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BY E-MAIL AND WEB POSTING

October 30, 2015

**To: All Licensed Electricity Retailers
All Licensed Gas Marketers
All Licensed Electricity Distributors
All Natural Gas Distributors
All Participants in EB-2014-0158 (Consultation on the Effectiveness of Part II of the *Energy Consumer Protection Act, 2010*)
All Other Interested Parties**

Re: Giving Effect to the OEB's Report on the Effectiveness of the *Energy Consumer Protection Act, 2010* (EB-2015-0268)

The Ontario Energy Board (OEB) is hereby inviting comments on proposed revisions to the disclosure statement, price comparison and contract verification scripts that electricity retailers and gas marketers (collectively, "suppliers") are required to use. In addition, the OEB is inviting comments on two newly proposed documents: a cover sheet for electricity and gas contracts, and a consumer "tip sheet".

A. Background

On October 5, 2015, the OEB gave [notice of its proposal](#) (Notice) to amend the following rules and codes under sections 45 and 70.2 of the *Ontario Energy Board Act, 1998*:

- i. the Electricity Retailer Code of Conduct (Retailer Code);
- ii. the Code of Conduct for Gas Marketers (Marketer Code);
- iii. the Retail Settlement Code; and
- iv. the Gas Distribution Access Rule.

The purpose of the proposed amendments is to address certain findings and implement certain recommendations set out in the OEB's report called "[Consumers Come First: A Report of the Ontario Energy Board on the Effectiveness of Part II of the *Energy Consumer Protection Act, 2010*](#)" (ECPA Report), which was submitted to the Minister of Energy on June 1, 2015. The proposed amendments are also required to support proposed legislative changes that, if made, would amend the rules governing electricity retailers and gas marketers set out in and under the *Energy Consumer Protection Act, 2010* (ECPA) in respect of low-volume consumers.

In the Notice, the OEB indicated it would issue for stakeholder comment revised versions of the disclosure statement, the price comparison, and the contract verification scripts. The OEB also indicated that it would invite comments at the same time on two newly proposed documents: the contract cover sheet and the consumer "tip sheet".

As noted in the Notice, for elements of the OEB's proposals that are contingent on Bill 112 (the *Strengthening Consumer Protection and Electricity System Oversight Act, 2015*) being passed or on finalization of the government's proposed amendments to Ontario Regulation 389/10 (General) under the ECPA, the OEB does not intend to finalize and implement its proposals until the legislative process has run its course.

B. Proposed Amendments to Disclosure Statements, Price Comparison Templates and Scripts

As noted in the ECPA Report, disclosure statements, price comparisons and standard scripts are important consumer protection measures, and are broadly used elsewhere. Based on the OEB's consumer research and a review of consumer complaints, however, these measures may not be working as well as they could. The OEB's objective is that these materials be more consumer-friendly, simpler and as short as possible.

Disclosure Statements

The purpose of the disclosure statement (which is required under the ECPA Regulation) is to provide low-volume consumers with key information about contracting for electricity or natural gas, expressed in terms that are as easy as possible to understand. The OEB proposes a number of revisions to the disclosure statement with a view to simplifying the content as much as possible without detracting from the key pieces of information that the OEB believes should be provided to consumers.

Also, the OEB proposes to make provision for a “dual fuel” disclosure statement. Where both gas and electricity supply contracts are sold, a supplier should be allowed to contract for both products using a combined disclosure statement that meets the criteria established by the OEB as it pertains to each commodity rather than being required to provide disclosure statements twice, once for electricity and once for gas. The OEB is therefore proposing to make provision for a “dual fuel” disclosure statement. The proposed dual fuel disclosure statement for residential consumers is set out in Attachment A to this letter.

The OEB will also make similar updates to the other residential and non-residential versions of the disclosure statements which are:

- i. contracting in person;
- ii. contracting over the internet;
- iii. contracting by mail solicitation; and
- iv. contract renewals and extensions.

As is the case today, the OEB will make the disclosure statements available in French and in each of the other languages identified on the back of the disclosure statements.

In the coming weeks, the OEB will be addressing issues of format and graphic design, and interested parties should therefore be aware that the overall appearance and form of the disclosure statements may change as a result of that exercise.

Price Comparisons

The purpose of the price comparison template (which, like the Disclosure Statement, is required under the ECPA Regulation) is to explain the retail contract price of electricity or gas compared to the price of electricity or gas if purchased from a consumer’s utility. The OEB proposes to require side-by-side price comparisons between utility prices and retail offerings. The OEB believes that a side-by-side price comparison will improve consumer understanding of the retail contract offering. The proposed revised price comparisons are set out in Attachment B to this letter.

The OEB will continue to make available different versions of the price comparisons, for electricity and gas, and to accommodate residential and non-residential low-volume

consumers, and in the gas sector to accommodate low-volume consumers served by rate-regulated utilities and non rate-regulated utilities.

In the coming weeks, the OEB will be addressing issues of format and graphic design, and interested parties should therefore be aware that the overall appearance and form of the price comparison templates may change as a result of that exercise.

Verification Call Scripts

The OEB proposes a number of revisions to its verification call scripts to ensure that low-volume consumers understand and accept the contractual arrangements to which they have previously agreed. The proposed revised scripts are set out in Attachment C to this letter.

The proposed revised scripts accommodate verification of internet contracts, as proposed under Bill 112, and build on an earlier consultation with suppliers that was suspended pending completion of the OEB's ECPA review. As indicated in its Notice, the OEB is proposing amendments to the Retailer Code and the Marketer Code to allow suppliers greater flexibility in relation to certain elements of the verification script, similar to the flexibility that currently exists with the renewal script.

The OEB proposes that the verification scripts be separated into residential and non-residential versions, as well as changes to the sequencing and organization of questions for better flow and customer understanding. Also, the OEB proposes that some questions regarding customer information (i.e. telephone number, address, account number, etc.) be made optional. In addition, the OEB proposes a verification script that would apply to contracts that cover multiple locations for non-residential consumers.

The OEB intends to make similar changes to its scripts for telephone renewals/extensions.

Contract Cover Sheet

In its ECPA Report, the OEB noted that certain key provisions in retail contracts, such as cancellation rights and fees, are of particular importance to consumers and need to be emphasized and in plain language.

The proposed amendments to the Retailer Code and the Marketer Code would require suppliers to: (a) use certain standardized headings in their contracts, principally for information that is required to appear in contracts under the ECPA Regulation; and (b) include an OEB-approved cover sheet with their contracts.

The OEB has developed a proposed cover sheet that contains a plain language description of certain contract provisions. The proposed contract cover sheet (dual fuel version) is set out in Attachment D to this letter. The OEB intends to issue separate versions of the proposed cover sheet, one for electricity contracts and one for gas contracts.

Consumer “Tip Sheet”

Although door-to-door sales at a consumer’s home will be prohibited in the future if Bill 112 is passed in its current form, marketing and advertising at the door will not. The OEB believes that consumer understanding will be improved if residential consumers have ready access to information from different sources at any given point in time.

The OEB therefore proposes to amend the Retailer Code and the Marketer Code to require suppliers to provide an OEB-approved “tip sheet” to consumers when engaging in marketing activities at a consumer’s home. This is what is contemplated by the proposed new requirement in Part B of both Codes to “provide and leave with the consumer such documents as may be approved by the OEB”.

The “tip sheet” will include information in plain language that is useful to consumers in helping them think about whether a retail energy contract is right for them or not. The proposed “tip sheet” is set out in Attachment E to this letter.

C. Invitation to Comment

All interested parties are invited to submit written comments on the proposals, as set out in Attachments A to E, by **November 16, 2015**, in accordance with the filing instructions set out in section D below.

D. Filing Instructions

Three (3) paper copies of each filing must be provided, and should be sent to:

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

The OEB requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. A user ID is required to submit documents through the OEB's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the OEB's website at www.ontarioenergyboard.ca, and fill out a user ID password request.

Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the OEB's web portal is not available, electronic copies of filings may be filed by e-mail at boardsec@ontarioenergyboard.ca.

Those that do not have internet access should provide a CD containing their filing in PDF format.

Filings to the OEB must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2015-0268** and include your name, address, telephone number and, where available, your e-mail address and fax number.

If the written comment is from a private citizen (i.e., not a lawyer representing a client, not a consultant representing a client or organization, not an individual in an organization that represents the interests of consumers or other groups, and not an individual from a regulated entity), before making the written comment available for viewing at the OEB's offices or placing the written comment on the OEB's website, the

OEB will remove any personal (i.e., not business) contact information from the written comment (i.e., the address, fax number, phone number, and e-mail address of the individual). However, the name of the individual and the content of the written comment will be available for viewing at the OEB's offices and will be placed on the OEB's website.

This letter, including the proposed revisions to the OEB's regulatory instruments set out in Attachments A to E, and all written comments received by the OEB in response to this letter will be available for public viewing on the OEB's web site at www.ontarioenergyboard.ca and at the office of the OEB during normal business hours.

If you have any questions regarding the proposals described in this letter, please contact Lou Mustillo at Lou.Mustillo@OntarioEnergyBoard.ca or at 416-544-5185. The OEB's toll free number is 1-888-632-6273.

DATED at Toronto, October 30, 2015

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Attachments: Attachment A – Proposed Revised Disclosure Statement
Attachment B – Proposed Revised Price Comparisons
Attachment C – Proposed Revised Verification Call Scripts
Attachment D – Proposed Contract Cover Sheet
Attachment E – Proposed Consumer “Tip Sheet”

Attachment A

Proposed Revised Disclosure Statement

(Separate document attached)

Attachment B

Proposed Revised Price Comparisons

(Separate documents attached)

Attachment C

Proposed Revised Scripts for Verification Calls

(Separate documents attached)

Attachment D

Proposed Contract Cover Sheet

(Separate document attached)

Attachment E

Proposed Consumer “Tip Sheet”

(Separate document attached)