

Board Staff Interrogatories

**Electricity Retailer Licence Renewal
Application**

Direct Energy Marketing Limited
EB-2010-0045

May 7, 2010

1. Please provide the number of complaints received by Direct Energy per quarter relating to Direct Energy's electricity contracts with Ontario customers, **excluding** those received through the Board for each quarter of the 2008 and 2009 calendar years.
2. Please provide a breakdown of the number of complaints in Interrogatory No. 1 above into the following categories: agent conduct, contract management, customer service, and other. Please provide an explanation where appropriate.
3. In section 14 of the application, Direct Energy has provided statistics which reflect complaints as a proportion of the customer base at the time. For example, Direct Energy states that electricity complaints for 2009 represent 0.28% of the electricity customer base. Do these statistics represent complaints as a percentage of the customer base for the respective calendar year? If so, please provide the electricity and gas customer base numbers for the 2008 and 2009 calendar years.
4. Filed in confidence
5. Please provide a breakdown of the number of complaints in Section 14 of the application into the following categories: agent conduct, contract management, customer service, and other. Please provide an explanation where appropriate.
6. In Section 14 of the application Direct Energy noted that not all complaints filed with the Board were valid and that in most instances, complaints are the result of a lack of understanding on the part of customers about the market. As a result of the misunderstanding on the part of customers, retailers, including Direct Energy have introduced a Standard Information Brochure which is provided to all customers at the door to provide customers with market information. Please provide a copy of the Standard Information Brochure.

7. The Board asks consumers who contact the Board to make a complaint about a retailer or marketer to first contact their retailer or marketer before registering a complaint with the Board. Of the complaints filed with the Board and listed in section 14 of the application, please indicate for each quarter the number of complaints where the customer had previously contacted Direct Energy to resolve a complaint.
8. On May 5, 2009, the Board ordered Direct Energy to pay an administrative penalty with respect to a contravention of the *Ontario Energy Board Act, 1998* and the Code of Conduct for Gas Marketers by Direct Energy door-to-door sales agents. Please comment on any specific improvements Direct Energy has undertaken with respect to agent conduct certification and/or retraining following this Order.
9. In Section 14(h) of the application, Direct Energy has provided customer complaints filed with regulators in other jurisdictions. Direct Energy has commented that not all complaints are valid with respect to the complaint information provided for British Columbia. Please advise on how many complaints were valid and provide a breakdown of the number of complaints into the following categories: agent conduct, contract management, customer service, and other. Please provide an explanation where appropriate.
10. In section 14, Direct Energy has listed a number of initiatives that have been implemented to address key issues contributing to complaints and to provide improved customer service. Please provide additional details of these initiatives including the dates on which these initiatives were implemented and whether they have been successful or not. Please explain how Direct Energy measures the success of these initiatives - What statistics does Direct Energy collect? What results are shown by these measures to date?
11. Please indicate whether Direct Energy compensates its sales representatives in whole or in part based on number of contracts sold. Please provide details of the compensation structure for Direct Energy's sales representatives. Please comment on any differences in compensation structure for sales representatives in different marketing channels, e.g. door-to-door sales agents versus telemarketers, etc.

12. Direct Energy has provided a parental guarantee that limits coverage of Direct Energy's payment obligations to a maximum of \$250,000. The Board's parental guarantee template does not specify a limit. Please confirm whether the maximum liability amount specified in the parental guarantee is sufficient to meet Direct Energy's financial obligations entered into under the Licence.