

ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION

Canadian RiteRate Energy Corporation ("RiteRate")

Application for Gas Marketer Licence Renewal EB-2013-0324

November 14, 2013

THE PROCEEDING

On August 29, 2013, RiteRate filed an application with the Ontario Energy Board under section 50 of the *Ontario Energy Board Act*, 1998 (the "Act") to renew its gas marketer licence:

On September 20, 2013, the Board issued a Notice of Application and Written Hearing (the "Notice") which included dates for filing of interrogatories and submissions. No parties responded to the Notice. In accordance with the timelines set out in the Notice, on October 22, 2013 Board staff filed interrogatories on the application in order to gather additional information required for the Board's final determination of the renewal application. On November 4, 2013, RiteRate filed responses to Board staff interrogatories.

THE APPLICANT

RiteRate currently markets natural gas in Ontario to both low-volume and large-volume consumers. The applicant has been marketing natural gas to low-volume consumers in Ontario since its inception in 2003. Its business model does not include door-to-door sales to promote its services. The company promotes its natural gas commodity programs through its website and its strategic plan includes using various media channels to market its natural gas commodity programs.

STAFF SUBMISSION

In assessing a gas marketer licence application Board staff considers the entire application and in particular the financial viability, technical capability and past conduct of the applicant.

Board staff's interrogatories were developed to help complete the Board's records with respect to the following:

Intended sales channels and RiteRate's future business model,

RiteRate's plans to ensure compliance with all legal and regulatory requirements

Financial Viability

Board Staff submits that based on the evidence and response to interrogatory No 1, the applicant can reasonably be expected to be financially responsible in the conduct of business.

Conduct

Gas marketers in Ontario are required to comply with the Act, *Electricity Consumer Protection Act, 2010* (the "ECPA), regulations under these Acts and the Code of Conduct for Gas Marketers.

In 2011, RiteRate was found to have contravened section 12 of the ECPA and section 7 of Ontario Regulation 389/10 related to contract content requirements. RiteRate provided the Board with an Assurance of Voluntary Compliance in which it admitted to the contract deficiencies and committed to ensure they would be remedied. RiteRate paid an administrative monetary penalty in the amount of \$5,000.

| Board staff | reviewed Rit | eRate's interrogatory | responses and, in particu | ılar, |
|--------------|-----------------|-----------------------|-------------------------------|-------------------------------|
| | | | In Board staff's v | <i>r</i> iew, it generally is |
| not inappro | priate for a c | ompany such as Rite | Rate to contract with a thi | ird party for the |
| provision of | f services. Be | oard staff notes that | | |
| | | | | |
| | | | , | |
| | | • | Board sta | aff notes that |
| according t | to the Board r | ecords and as stated | I in the application, there h | nave been very |
| few compla | aints raised by | consumers to the B | oard about the applicant i | n the last two |
| years. This | s supports Ri | eRate's stated comn | nitment to consistently cor | mply with all |
| regulatory a | and legal req | uirements. | | |

Technical Capability

Board staff submits that according to the application RiteRate employs technical personnel with adequate experience and qualifications to provide responsive and quality

support for systems and processes in the gas market where RiteRate does business.

CONCLUSION

In consideration of the evidence filed, Board staff is of the view that RiteRate has the adequate technical and financial capabilities to operate effectively in the Ontario market. Board staff submits that there is no evidence to suggest that RiteRate is not conducting itself in a manner consistent with its regulatory and legal requirements. Board staff supports the renewal of RiteRate's gas marketer licence for a 5 year term.

All of which is respectfully submitted.