

Board Staff Interrogatories

Application for Amendment to Gas Marketer and Electricity Retailer Licences

Just Energy Ontario L.P.

EB-2012-0435

April 16, 2013

1. Just Energy has filed an application to amend its gas marketer and electricity retailer licences, in part, as a result of difficulties presently encountered, and which are expected to continue into the future, in completing telephone renewal of natural gas and electricity contracts specifically in relation to sections 4.14(a) and 4.14(b) of the Codes of Conduct for Gas Marketers and Electricity Retailers. The statement in the renewal script, which Just Energy states is inherently untrue, is Item 11 in the Board approved Contract Renewal / Extension Call Script for Natural Gas, Electricity and Dual Fuel which reads: “You should also be aware that energy cost savings under the [renewed / extended] contract are not guaranteed”.
 - a) Please confirm whether Just Energy is presently completing telephone renewals where this statement is not true.
 - b) If Just Energy is completing telephone renewals where this statement is not true, please explain fully why the statement is not true.
 - c) What is the earliest date that Just Energy expects to conduct telephone renewals where this statement will be untrue?

2. Just Energy states that it has developed a competitively priced 5 year agreement (the “Agreement”) for the purchase of commodity, the primary feature of which guarantees consumer cost savings under certain conditions. The conditions and limitations of the guarantee are well documented and disclosed for the consumer’s protection.
 - a) Please specify for which commodity (natural gas and/or electricity) the Agreement with guaranteed consumer cost savings under certain conditions has been developed?
 - b) For each commodity for which there are guaranteed consumer cost savings, please provide the price or describe how that price will be determined and presented to the consumer. In addition, please specify what baseline price will be used to determine cost savings? How is the baseline price determined?
 - c) Throughout the 5 year contract, will the consumer be billed a variable or fixed price?
 - i. If variable, will Just Energy change the price to reflect the current market prices as they increase or decrease? If so, how often the price adjustment will be made? (quarterly, annually)

- d) Will there be a price cap applicable so that the consumer understands the maximum that he or she may pay in any given billing period?
 - e) Please provide details of the conditions and limitations of the guarantee and indicate where they are documented and how they will be disclosed to the consumer.
 - f) Please disclose any and all additional charges, commodity and non-commodity related, that the consumer may be charged pursuant to the contract terms and conditions.
 - g) How will the price be reflected on the Price Comparison? Provide a sample of the price comparison.
 - h) How will Just Energy calculate what the consumer would have paid if he or she remained with the utility to ensure that the consumer receives savings while flowing on the contract?
 - i) How often will Just Energy reconcile the savings for each consumer?
 - j) Will the savings be demonstrated to the consumer throughout the course of the contract?
 - i. If yes, how the customer will be notified of the savings?
 - ii. If no, will the savings be demonstrated at the end of the contract term?
 - iii. How quickly will Just Energy reconcile the consumer's account at the end of the contract term to determine whether any monies are owed to the consumer?
 - k) If the consumer must terminate the Agreement early due to unforeseen circumstances, for example, where the consumer moves to the area where the commodity is not supplied by Just Energy, will the consumer receive any cost savings for the period that they were supplied by Just Energy?
3. Just Energy requests an amendment to section 5.1 of its Gas Marketer Licence GM-2010-0152 and to section 5.1 a) of its Electricity Retailer Licence ER-2010-0153 to exempt it from complying with the Code of Conduct for Gas Marketers and the Electricity Retailer Code of Conduct (together, the "Codes"), respectively, in relation to three specific provisions. Specifically, Just Energy requests a condition that would read:
- "The Licensee shall be exempt from Sections 4.11(b), 4.14(a) and 4.14(b) of the Code of Conduct for [Gas Marketers/Electricity Retailers] in the following circumstances:

- a. the Licensee is directed by a Board approved script to inform a consumer that energy cost savings under a(n) [natural gas/electricity] contract are not guaranteed, when in fact energy cost savings are guaranteed, provided that the Licensee's claim of guaranteed savings can be substantiated."
 - a) Please confirm that it is Just Energy's intention that the requested exemption, if granted, will only apply to the Agreement.
 - b) If the Board grants a licence amendment to allow Just Energy to amend the scripts, what controls does Just Energy have in place to ensure that the scripts are used only for this contract offering?
 - c) With respect to the condition that Just Energy is requesting, as set out above, please explain fully what is meant by "provided that the Licensee's claim of guaranteed savings can be substantiated." For example, does Just Energy intend to substantiate the guaranteed savings to the satisfaction of the Board in each circumstance prior to applying the requested exemption?
4. In the Notice Of Revised Proposal To Revoke and Re-Issue a Code and a Rule dated October 15, 2010, Page 21, issued in the proceeding EB-2010-0245, the Board commented on Disclosure Statements. Specifically, the Board noted that "...where a supplier believes that it can demonstrate to the satisfaction of the Board that a particular product or offer will, in all cases, guarantee savings to consumers relative to the utility supply price over the entire term of the contract, the Board is prepared to consider an application by that supplier to allow it to use a modified version of the disclosure statements (and other applicable materials such as the Board-approved scripts) that do not contain the "no guarantee of savings" statement."
- a) Does Just Energy have any concerns with Board-approved disclosure statements that state there is no guarantee of savings?
 - b) Please advise Just Energy's proposed plan, if any, concerning the statement in the Board-approved disclosure statements that there is no guarantee of savings.
 - c) Does Just Energy intend to apply to the Board for a modified version of the disclosure statement for each particular product or offer to which the guaranteed cost savings claim applies?