

Response to
Board Staff Interrogatories

Gas Marketer Licence Renewal Application
Electricity Retailer Licence Renewal Application

Just Energy Ontario L.P.
EB-2010-0152
EB-2010-0153

June 24, 2010

OEB-Q1

Reference: Section 14 – Legal Proceedings, Question (g) Customer Complaints

- a. Please provide the source of Just Energy's customer complaint data as filed in its applications and April 21 submissions.
- b. Please provide Just Energy's definition of a customer complaint.
- c. Please explain Just Energy's process of registering customers' complaints and the methodology for complaint classification by category. Please provide:
 - i. all categories used by Just Energy for registering complaints;
 - ii. a description of each category;
 - iii. the key issues that Just Energy has identified from the complaint data and a description of these key issues .
- d. Please provide a quarterly breakdown of the number of complaints received in 2008 and 2009 by Just Energy for 1) electricity contracts and 2) gas contracts into the following categories: Agent Conduct; Contract Management; Customer Service; and Other. Please provide an explanation where appropriate.
- e. Please provide the number of customer complaints received by Just Energy within the last 2 years, relating to 1) electricity contract and 2) gas contracts in Ontario. Please provide a quarterly breakdown and exclude the number of customer complaints filed with the Board.

JE-R1

- a. The source of Just Energy's customer complaint data as filed in its applications and in its April 21 submissions is our customer service database ("CSIS"). The data in section 14(g) of the applications are complaints received by the OEB (as required by the application) for Just Energy and Universal Energy for the outlined quarters. The data included in the April 21st submission was also to be for customer complaints received by the OEB, however, due to a human error there was incorrect information provided in the submission. The analyst tasked with querying the dbase made an error in the query formula when extracting the data presented in the April 21st report. The data provided in the April 21st submission should be disregarded. The data filed with the initial applications (dated March 30, 2010) is accurate. The company has included a revised response to question (g) as Addendum 1 attached.
- b. Just Energy defines a customer complaint as follows: A customer that expresses displeasure about Just Energy services, products, or their experience.
- c. Just Energy's process for registering complaints is as follows:

If a customer calls with a complaint, follow the process below:

- ▶ Gather facts/details about the customer's concern.
- ▶ Probe to assess if the concern is valid.
 - ▶ Does the customer recall the specifics of the situation?
 - ▶ Does the customer recall signing an agreement, whereby information about our program would have been outlined?
- ▶ If able to resolve the problem during the call complete the complaint.
 - ▶ Leave comments in CARE system to indicate that issue is **resolved**. Log a complaint in the system, including the selection of a complaint classification category, identified during your discussion with the consumer
- ▶ If further investigation is required to validate the customer's claim:
 - ▶ Log a complaint in CARE. Including the selection of a complaint classification category, identified during your discussion with the consumer

- ▶ Leave standard comments in CARE to indicate that issue is **not resolved**.
- ▶ In CSIS, disposition the call as **CFU – Customer Complaint Follow Up**, and reason **Customer Request Call Back**.
- ▶ Document thorough comments on the account.

- i. See Table 1C below
- ii. See Table 1C below

TABLE 1C

COMPLAINT REASON	DEFINITION
Brochure not left	For Ontario customers only where an OEA/OEB brochure has not been left with the customer.
Disputed Signature	Customer denies that they themselves, or anyone else in their household, recall signing an agreement.
Language Barrier	Customer states they were unable to fully understand the agreement they entered into due to a language barrier.
Misrepresentation – Nature/Purpose	Customer states the Independent Contractor failed to clearly explain the nature/purpose of the visit,
Misrepresentation – Utility Affiliate	Customer states the contractor failed to state that s/he is not affiliated with the named local utility
Misrepresentation – Identity	Customer states the contractor failed to identify and introduce him/herself as an Independent Contractor working on behalf of Just Energy
Misrepresentation – Term	Customer states the contractor failed to advise of the term/length of the program as set out in the agreement
Misrepresentation – Savings	Customer states the contractor guaranteed or promised a consumer immediate savings
Positive Feedback	Customer felt the Independent Contractor's presentation warranted positive feedback.
Pressure Tactics	Customer states the contractor would not take no for an answer; customer felt pressured and/or uncomfortable with the way contractor was trying to

COMPLAINT REASON	DEFINITION
	acquire the sale
Rudeness	Customer feels the Independent Contractor was rude and/or abrasive during presentation.
Solicitation –No Permit	Customer states the contractor did not have a permit to market in the city/town
Solicitation –Sign Posted	Customer states the contractor ignored the “No Solicitation” notice/sign posted
Solicitation-Senior	Contractor solicited to a senior citizen
Terms and Conditions Not Left With Customer	Customer states the Independent Contractor did not leave a signed copy of the contract with them.
Tiered Pricing-Commercial	Contractor provided a rate/unit outside the commercial tiered pricing guidelines
Unauthorized Signature - Minor	Customer states the contractor allowed a minor (<18) to enter into the agreement
Unauthorized Signature - Residential	Customer states that someone other than the account holder, spouse or power of attorney entered into the agreement
Unprofessional Behaviour	Customer feels the contractor was rude and/or abrasive during presentation
Cancellation Request	Customer requests cancellation of contract for various reasons such as price compared to utility etc.
Billing Related	Captures billing related complaints such as rate compared to the utility, charge validations etc

- iii. The key issues prevalent in the complaint data are consistent with complaint data received generally by retailers in the market as determined through the market improvement initiative undertaken through the Ontario Energy Association's Marketers and Retailers Committee. Those main areas are:
 - 1) Confusion or misunderstanding/misrepresentation as to affiliation with the local utility
 - 2) Confusion or misunderstanding/misrepresentation of expected savings
 - 3) The existence of, or understanding of the amount of Exit Fees
 - 4) Cancellation requests due to differences between the current utility default price and the contract price being charged.

- d. See Table 1D below. Just Energy has experienced a growing number of complaints in the most recent periods, the majority of which are unsubstantiated. Over the past 12 -18 months, record drops in utility natural gas pricing and the significant increases in Provincial Benefit charges (and related confusion) for electricity consumers have contributed to continued increased customer issues as the gap between (i) the recent/current utility charges and, (ii) contract prices entered into by customers in past periods, are much more prevalent.

TABLE 1D

Licensee Name	Business Activity	Category			
		Agent Conduct	Contract Mgmt	Customer Svc	Other
Just Energy Ontario L.P.	Gas				
	Q1 2008	326	0	67	0
	Q2 2008	484	0	78	0
	Q3 2008	340	2	59	0
	Q4 2008	252	7	52	0
	Q1 2009	218	9	82	0
	Q2 2009	214	8	70	0
	Q3 2009	571	64	34	0
	Q4 2009	685	48	329	0
Just Energy Ontario L.P.	Electricity				
	Q1 2008	458	0	121	0
	Q2 2008	598	0	188	0
	Q3 2008	487	7	136	0
	Q4 2008	266	8	134	0
	Q1 2009	298	10	155	0
	Q2 2009	316	9	129	0
	Q3 2009	708	86	46	0
	Q4 2009	869	49	386	0

- e. See table 1E below.

TABLE 1E

Licensee Name	Business Activity	Total
Just Energy Ontario L.P.	Gas	
	Q1 2008	326
	Q2 2008	504
	Q3 2008	353
	Q4 2008	260
	Q1 2009	229
	Q2 2009	238
	Q3 2009	615
	Q4 2009	998
Just Energy Ontario L.P.	Electricity	
	Q1 2008	416
	Q2 2008	591
	Q3 2008	500
	Q4 2008	279
	Q1 2009	313
	Q2 2009	335
	Q3 2009	739
	Q4 2009	1115

OEB -Q2

Reference: Just Energy's response to additional information requested by Board staff, dated April 21, 2010.

- a. Please confirm whether the customer complaint statistics filed represent complaints as a percentage of Just Energy's customer base per quarter. If not, please explain.
- b. Please provide Just Energy's customer base numbers per quarter for 2008 and 2009 for 1) electricity contracts and 2) gas contracts.
- c. Please provide Just Energy's customer complaint statistics and Just Energy's customer base for Q1 of 2010 for 1) electricity contracts and 2) gas contracts, if available.
- d. The customer complaint statistics for Just Energy Ontario L.P., filed in its April 21 submissions, do not reconcile with the corresponding customer complaint data filed in its original applications. Please provide an explanation for this discrepancy.

JE-R2

- a. The customer complaint statistics filed do not represent complaints as a percentage of Just Energy's customer base per quarter. The statistics provided, represent complaints as a percentage of the contracts signed ("Submitted") during each quarter.
- b. Just Energy respectfully assumes that this question and those that follow were based on Staff's assumption that the complaint ratio data was derived against customer base. Since the ratio is derived using contracts submitted, JE is providing that information instead. Please see the response to question 5 (Table 5).

c. Please see Table 2C below.

TABLE 2C

Licensee Name	Business Activity	Complaints	
Just Energy Ontario L.P.	Gas		
	Q1 2010	963	
Just Energy Ontario L.P.	Electricity		
	Q1 2010	1430	

d. Please see the response to question 1a.

OEB-Q3

Please indicate what initiatives have been implemented to address key issues contributing to complaints (as per IR #1.c.iii) and to provide improved customer service. Please provide details of these initiatives including the dates on which these initiatives were implemented and whether they have been successful or not. Please explain how Just Energy measures the success of these initiatives - What statistics does Just Energy collect? What results are shown by these measures to date?

JE-R3

Just Energy believes it is a leader in Ontario in respect of improvements in service and ensuring adequate consumer protections in its sales processes. JE recognizes the concerns experienced generally in the Ontario market and has taken the lead on a number of initiatives in the industry.

The OEB has conducted several independent audits on Just Energy compliance over the past 1 ½ years and in fact some of JE's practices were reflected in the OEB's audit results document released in April 2009, as recommendations to be adopted as best practices.

Through a collaborative initiative undertaken by Just Energy and other retailer members of the OEA, Just Energy implemented a number of changes to its sales processes over the past 2 years directed at addressing the main concerns of consumer confusion and to increase consumer protections.

Those include:

- i. A Standard Information Brochure which contains simple unbiased information for consumers to consider when signing a contract. Further, JE includes a question in its reaffirmation script to confirm every customer receives this brochure (January 2009)

- ii. Sales Agent Training- JE hired a Learning and Development Professional to revise and develop comprehensive and professional orientation and training programs for the sales agents. The training program includes an overview of the energy market, deregulation in Ontario, Ontario legislation, regulations and codes, the Just Energy code of conduct, compliance program and sales scripts. In addition, JE sales agent training includes the Standard Training Module developed by Just Energy and others under the retailer initiative noted above which also includes a testing module which must be passed before agents are allowed to begin marketing our products (February 2009).
- iii. Background Checks for all agents was implemented in fall 2008.
- iv. A number of changes were made to our contract materials and contract management process to address some of the key concerns and complaint types referenced in the response to question 1C.iii above:
 - Plain Language contracts were implemented minimizing legalese, employing larger font and offering specific disclosures on the front page of the contract targeted to address some of the main complaint types or misunderstandings prevalent in Ontario.(May 2008)
 - The disclosures put on the front page include:
 - Clarification that the customer understands the product does not guarantee savings
 - That Just Energy is not affiliated with the local utility
 - The cancellation period provided to our customers
 - The Exit Fees and exactly the amount of the fee for early termination
 - That the customer does not have to sign the contract in order to continue to receive their energy supply
 - JE extends the cancellation period for small volume consumers to allow for cancellation without fees up to 30 days after the issuance of their first bill. (May 2008)
- v. The reaffirmation script was further amended to reflect some of the main disclosures provided on the front of the contract such that those key disclosures are reiterated with the customer before they reaffirm the contract (Fall 2009).
- vi. “Welcome Calls” were implemented in fall 2008. In addition to the required reaffirmation call, Just Energy instituted a welcome call at the point of sale.

The call is managed through an independent third party and provides for an immediate assurance that the customer understands the sale and further educate the consumer on the process for enrollment. The purpose of the call is to confirm the customer understanding and to identify immediately if there are any issues or concerns arising from the sales presentation or the agent's conduct, enabling Just Energy to respond quickly.

- vii.** Internal proactive controls such as immediate referral to our CCR department in cases where a reaffirmation or welcome call has occurred and is reflective of any concerns as to sales agent conduct. Such calls are forwarded to CCR and reviewed for compliance allowing Just Energy to act before potential complaints are received. (2009)
- viii.** Soft Skills training for our Customer Service Representatives ("CSR"). In Q2 2008 JE created a new Customer Service "Soft Skills" training module which was launched as a call centre wide initiative to improve the customer service skills of our CSRs. This initiative took a few months to complete and is always being reviewed and re-worked to ensure we are growing with the needs of our customers. A new version of this training was recently released in early 2010 and all CSRs are in the process of being trained.
- ix.** Our call Center Quality Assurance team implemented specific targets for the number of customer calls reviewed for all call types- including reaffirmation calls. (Fall 2008)
- x.** Just Energy has now completed a full training program through a professional call centre training institute in which all managers in our call center have now completed the certificated course. (Current)

Just Energy has had very positive results since the implementation of the essential information on the contract and the standard information brochure. Both the customer and Just Energy have a greater degree of confidence that each customer is aware of their decision and receives all the necessary information to make an informed choice.

Additionally, in cases in which consumers initiate complaints, (i.e. that they were promised savings) we have the ability to review their reaffirmation call to see if they positively acknowledged the essential information and we can have a productive conversation with the customer about resolution to their issue. Since implementation of

these changes we have seen a decrease in the number of valid complaints in which the customer claims misrepresentation by the independent contractor.

Just Energy notes that a number of its controls and customer protections have been adopted in the *Energy Consumer Protection Act*, recently enacted. These and other requirements contained in the Act will assist in building further improvements and consumer confidence in the sale of energy choices for consumers.

OEB-Q4

Reference: Section 14 – Legal Proceedings, Question (e) Penalties, Fines, Voluntary Payments

In response to Section 14(e), Just Energy cites seven instances where it or an associated entity has received a penalty or been fined for the use of deceptive sales and marketing practices. As a result of these instances:

- a. Please indicate what changes, if any, Just Energy has made or intends to make to its marketing materials, sales policies and contract management practices.
- b. Please indicate what changes, if any, Just Energy has made or intends to make to its sales representative training program and policies.
- c. Please comment on the impact these changes have had on Just Energy's level of customer complaints.

JE-R4

Just Energy wishes to clarify that Just Energy Ontario L.P. was not a party to any of the instances referred to in this question- the instances involved affiliates of Just Energy Ontario L.P.. However, Just Energy has, and continues, to continuously improve its practices and processes. Please see response to question 3.

OEB-Q5

Please provide the total number of customers who signed contracts in each quarter of 2008 and 2009. From those signed contracts, please provide the number of contracts that were cancelled:

- i. during the reaffirmation period;
- ii. as a customer service gesture.

Please provide the common reasons for the cancellation requests.

JE-R5

Please refer to Table 5 below. Just Energy's system does not track the number of instances in which a cancellation is processed as a result of a customer service gesture. In order to attempt to determine this information, JE would have to manually review each and every customer record in its system and even then, it may not be accurate as comments in a given record may not reflect this information. [REDACTED].

TABLE 5

Commodity Identifier	Signing Year	Signing Quarter		
Electric	2008	1		
		2		
		3		
		4		
	2009	1		
		2		
		3		
		4		
Gas	2008	1		
		2		
		3		
		4		
	2009	1		
		2		
		3		
		4		

OEB-Q6

Please provide for each quarter in the past two years the number of customers, with explanations for each, whose accounts with Just Energy were cancelled due to Just Energy:

- i. not having the contract on file;
- ii. renewing the customer improperly;
- iii. reaffirming the customer improperly.

JE-Q6

Just Energy's system does not track information that can specifically identify customer cancellations attributed to not having a contract on file, a renewal completed improperly or a reaffirmation completed improperly. In order to attempt to determine this information, JE would have to manually review each and every customer record in its system and even then, it may not be accurate as comments in a given record may not reflect this information.

OEB-Q7

Please provide details of Just Energy's compensation structure for sales representatives. In particular, please indicate whether Just Energy compensates based on the number of contracts sold. Please provide details of any differences in compensation structure for door-to-door sales agents versus telemarketers.

JE-R7

Just Energy believes that compensation plans should be structured to incent the appropriate behavior consistent with our policies and expectations. The compensation structure is as follows:

- REDACTED
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ADDENDUM 1 UNREDACTED - CONFIDENTIAL

Licensee Name	Business Activity	No. of complaints within at least the last 2 years (List by quarterly reporting period)	Complaint Ratio (# of complaints vs. # of customers)	Explanation
Universal Energy Corporation	Electricity	Q1/2008 = 248		
		Q2/2008 = 279		
		Q3/2008 = 205		
		Q4/2008 = 295		
		Q1/2009 = 434		
		Q2/2009 = 387		
		Q3/2009 = 316		
		Q4/2009 = 307		
Universal Energy Corporation	Gas	Q1/2008 = 75		
		Q2/2008 = 73		
		Q3/2008 = 77		
		Q4/2008 = 111		
		Q1/2009 = 140		
		Q2/2009 = 110		
		Q3/2009 = 68		
		Q4/2009 = 73		
Just Energy Ontario L.P.	Gas	Q1/2008 = 67		
		Q2/2008 = 58		
		Q3/2008 = 48		
		Q4/2008 = 51		
		Q1/2009 = 80		
		Q2/2009 = 54		
		Q3/2009 = 54		
		Q4/2009 = 64		
Just Energy Ontario L.P.	Electricity	Q1/2008 = 163		
		Q2/2008 = 195		
		Q3/2008 = 130		
		Q4/2008 = 129		
		Q1/2009 = 150		
		Q2/2009 = 119		
		Q3/2009 = 101		
		Q4/2009 = 189		

* 2008 & 2009 calendar year and quarters (not fiscal)

**Complaints for the same customer were reflected for both commodities