

September 3, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P. O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli,

**RE: Board File No. EB-2010-0245
Canadian RiteRate Energy
15185 Yonge Street, Suite 3
Aurora, ON, L4G 1L8
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Canadian RiteRate Energy offers the following comments on the proposed and restated Marketer Code as follows. Our comments are specific to natural gas contracts because we do not sell electricity.

DISCLOSURE

In our opinion, the Proposed Disclosure Statements presented in Attachment C are inadequate in the following respects. We qualify our comments by factually stating that many marketers are currently charging over 6.5 cents/m³ (and as high as 7.16) for Transportation when both Enbridge and Union Gas are currently 4.8 c/m³. In addition, some marketers are charging approximately double the regulated Union Gas Storage charge.

1. The current Disclosure Statement related to Transportation Charges is woefully inadequate. Where the marketer must provide Transport (ie. Union Gas), or chooses to do so (ie. Enbridge), the cost should be "fixed" not "variable" if the gas marketer is claiming to be selling a fixed rate. Further, the exact cost the customer will pay for Transport (expressed in cents/m³) shall clearly be disclosed in the contract and in the Disclosure Statement. This is the only way to prevent marketers from selling an artificially low rate for the GAS and then padding their margins with a VARIABLE TRANSPORTATION rate that is 2-3 cents/m³ (or more) higher than the OEB approved regulated Transportation Charge of the local utility.



2. The same comments as expressed in #1 above apply to the STORAGE charge in the Union Gas utility area.
3. Some marketers are charging a monthly ADMINISTRATION FEE to bill their rate on the Utility bill. Where this is the case, the marketer should be required to disclose the exact amount of this charge.
4. Some marketers include a cost to purchase CARBON OFFSET CREDITS in their contract, or as an addendum thereto. Where this is the case, the marketer should be required to disclose the exact amount of this charge.
5. The statement in the Disclosure Statement stating that there is “no guarantee of energy cost savings” should qualify that this is compared to the variable system gas rate of the Utility. If customers are shopping for the lowest fixed rate, companies can certainly claim savings versus other companies selling fixed rates for a comparable term if their rate is the lowest at the time.
6. If automatic renewals continue to be permitted, the Disclosure Statement for Renewals should clearly indicate, in large bold print, that customers must cancel with their current supplier in writing or else they will be automatically renewed.

VERIFICATION TRANSCRIPTS

As with Disclosure, the Verification call should clearly explain any additional costs such as Transport, monthly Admin. Fees, and Carbon Offset Credits and get the customer’s explicit agreement to said costs.

RENEWAL/EXTENSION SCRIPTS

If automatic renewals continue to be permitted, and where a marketer chooses to do so, this script should clearly explain to the customer that they will be automatically renewed unless they cancel with their current supplier in writing. The script should also be prescriptive in defining the rate that the customer will be automatically renewed at.

TRAINING

In our opinion, the Board should offer agent training, testing and certification for a fee. This will ensure consistency of training and testing and may be preferred by some smaller marketers who would prefer not to develop these competencies in-house.

AUTOMATIC RENEWALS

If automatic renewals continue to be permitted, it is our opinion that the Board should prescribe the exact format for the Renewal Cancellation Form and its placement in the marketer’s renewal package, so that it is clearly visible to the customer rather than buried in the back of the package. This way, customers will clearly understand the requirement to cancel if they don’t want to be automatically renewed.

UNCONSCIONABLE REPRESENTATIONS

Section 5(1)(b) of the Proposed Regulations: Energy Consumer Protection Act, 2010 considers it to be an unconscionable act if a supplier makes a representation knowing “that the price grossly exceeds the price at which the electricity or gas is being offered by the supplier to similar consumers”. This suggests that a supplier should not be coercing customers into a 5-year contract at the door for 30.5 cents/m³, knowing that the same supplier is selling 5-year contracts online for 23.9 cents/m³ (ie. 22% less), as is the case today with Summitt/MyRate Energy. The draft Marketer Code needs to prescribe this as being an unconscionable act.

We trust that our comments will be afforded due consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Wikant". The signature is written in a cursive style with a large initial "B" and "W".

Brian Wikant
COO & VP Marketing

