmation of the price, the fact that it will be included in the commodity charge on the utility bill, and the cancellation rights for the green option.
  7. Confirmation that the customer understands the right to cancel without penalty during the 10 day cancellation period, or if the customer waived the right, confirmation that the customers has done so.
  8. Confirmation that the customer understands that entering into the agreement may not result in saving money.

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#### MODIFICATION TO THE CODE

##### Article 34

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The Code shall be reviewed and modified, if required, at an annual general meeting, via written process and/or in-person, as established by the Commission. Modifications to the Code are subject to the approval of the Commission.