

**Ontario Energy
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**Commission de l'énergie
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BY EMAIL

April 9, 2012

Board Secretary
Ontario Energy Board
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Board Staff Submission
Electricity Retailer Licence Application EB-2012-0037
Universal Energy Corporation**

Please find enclosed Board Staff submission with respect to Universal Energy Corporation's application to renew its electricity retailer licence.

Please forward this submission along with this cover letter to the applicant.

Yours truly,

Original Signed By

Irina Kuznetsova
Case Manager

Attachment



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION

Universal Energy Corporation
Applications for Electricity Retailer Licence Renewal

EB-2012-0037

April 9, 2012

THE PROCEEDING

On January 30, 2012 Universal Energy Corporation ("Universal") filed an application with the Ontario Energy Board under section 60 of the Act to renew its electricity retailer licence.

The Board issued a Notice of Application and Written Hearing on February 24, 2012 which included interrogatories and submissions. No parties responded to the Notice. Board staff did not ask any interrogatories as in Board staff's view the applicant provided sufficient information and evidence to make determination in the application.

THE APPLICANT

Universal is a subsidiary of Just Energy Group Inc. and is a share holder of Universal Gas and Electric Corporation operating in the US and owns units of Just Energy Ontario L.P. The applicant is an electricity retailer and marketer of natural gas to residential and commercial customers under long-term fixed-price contracts in North America.

After the acquisition in July of 2009 of Universal by Just Energy, the applicant ceased its electricity marketing activities and needs to be licensed to fulfill its obligations under existing electricity contracts.

STAFF SUBMISSION

In accessing electricity retailer licence applications Board staff considers the entire application and in particular financial viability, technical capability and past conduct of the applicant. If the Board has concerns it can put conditions on a licence and/or issue a licence for a reduced term.

The applicant's electricity retailer licence being renewed was issued in 2010 for the two year term due to the Board's concerns with respect to Universal's marketing practices and past conduct. The decision and order granting Universal's existing Electricity Retailer licence (ER-2010-0034) contained conditions that required the applicant to provide quarterly reporting on the number and type of complaints received by Universal, any systemic problems identified and actions taken to remedy the problems to enable the Board to monitor the success of Universal in managing customer issues related to the Universal electricity contracts. This reporting requirement ended with the

report for the quarter ending December 31, 2011. Universal has complied with this condition of its licence. In Board staff's view, the quarterly reporting indicates that Universal has responded to customer issues and therefore this condition is no longer required.

Another condition required Universal to notify the Board if it intends to resume marketing of electricity contacts to new customers and to provide details of such marketing activities. The evidence indicates that the applicant is not marketing electricity to new customers and only maintaining existing electricity contracts. Board staff notes that although Universal has stated that it has no present intention to market electricity to new customers, in Board staff's view the requirement to notify the Board if Universal intends to resume marketing of electricity contacts to new customers and to provide details of such marketing activities, should remain a condition of its electricity retailer licence.

In consideration of the evidence filed in support of the applicant's financial position and technical capability, Board staff submits that Universal meets the technical and financial requirements for an electricity retailer licence.

In an effort to ensure protection to consumers, Board staff submits that the electricity retailer licence should include a condition requiring Universal to notify the Board if it intends to resume electricity marketing to new customers and that such notification should contain the following information:

1. The date marketing will commence;
2. A description of all types of marketing that Universal will use; and
3. Confirmation that the requisite training of its sales representatives has been undertaken.

All of which is respectfully submitted.