

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*;

**AND IN THE MATTER OF** Notice of Intention to Make an Order for Compliance and Payment of an Administrative Penalty against Active Energy Inc. (ER-2012-0045).

**ACTIVE ENERGY INC. (ACTIVE)**

**WITNESS STATEMENTS**

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**TAB 1**

Joint Witness Statement dated September 27, 2017

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*;

**AND IN THE MATTER OF** Notice of Intention to Make an Order for Compliance and Payment of an Administrative Penalty against Active Energy Inc. (ER-2012-0045).

**JOINT WITNESS STATEMENT**

**Michael Stedman  
and  
Chris Waddick**

It is anticipated that Michael Stedman and Chris Waddick will be called by Active Energy Inc. (Active) as witnesses at the hearing of this matter, and the substance of their oral evidence is anticipated to be as follows:

1. Michael Stedman is the President and Chief Operating Officer of Active. Michael founded Active in 2005. He is responsible for all aspects of the company's marketing and operations activities.
2. Mr. Stedman's curriculum vitae is provided as Attachment 1. Mr. Stedman has a degree in Metallurgical Engineering, worked in the regulated gas utility business in Ontario between 1989 and 2001, and has been active in the competitive energy services business since 2001.
3. Chris Waddick is Executive Vice President and Chief Financial Officer of Active, assuming that role in January 2013. He is responsible for finance, administration, human resources, information technology, and legal and regulatory matters.
4. Mr. Waddick's curriculum vitae is provided as Attachment 2. Mr. Waddick has both a Bachelors degree and a Masters degree in Business Administration and is a Chartered Professional Accountant. Mr. Waddick worked for Magna International Inc. before taking a position at Centra Gas/Union Gas where he worked from 1989 to 1997. Mr. Waddick then held positions, including Chief Financial Officer, President and Chief Executive Officer with companies in the life sciences and clean-tech sectors prior to joining Active.

5. As reflected in the Agreed Statement of Facts filed herein (ASF), the origin of the investigation by Ontario Energy Board (Board of OEB) Staff which has led to the current proceedings was an inquiry of the OEB by a customer of Active (C.C.) first made in January, 2016. Both Mr. Stedman and Mr. Waddick have been directly involved first in responding to C.C.'s initial inquiry referred by OEB Staff to Active and subsequently in the further inquiries, investigation, and enforcement process by OEB Staff leading to this proceeding.

### **Practice of Aggregating Customer Volumes to Determine Application of Energy Consumer Protections**

6. Active retails energy to customers, not to accounts.
7. Many of Active's energy supply customers have more than one distribution meter through which their electricity supply is measured. Sometimes a customer will have two or more meters on a single property. Sometimes they will have meters at different properties.
8. Each such distribution meter is associated with a distribution utility account. Thus an Active customer with more than one distribution meter is served under more than one utility account. Each of the customer's utility accounts for which the customer has requested energy supply from Active is listed on a schedule to the contract entered into between Active and that customer.
9. In all cases, each of Active's multiple meter/multiple utility account customers is represented in their contracting activities with Active either by; i) a single, senior individual employee or, in some instances, by two senior employees together; or ii) by an energy management consultant acting for the customer. In all cases the final contract implementation for all of the meters/utility accounts listed on the contract schedule is directly with the customer, and is concluded with the same one or two senior individual employee(s) signing on behalf of the customer.
10. A customer's volume at the time of contracting is determined, both by the customer and by Active, based on the total volume which the customer has historically consumed through the meters, and at the locations, included by the customer in their request to Active for supply. If a customer has multiple meters, whether at one location or at different locations, the volumes reported to have been consumed through all of those meters is aggregated for all purposes under the supply contract, including for the purposes of;
  - (a) buying or hedging the supply obligation which Active undertakes in agreeing to supply the customer with the volumes requested by the customer for delivery to the location or locations designated by the customer;

- (b) negotiating the terms of the supply contract (such as block or load following, fixed versus variable pricing and term); and
  - (c) determining whether the ECPA and related energy consumer protections apply.
11. We have always believed, and continue to believe, that this approach to customer characterization is consistent with both the wording and the intention of the applicable energy consumer protection legislation and OEB codes.
  12. We are not aware of any legislation or code provisions which dictate applicability of energy consumer protections which categorize customers by reference to meters, utility accounts or municipal address. The legislative provisions which dictate applicability of energy consumer protections of which we are aware, and which we have followed, refer to “consumers” as “persons”, and nowhere refer to “consumers” or customers as, or in reference to, meters or municipal addresses.
  13. For all of the 141 customers included in the investigation giving rise to this proceeding, Active’s representatives concluded its supply agreements with one or two senior individual representatives of the customer, and those negotiations included all of the volumes for which the customer contracted and for which Active undertook a supply obligation.
  14. The number of meters for each of these 141 customers ranges from 2 to 259, and the number of premises for each of these 141 customers ranges from 1 to 225. In each instance, however, there are one or two customer representatives with whom Active contracted for provision of all of the customer’s contracted supply. In each case the customer’s contracted supply at the time of negotiating and entering into the contract was reported to exceed 150,000 kWh.
  15. This practice is not unique to Active. It is common in the Ontario retail sector. This is the same approach followed by dozens of licenced retailers, including companies like Active who contract directly with customers, as well as by energy management consultants who advise customers on competitive energy supply options and ultimately introduce customers to Active and/or other energy retailers.
  16. For example, Active acquired customer obligations and contracts from Superior Energy Management, including 19 customers included on the customer lists attached to the Notices of Intention.
  17. Since issuance of the Notices of Intention we have had inquiries from, and discussions with, several significant Ontario energy retailers and energy consultants, all of whom have or had the same practice and all of whom have been surprised at the position reflected in the Notices of Intention.

18. In fact, one retailer president recently relayed to Mr. Stedman that he has had many conversations with OEB Staff over several years on this issue of aggregation of customer accounts and have asked for confirmation of staff's position and supporting documentation, but have never received a response to these requests.
19. We have been told of further discussions on this issue of aggregation between OEB Staff and other retailers with similarly inconclusive results.
20. Despite these earlier discussions involving OEB Staff and the long industry practice discussed above, the current enforcement proceeding is, to our knowledge, the first such proceeding on this issue of aggregation of customer accounts.
21. Other than the single question and answer in the FAQ referenced by OEB Staff in this proceeding, which we became aware of only subsequent to the Notices of Intention being issued by the Board, we are not aware of any other mention or indication that the common industry practices of aggregating a customer's volumes across multiple meters and premises violates the Ontario *Energy Consumer Protection Act (ECPA)* and related consumer protection requirements.
22. Active has always understood the purpose of Ontario's energy consumer protection regime, and in particular the distinction made in that regime between low-volume and non-low volume consumers, to be to provide those customers deemed as likely relatively less sophisticated with additional (indeed comprehensive) protections. As noted above, in respect of its non-low volume customers, Active deals with one or two senior individuals, or with energy management consultants contacting Active on the customer's behalf, in negotiating and concluding supply arrangements for volumes which exceed legislated low-volume thresholds, and this is true irrespective of whether there is one meter or 259 meters to be served under the applicable contract, and irrespective of whether those meters are located at one municipal address or 225 municipal addresses.

### **Understanding of OEB Staff's Test for *Energy Consumer Protection Act (ECPA)* Compliance**

23. To this day, we do not understand the basis for OEB Staff's characterization of whether a particular Active customer is low-volume or not, and thus whether and when, in the view of OEB Staff, Active is in compliance with, or in breach of, the *ECPA* and associated consumer protection requirements. The applicable "standard" seems to have been evolving throughout this process, and is as yet unclear.

24. When Active was contacted by the OEB in respect of inquiries of the Board by Active's customer C.C., OEB Staff pursued the matter as if the customer were a low-volume customer. This implied to us that the standard being applied by OEB Staff was at the individual meter level. For example, when the investigation which has led to these proceedings was begun by e-mail to Active dated August 30, 2016 (included as ASF Attachment 2), OEB Staff were seeking information regarding, and asked "*under what authority*", Active dealt with C.C.
25. Similar questions continued through the e-mail inquiries from OEB Staff dated September 21, 2016 (included as ASF Attachment 3), in which OEB Staff asked Active about the basis for its aggregation of both single property and multiple property utility accounts.
26. A further set of questions sent by OEB Staff on October 21, 2016 (included as ASF Attachment 5) asks about aggregation of accounts, without any reference to the distinction between accounts associated with a single address and those associated with multiple addresses.
27. Then, on February 1, 2017 (see ASF Attachment 7), more than a year after the customer inquiry which ultimately gave rise to these proceedings and more than 7 months after the formal investigation by OEB Staff was begun, OEB Staff asked for a breakdown of the list of 141 aggregated meter customers previously provided by Active to show those with a single address and those with multiple addresses. That breakdown was provided by Active on February 10, 2017 (see ASF Attachment 8). Then, by April 4, 2017 (see ASF Attachment 12) OEB Staff seem to have resolved to focus on aggregated meter customers with multiple locations, and asked for the balance of the contracts not already provided by Active for such customers only.
28. Since Active's customer C.C. is not included among the contracts that are the subject of this compliance proceeding, we assume that OEB Staff have determined that aggregating customer volumes across meters on a single premises is an appropriate practice in determining whether *ECPA* and related consumer protections are required to be applied to that customer.
29. Beyond this, however, even with publication by the Board of the Notices of Intention, we are still unclear on the test being applied by the Board to determine the requirement for application of *ECPA* and related consumer protections.
30. We have extensively and exhaustively reviewed the contracts provided to OEB Staff during their investigation against the list of 101 contracts ultimately included in the Notices of Intention issued by the Board. We summarize the results of that review below. Considering those results, as we understand them, we remain uncertain regarding the standard applied by OEB Staff to determine whether application of *ECPA* and related consumer protections is required.



31. We have also noted the following statement in the Board's Notices of Intention:

*Active has advised the OEB that, as a business practice, Active does not apply the requirements under the ECPA legislation to low-volume consumers whose electricity consumption, when aggregated across multiple accounts and multiple locations, exceeds 150,000 kWh of electricity annually...*

We wish to clarify that Active has not so advised the Board. As we are sure is clear to the Board, but in order to clarify the public record, we do not consider these customers to be "low-volume consumers".

32. Active has not retailed to low-volume consumers since the end of 2016. Prior to this time Active did retail to low-volume consumers and in so doing applied all requisite ECPA and related consumer protections.

### **Summary of Contracts Provided and in Issue**

33. As stated in paragraph 4 of the ASF, on Tuesday, October 11, 2016 in response to questions from OEB Staff Active provided OEB Staff with a copy of the contract with its customer C.C. This customer is served by Active through 3 utility meters all located at one municipal address.

34. As stated in paragraph 5 of the ASF, on October 18, 2016 OEB Staff, as part of its ongoing investigation in this matter, made the following request of Active:

*In response of October 12, 2016 to question #5 Active Energy stated that it does service large volume customers taking energy service at multiple locations and that Active Energy considers these customer [sic] as a "consumer", whose volume is delivered by the consumer's distributor(s) to different locations.*

- a. *Please confirm that Active Energy has aggregated multiple low-volume (less than 150,000 kWh/year) accounts into a single large volume account for the purpose of enrolling into an energy contract with Active Energy if the account is held by the same account holder.*
  - b. *If so, how many large volume consumers are a result of aggregated low-volume accounts. Please provide a list of each account, and list the number of low-volume accounts involved.*
35. As stated in paragraph 6 of the ASF, in response to OEB Staff's October 18<sup>th</sup> requests, on November 4<sup>th</sup> Active provided OEB Staff with a list of 141 customers.

Each of these customers has at least one meter at which consumption below 150,000 kWh was recorded.

36. Of these 141 customers identified by Active during the course of this investigation:
  - (a) 34 have multiple utility meters, and thus multiple accounts, but all associated with a single municipal address. None of these customers are included in the 101 customers listed in the Notices of Intention.
  - (b) 1 customer was included in respect of one of the Active contracts provided to OEB Staff (#36 on the May 25<sup>th</sup> Notice of Intention customer list; initial KCMI, see Attachment 6 hereto), but not in respect of the other contract provided.
  - (c) The balance, 106 of these 141 customers, are served under their Active electricity supply contract at more than one location.
37. Of these 106 customers who are served under their Active electricity supply contract at more than one location, 101 are included in the contract lists attached to the Notices of Intention.
38. The remaining 5 Active multiple location customers who are not included in contract lists attached to the Notices of Intention are listed in Attachment 3 hereto. Each of these 5 customers have at least two locations, at least one of which has recorded consumption below 150,000 kWh. We do not understand why these customers have not been included on the lists in the Notices of Intention.
39. In respect of the 101 customers who are included on the Notices of Intention contract lists, all of whom are served under their Active electricity supply contract at more than one location:
  - (a) Attachment 4 lists those 15 customers who have one or more meters through which consumption was measured in excess of 150,000 kWh at the time of contracting.
  - (b) Attachment 5 lists those 14 customers who do not have any meters through which consumption was measured in excess of 150,000 kWh at the time of contracting and who have a single property at which consumption across the meters on that property was measured in excess of 150,000 kWh.
  - (c) Attachment 6 lists the remaining 72 customers, who are customers whose consumption does not exceed 150,000 kWh at any of their properties (though in aggregate the customer's consumption exceeds 150,000 kWh).

### **Knowledge of FAQ Cited by OEB Staff**

40. The Board's Notices of Intention state (paragraphs 4) that *"[t]he OEB's guidance on this issue has been available to Active and the rest of the electricity retailer sector since the ECPA took effect in 2011"*. This reference surprised us.
41. Neither of us (nor for that matter our external counsel, Mr. Mondrow of Gowling WLG) were aware of any such guidance prior to the issuance of the Notices of Intention.
42. We are informed by Mr. Mondrow, and believe, that the first that he became aware of this guidance was when external counsel for OEB Staff referenced it for him in response to his inquiry following his review of the Notices of Intention. Mr. Mondrow then brought the reference to this issue in the Board's FAQ (a copy of which is included as ASF Attachment 19) to our attention.
43. This seems to us to be a very odd place to include guidance on an issue of such potentially broad significance to the retail industry. In our understanding, this "guidance" appears in what seems to us to be a relatively obscure FAQ on the Board's website, and included as a sub-question under the heading *"Verification and Renewal Scripts"* which has nothing to do with determination of *ECPA* application.
44. In contrast, we are, of course, aware of both the legislated and associated requirements (including OEB Codes made applicable through our retailer licences).
45. We are also aware of the Board's published Compliance Bulletins (as they were called at one time). Attachment 7 hereto is a printout from the preamble published by the Board on its website to describe the nature and purpose of what the Board now refers to as Staff Bulletins. This description is in accord with what has been our understanding of the mechanisms used by the Board to provide guidance to regulated entities including energy retailers. The Board has published a number of Compliance Bulletins/Staff Bulletins for retailers over the years, including in relation to the *ECPA*, and we have made ourselves aware of those as and when they have been published.

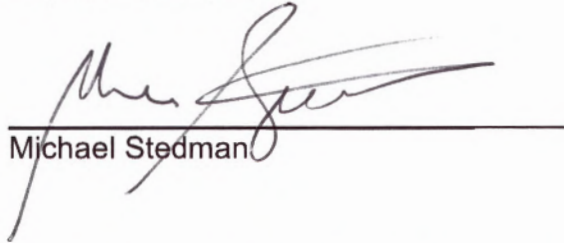
### **Impact of Notices of Intention and Potential Impact of Proposed Order**

46. Among the matters that remain unclear, and troubling, to us is why the Board proceeded with two separate Notices of Intention in respect of the same investigation, and published a week apart.

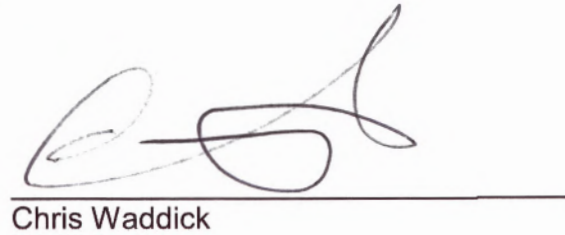
47. Active has considered the 86 contracts/customers referenced in the first notice, and the 15 referenced in the second, and cannot determine why these customers were not consolidated into one notice.
48. This is not just a matter of puzzlement. The Board must realize that publication of a Notice of Intention asserting non-compliance is extremely damaging of a retailer's reputation in the market place, both in respect of its existing customers and in respect of potential new customers.
49. Further, there are retailer agents who will take advantage of these circumstances, to the detriment of Active. For example, on September 7<sup>th</sup> Active received a complaint forwarded from the OEB regarding an Active customer which is a property management company and which has contracted with Active for fast food franchises having a total of 18 utility accounts. Some of the accounts show consumption above the low-volume customer threshold, and some show consumption below the threshold. The customer has stated that they were informed by another retailer that Active is currently under enforcement proceedings regarding customers with multiple accounts, and is complaining that, with respect to certain of their accounts, they *"were not provided with the necessary documents upon signing, the contracts should be null and void"*.
50. In respect of this particular customer, the OEB Staff involved seem to be treating each account below the low-volume threshold as a separate complaint, and Active has received 18 such complaints all related to the same customer. (This customer has 18 properties, and 4 of these properties have recorded consumption above the low-volume threshold.)
51. In respect of the 101 customers listed in the Notices of Intention, Active has calculated the financial impact on it, in addition to the \$202,000 in proposed administrative penalty payments set out in the Notices. If Active were required to refund all monies paid by these customers under their contracts, and not just the amounts paid by these customers in excess of the amounts that would have been paid by these customers had they remained on the OEB's Regulated Price Plan or HOEP, the impact would be in excess of \$3.6 million. (The margin earned by Active on these contracts was only a small fraction of this amount. If Active were required to refund the difference between what the customer paid for electricity under their Active contract and what they would have paid under the RPP or HOEP pricing, as applicable, the impact would higher than, but closer to, Active's margin earned.)
52. As already stated, the practice of aggregating volumes for all utility accounts/meters for which a customer contracts for competitive energy supply in determining contracting terms, including *ECPA* applicability, is common industry practice. Should the OEB determine that such practice violates the *ECPA* and related consumer protection requirements, and proceed to apply this determination to all other existing retailer/customer relationships, the impact on the Ontario retail

industry would be several tens of millions, and potentially even hundreds of millions, of dollars.

September 27, 2017



Michael Stedman



Chris Waddick

Both witnesses can be reached through external, Gowling WLG (Canada) LLP, Attention: Ian A. Mondrow ([ian.mondrow@gowlingwlg.com](mailto:ian.mondrow@gowlingwlg.com)).

**TAB 2**

Attachment 1 to Joint Witness Statement  
(Michael Stedman's curriculum vitae)

# Michael Stedman

**Burlington, Ontario**  
■ **Cell: (905) 467-1007**

## BACKGROUND SUMMARY

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An action oriented **EXECUTIVE** with over twenty five years of progressively responsible experience in sales & marketing, gas supply, risk management, transportation and regulatory affairs. Delivers significant results and demonstrates sound business judgement, decisiveness, leadership, and well developed strategic planning. Experienced at identifying market opportunities and implementing appropriate business strategies.

## WORK EXPERIENCE

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### **Active Energy, Burlington**

**2005-2017**

#### ***PRESIDENT, COO***

*Directing Canada's business development and operations.*

- Operate all aspects of company's marketing and operations activities.

### **Middleton Energy Management Limited, Burlington**

**2002-2004**

#### ***VICE PRESIDENT, MARKET AND BUSINESS DEVELOPMENT***

*Directed eastern Canada natural gas sales, marketing and business development.*

- Developed and implemented a new natural gas and marketing business in eastern Canada.
- Completed a number of consulting projects in the regulatory and litigation field.

### **Mirant Canada, Oakville**

**2001-2002**

#### ***DIRECTOR, MARKET AND BUSINESS DEVELOPMENT***

*Directed eastern Canada natural gas sales, marketing and business development.*

- Organized and staffed a new office in eastern Canada.
- Played a key role in the acquisition of TransCanada's eastern marketing business.
- Managed the commercial contracts for Mirant's pool business with volumes in excess of 600 mmcf/d and revenues of approximately one billion dollars per year.
- Led Mirant's commercial negotiations with TransCanada's white paper.

### **Union Gas, Chatham**

**1996-2001**

#### ***DIRECTOR, ACQUISITIONS*** (1999-'01)

*Directed gas supply buying activity, risk management, transportation and regulation.*

- Developed and implemented a variety of shareholder opportunities for Westcoast Energy.
- Managed a diverse team of 13 staff with a budget in excess of 300 million dollars.
- Developed, managed and implemented the risk management program.

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Work Experience continued

- Led Union's interest in the TransCanada's incentive agreement and acted as the policy witness at NEB hearings.
- Developed, implemented and testified to buying policies at the OEB.

***MANAGER GAS SUPPLY AND TRANSPORTATION (1998-'99)***

***MANAGER TRANSPORTATION (1996-'98)***

- Instrumental in the continued deregulation of the natural gas business through the development and implementation of unbundling of assets.
- Directed the preparation of evidence and testified on matters concerning gas acquisition and risk management in all rate cases and in quarterly gas costs reviews.
- Developed the company's position in the acquisition of capacity on the Alliance Pipeline. Supported Alliance as a witness in the NEB proceedings.
- Developed strategies and negotiated all long and short term transportation contracts including the development of new transportation routes to meet the market.
- Developed a transactional business using Centra's assets prior to the Union merger.

**Centra Gas**

**1989-1996**

***MANAGER LARGE INDUSTRIAL MARKETS, NORTH YORK (1992-'96)***

*Managed the large industrial sales staff with revenues in excess of \$200 million.*

- Organized and staffed the marketing activity. Sales growth increased from 5% to 15%.
- Exceeded targeted earnings in excess of 20%.
- Managed supply to six new cogeneration projects with \$2 to \$6 million capital budgets.
- Contributed 70% of company's volume throughput and 35% of earnings.
- Represented the company as a witness on industrial issues at the Ontario Energy Board.
- Developed and managed the company's first heating insurance plan that generated one million in additional annual revenues.

***MANAGER INDUSTRIAL GAS, KINGSTON (1990-'92)***

*Managed the large industrial markets in eastern Ontario*

- Awarded industrial achievement award for three consecutive years.
- Developed and managed a \$6 million expansion project into the Madoc area involving extensive negotiations with an industrial customer and governmental agencies.
- Successfully represented the company as a witness at the Ontario Energy Board.

***INDUSTRIAL REPRESENTATIVE, NORTH BAY (1989-'90)***

*Supported the industrial marketing department in promoting natural gas across Ontario.*

- Developed programs to evaluate and optimise service options for industrial accounts.
- Designed programs and established interest in cogeneration within the Centra's franchise.

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**EDUCATION**

- **B.SC. (HONOURS) METALLURGICAL ENGINEERING**  
Queens University, Kingston, Ontario (1989)



**TAB 3**

Attachment 2 to Joint Witness Statement  
(Chris Waddick's curriculum vitae)

## **CHRIS WADDICK, MBA, CPA, CMA**

9 McMaster Street, Georgetown ON, L7G 5G7, 416.371.4476, chriswaddick@gmail.com

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### **PROFILE**

- An innovative, entrepreneurial, finance and operating executive with experience in both start-up/high-growth organizations and large corporations.
- In-depth experience with public company management, corporate governance, and building close and effective working relationships with the Board of Directors and Board committees
- Extensive experience in designing, building and managing financial processes, procedures, and infrastructure
- Recognized for leadership ability, people management skills, growing a company, transitioning an organization through major cultural change and leading in crisis situations.
- Demonstrated success in raising \$300 million in equity and debt financings

### **PROFESSIONAL EXPERIENCE**

**ACTIVE ENERGY INC.** (January 2013- Present) - A private closely held energy company with revenues over \$150 million focused on marketing gas and electricity to commercial and industrial companies and managing pipeline assets.

Executive Vice President and Chief Financial Officer

#### *Professional Accomplishments*

- Retained by shareholders to assist Company in refinancing high interest venture debt, establishing new strategic direction, reorganizing the Company and establishing appropriate financial infrastructure, controls and policies
- Implemented two corporate restructurings

**ENVIROPURE SYSTEMS** (Sept 2010 – December 2012) - A private cleantech company focused on developing and commercializing innovative organic waste disposal technology.

Managing Director and Member of the Board of Directors

#### *Professional Accomplishments*

- Restructured company for tax and financing reasons
- Completed \$1M seed financing
- Completed partnership agreements for North American distribution
- Led the negotiation, due diligence and legal process for the sale of the company to a private U.S. entity

**NRJ CONSULTING INC.** (November 2009 – Present) - Management and financial consulting for entrepreneurial/high growth organizations.

President

**Christopher J. Waddick, MBA, CPA, CMA**

**VASOGEN INC. (1997 – 2009)**

A NASDAQ & TSX public life sciences company focused on developing innovative therapies for cardiovascular and neurological diseases. A rapid growth company with a peak annual budget of approximately \$100 million and over 200 employees.

*Professional Accomplishments*

- Managed an organization that grew from 5 employees to over 200, operating internationally; managed budget growth from start up to \$100 million annually.
- Took company public in the U.S. and Canada. Managed the transition between exchanges. Increased market cap from \$10 million to a peak of almost one billion.
- Secured over \$300 million in financings through multiple financing structures.
- Led the transformation of an organization from an R & D focus to a commercial focus requiring significant change management leadership as well as structural, operational, and human resources strategies and plans.
- Created a finance department and grew it to accommodate rapid growth
- Led an organization through 3 major "crisis" situations.
- Developed reporting policies and procedures in compliance with both Canadian and US securities regulatory requirements including full SOX implementation.
- Developed and had executive responsibility for a corporate governance structure that received a top ranking from external evaluators.
- Implemented a tax-effective international corporate structure.
- Executive responsibility for negotiating, structuring, and closing a highly complex and unique M&A transaction involving tax loss monetization, concurrent merger and the listing of the resulting entity on the TSX and NASDAQ.

President and Chief Executive Officer, Member of the Board of Directors (June 2007 – October 2009)

Chief Operating Officer (2005 – June 2007)

As sole report to the CEO, responsible for overall operations of the Company and the direction and development of the senior management team. Primary executive liaison with the Board of Directors and its committees.

Executive Vice President and Chief Financial Officer (2002 – 2005)

Vice President, Finance, Chief Financial Officer, Corporate Secretary, Treasurer (1997 – 2002)

**UNION GAS LIMITED/CENTRA GAS ONTARIO INC. (1989 – 1997)**  
(Energy Services Company, Assets - \$4 Billion, Revenues - \$2 Billion)

*Professional Accomplishments*

- Established comprehensive company-wide planning and budgeting processes in a large, multi-subsidiary organization.
- Led a finance team to identify and implement synergies from the merging of two entities and to design the new finance function resulting from the combination of organizations with significantly different processes, procedures and cultures
- Preparation of annual capital budgets and operating budgets and the successful defense of these budgets before the Ontario Energy Board

Senior Manager, Financial Planning (1995 – 1997)  
Manager, Forecasting (1993 – 1995)

**Christopher J. Waddick, MBA, CPA, CMA**

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Manager, Regulatory Planning and Accounting (1992 – 1993)  
Supervisor, Regulatory Accounting (1990 – 1992)  
Supervisor, Cost of Service Studies (1989 – 1990)

**MAGNA INTERNATIONAL INC.**

Senior Financial Analyst (1988 – 1989)  
Financial Analyst (1987 – 1988)

**EDUCATION**

Master of Business Administration – York University 1993  
Certified Management Accountant 1992  
Honours Business Administration – Wilfrid Laurier University 1987

**BOARD OF DIRECTORS (Past and Present)**

Vasogen Inc.  
Vasogen Ireland Limited  
EnviroPure Systems

**PROFESSIONAL ASSOCIATIONS (Past and Present)**

Financial Executives International  
Chartered Professional Accountants  
BIOTECanada  
Chairman of Emerging Companies Advisory Board of BIOTECanada

**OTHER INTERESTS**

Avid golfer, traveling, skiing, hockey, coaching youth sports

**TAB 4**

Attachment 3 to Joint Witness Statement  
(Multiple Location Customers Not Included in Notices of Intention)

**Active Multiple Location Customers Not Included in Notices of Intention**

<b>#</b>	<b>Customer Initials</b>	<b># of meters in excess of 150,000 kWh</b>	<b># of Meters below 150,000 kWh</b>	<b># of locations</b>	<b># of locations in excess of 150,000 kWh</b>	<b>aggregate reported consumption of all meters (kWh)</b>
<b>1</b>	EVVF	0	3	2	1	311,320
<b>2</b>	AV	0	4	2	1	224,537
<b>3</b>	RLCL	0	3	2	0	158,478
<b>4</b>	WFKF	0	2	2	0	167,926
<b>5</b>	TWGB	0	2	2	0	174,706

**TAB 5**

Attachment 4 to Joint Witness Statement  
(Multiple Location Customers with 1 or more Non-Low Volume Meters)

**Active Multiple Location Customers With 1 or More Non-Low Volume Meters**

OEB Customer #	Customer Initials	# of meters in excess of 150,000 kWh	# of meters below 150,000 kWh	# of locations	Aggregate Consumption (kWh)	Highest Single Meter Consumption (kWh)	Highest Single Location Consumption (kWh)
10	ASL	46	76	92	13,771,053	669,629	669,629
58	NMMC	1	258	225	9,228,838	267,414	358,208
24	DAL	1	5	7	4,164,116	4,052,906	4,161,048
73	SJCSI	2	7	2	915,812	487,930	903,726
19	CSDC	1	15	6	553,344	154,427	154,427
37	LMFM	1	5	3	552,042	539,252	539,252
21	CT	1	7	5	397,047	254,819	256,944
26	ETCS	1	2	3	308,598	156,464	156,464
86	VCFL	1	2	2	302,315	172,726	233,589
B14	TMBL *	1	1	2	297,652	151,000	292,638
42	MRC	1	2	2	287,552	202,584	202,584
22	CCI	1	2	3	279,306	175,410	175,410
69	RRSML	1	11	9	278,553	151,655	151,655
57	NAI	1	1	2	194,263	163,773	163,773
B4	HAS	1	2	2	193,415	171,639	172,484

\* Volume for 5 meters included at time of contracting.

# "B" indicates June 1, 2017 Notice Customer List.



**TAB 6**

Attachment 5 to Joint Witness Statement  
(Multiple Location Customers with no Non-Low  
Volume Meters and Single Non-Low Volume Property)

**Active Multiple Location Customers With No Non-Low Volume Meters and Single Non-Low Volume Property**

OEB Customer #	Customer Initials	# of meters in excess of 150,000 kWh	# of meters below 150,000 kWh	# of locations	aggregate consumption	# of locations aggregating above 150,000 kWh	highest single location consumption (kWh)
8	AMLHI	0	21	14	743,289	1	194,664
43	MA	0	11	8	549,294	1	174,916
39	LHC	0	10	8	452,425	1	183,445
74	SHL	0	7	2	434,701	1	377,883
32	HM	0	5	3	425,640	1	307,345
B2	LSC	0	47	7	412,717	1	352,903
79	VPP	0	10	8	335,055	1	203,610
B11	STP	0	13	3	305,192	1	261,263
B13	SPC	0	5	2	281,603	1	247,858
61	OG	0	4	2	280,690	1	203,660
53	PFWCFL	0	4	3	278,857	1	161,644
B12	SNJL	0	5	2	235,831	1	233,660
27	FMTSI	0	3	2	191,426	1	191,426
B5	JRF	0	3	2	164,569	1	150,639

# "B" indicates June 1, 2017 Notice Customer List.

**TAB 7**

Attachment 6 to the Joint Witness Statement  
(Multiple Location Customers with no Non-Low Volume Properties)

Active Multiple Location Customers with No Non-Low Volume Meters and No Non-Low Volume Properties

OEB Customer #	Customer Initials	# of meters in excess of 150,000 kWh	# of meters below 150,000 kWh	# of locations	aggregate consumption (kWh)
77	TRRCI	0	42	39	1,283,158
78	TTGL	0	20	20	1,027,920
41	LS	0	20	18	878,634
55	RW	0	11	9	627,437
64	RJDF	0	13	9	585,571
85	YNCU	0	13	12	583,395
36	KCMI	0	9	9	510,036
46	MSL	0	12	8	434,713
3	LC	0	7	7	387,495
80	KCI	0	6	6	369,114
67	ROTI	0	6	5	355,476
11	BST	0	4	4	340,225
B3	BM	0	4	4	337,403
B15	TMI	0	4	4	327,986
48	MMN	0	26	16	294,433
31	HFL	0	8	8	293,986
4	ZOI	0	4	4	284,937
62	OPML	0	3	3	280,245
82	VM	0	2	2	269,096
66	RHH	0	5	4	262,281
25	EY	0	4	3	260,526
7	ASLS	0	3	2	257,825
B7	MOD	0	3	2	252,436
28	FGKL	0	10	7	252,265
51	JAS	0	2	2	248,044
45	MH	0	2	2	242,587
63	PSMRL	0	4	2	238,686
34	KIL	0	7	7	238,024
5	TJR	0	8	8	235,880
13	BNI	0	6	4	225,644
17	CUAW	0	7	5	225,590
30	GTD	0	5	5	224,278
68	RGBRL	0	5	5	220,637
81	VH	0	2	2	220,368
47	MF	0	2	2	216,850
14	BSSI	0	9	6	215,228
70	SMI	0	7	6	214,918
23	DFL	0	3	2	212,733
15	BF	0	5	4	205,709
2	BBFM	0	2	2	204,119
54	RCW	0	10	5	203,636
76	SPL	0	8	5	200,864
52	MS	0	2	2	198,945
59	NFL	0	5	5	198,040
12	BCV	0	2	2	197,857
65	RLR	0	3	3	196,276
40	LM	0	3	3	196,223
B6	LMRF	0	2	2	194,186
1	1OL	0	2	2	191,345
35	KGC	0	6	5	188,145
50	GSH	0	3	2	187,304
83	WWTDC	0	7	5	185,397
49	MBI	0	2	2	184,385
B9	MLM	0	2	2	177,958
B10	MRV	0	4	3	176,695
16	BBPI	0	4	4	174,709
84	WFL	0	4	4	173,763
9	AEMI	0	3	3	172,162
44	MIB	0	7	6	170,769
6	AGC/SGC	0	7	4	170,190
33	HCM	0	2	2	166,393
71	SGKR	0	3	2	164,973
B1	ASA	0	4	4	164,678
56	DP	0	2	2	162,803
18	CAWI	0	3	3	162,597
38	LI	0	4	4	160,788
72	SGI	0	4	4	159,828
75	SBI	0	2	2	159,206
29	GW	0	3	3	157,263
B8	LM	0	2	2	156,236
20	CSC	0	3	3	152,772
60	NTL	0	3	2	151,802

# "B" indicates June 1, 2017 Notice Customer List.

EB-2017-0022/0223  
Active Energy Inc. Witness Statements

**TAB 8**

Attachment 7 to Joint Witness Statement  
(Compliance Bulletins)

[About  
us](#)[Consumer  
protection](#)[Rates and your  
bill](#)[Participate](#)[Utility performance and  
monitoring](#)

## Staff bulletins

Bulletins are issued by Board staff to provide regulated entities with information or guidance in relation to their legal and regulatory requirements or the Board's regulatory policies. They are intended to ensure that regulated entities are aware of and understand those requirements and policies, and to promote compliance. The expectation is that the Bulletins will promote compliance, and thereby protect the interests of consumers and enhance confidence in the Ontario energy sector.

A Bulletin is a staff document and is not binding on the Board. Board Members do not formally approve Bulletins, although they do provide guidance and advice to staff as part of the Bulletin development process. Board Member involvement in the development of a given Bulletin is typically limited, and does not extend to the Board as a whole.

While a Bulletin is not binding on regulated entities in the sense of being an "enforceable provision" unto itself, regulated entities and other stakeholders may expect that Board staff will follow the guidance or information provided in a Bulletin in the course of responding to enquiries, conducting audits and evaluating compliance or enforcement matters.

Date Issued	Bulletin
Jan 3-17	To protect Ontario's energy consumers and help ensure utilities are giving consumers every opportunity to avoid disconnection, the OEB has issued a letter to electricity distributors reminding them of the rules that they must follow regarding disconnecting and reconnecting a service. <a href="#">Letter (pdf)</a>
Jul 7-16	<a href="#">Bulletin (pdf)</a> stating that Electric Vehicle Charging Services do not require OEB regulation. It is not a distribution activity, does not constitute retailing electricity and does not generally fall under OEB oversight.
Jun 9-15	<a href="#">Bulletin (pdf)</a> provides guidance in relation to changes to the presentation of costs associated with losses on invoices that are issued to low-volume electricity consumers on retailer contracts.

**TAB 9**

Further Joint Witness Statement dated October 27, 2017

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*;

**AND IN THE MATTER OF** Notice of Intention to Make an Order for Compliance and Payment of an Administrative Penalty against Active Energy Inc. (ER-2012-0045).

**FURTHER JOINT WITNESS STATEMENT**

**Michael Stedman  
and  
Chris Waddick**

It is anticipated that Michael Stedman and Chris Waddick will be called by Active Energy Inc. (Active) as witnesses at the hearing of this matter. The substance of their anticipated oral evidence was provided in a Joint Witness Statement dated September 27, 2017. This Further Joint Witness Statement is provided in response to a Further Witness Statement of Birgit Armstrong dated October 18, 2017 and supplements the above mentioned September 27<sup>th</sup> Joint Witness Statement.

**Common Practice to Aggregate Energy Consumption of Customers Across Multiple Locations in Determining *ECPA* Application**

1. Ms. Armstrong, at paragraph 4 of her Further Witness Statement, states:

*If such practice [of aggregation energy consumption of customers across multiple locations for the purposes of evaluating whether the ECPA applies] did in fact exist, OEB Staff was (and remains) unaware of such a practice actually being implemented by retailers, apart from the present case.*

2. At paragraph 5 of her Further Witness Statement Ms. Armstrong states:

*I note that Active has failed to provide any details with respect to which retailers might be engaging in such a practice.*

3. Among the 101 contracts included by OEB Enforcement Staff in the list of contracts attached to the two Notices of Intention issued herein, there are 18 contracts that



Active acquired from Superior Energy. The contract documents for these 18 contracts, which were provided to OEB Enforcement Staff as part of the investigation leading up to this proceeding, do not comply with *ECPA* requirements, nor do they comply with the low-volume consumer protection requirements which predated the *ECPA* and were part of the *Ontario Energy Board Act, 1998* as it then was. These contracts illustrate that Superior Energy treated these 18 multi-location customers in the same way in which Active has treated them; as non-low volume customers. A list of these contracts, by OEB code as used in the Notices of Intent, is provided as Attachment A to this Further Witness Statement.


4. Active notes that one of these Superior contracts (OEB code #58) has 259 separate meters, and 225 separate locations. Using the currently approved OEB low-volume consumer verification script it would have taken more than 25 hours of telephone time, all with the VP Controller who signed the contract or some other senior individual authorized to contract on behalf of the customer, to conduct *ECPA* verification calls. Even using the unapproved verification script that has been under development by the OEB for the past 6 years, verification of this customer's many locations/accounts would have taken between 4 and 5 hours of the VP Controller's time.
5. Provided as Attachment B to this further witness statement are letters recently received from various participants in the Ontario competitive energy supply sector. These letters; i) confirm the knowledge of the letter writers that the aggregation of consumption across multiple locations in determining *ECPA* applicability has been a common practice in Ontario; and ii) speak to the impracticality and lack of necessity (from a customer information consumer protection point of view) of doing otherwise.

## **Customer Relationships**

6. We also wish to make sure that the Board understands the nature of the customer relationships at issue in this matter.
7. Each of our non-low volume customers has consulted a professional, business to business sales representative from Active, or from a non-affiliated energy supply consultant/broker who may be presenting a number of different supplier options to the customer. These individuals will set up a meeting, and often a series of meetings, with the prospective customer, to review the customer's energy supply requirements and options. Only after comprehensive discussion, which may be spread over a number of weeks or months, will negotiation of a supply arrangement proceed and culminate in the signing of a supply agreement.

8. We believe that it is as a result of this comprehensive process that there is a very low incidence of complaints from these customers (approximately 0.2% of Active's non-low volume customer base on an annual basis over the last two years).
9. We are not aware of any OEB complaints by any of the 101 customers included in the contract lists attached to the Notices of Intention herein.
10. By way of further example of the nature of the customer relationships at issue in this matter, we refer to the letter included in Attachment B hereto from the President of Energyshop. This letter refers to *"one large scale example of [multi-location customers]...an electricity supply deal in 2014 for one of the big Canadian banks with 650 small volume locations plus a few larger locations in Ontario across 80 LDC's"*.
11. We have seen dozens of instances of the sorts of supply procurements referred to in the Energyshop letter. These procurements are offered to the market by way of a full and formal tendering process. The customer issues a formal RFP package, which includes, in significant detail, requested terms, conditions, pricing, contract implementation approaches and timelines, and includes, by address and utility account listing, hundreds of individual premises owned and operated by the RFP issuer. These processes are run by, or on behalf of, large, sophisticated corporate customers such as the major Canadian bank referred to in Energyshop's letter, which customers go out to tender for hundreds of millions of kwh of energy supply for hundreds of locations which, if required to be considered individually as advocated by OEB Enforcement Staff, would each be "low-volume" location to which ECPA requirements would have to be applied.
12. Not only would this make no sense to the customer, we believe that it would also effectively halt the customer's ability to procure competitive energy supply.

October 27, 2017

  
Michael Stedman  
Chris Waddick

Both witnesses can be reached through external, Gowling WLG (Canada) LLP, Attention: Ian A. Mondrow ([ian.mondrow@gowlingwlg.com](mailto:ian.mondrow@gowlingwlg.com)).

**TAB 10**

Attachment A to Further Joint Witness Statement  
(Superior Energy Contracts acquired by Active and  
included in Schedules to Notices of Intent (listed by OEB Contract #))

**Superior Energy Contracts Acquired by Active and Included in Schedules to Notices of Intent (listed by OEB Contract #)**

<b>OEB Customer #</b>	<b>Customer Initials</b>	<b># of meters in excess of 150,000 kWh</b>	<b># of meters below 150,000 kWh</b>	<b># of locations</b>	<b>Aggregate Consumption</b>
<b>58</b>	NMMC	1	258	225	9,228,838
<b>24</b>	DAL	1	5	7	4,164,116
<b>41</b>	LS	0	20	18	878,634
<b>19</b>	CSDC	1	15	6	553,344
<b>36</b>	KCMI	0	9	9	510,036
<b>21</b>	CT	1	7	5	397,047
<b>11</b>	BST	0	4	4	340,225
<b>B3</b>	BM	0	4	4	337,403
<b>26</b>	ETCS	1	2	3	308,598
<b>B11</b>	STP	0	13	3	305,192
<b>B14</b>	TMBL	1	1	2	297,652
<b>B13</b>	SPC	0	5	2	281,603
<b>62</b>	OPML	0	3	3	280,245
<b>17</b>	CUAW	0	7	5	225,590
<b>57</b>	NAI	1	1	2	194,263
<b>49</b>	MBI	0	2	2	184,385
<b>18</b>	CAWI	0	3	3	162,597
<b>29</b>	GW	0	3	3	157,263

*# "B" indicates June 1, 2017 Notice Customer List.*

**TAB 11**

Attachment B to Further Joint Witness Statement  
(letters recently received from various participants  
in the Ontario competitive energy supply sector)

**Unicrown Corporation**

October 23, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 16 years and have worked with many energy marketers and now with Active Energy Inc.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

*Anthony Monroe, President*

  
**Unicrown Corporation**  
10 Sivyer Crescent  
Ajax ON, Canada  
L1Z 2A6

October 23, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 5 years and have worked with Hudson Energy and Active Energy Inc.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

LAURIE VERES

A handwritten signature in cursive script, reading "Laurie Veres".





October 23, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

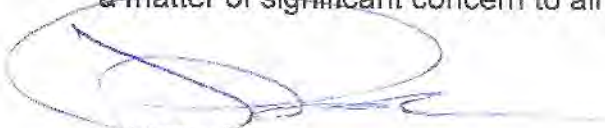
Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 10 years and have worked with Ontario Energy Savings, Direct Energy, Universal Energy, Planet Energy, Black Stone Energy, Superior Energy, Hudson Energy, Just Energy, Active Energy.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.



Phil Ross  
CEO  
Enerintel



## *Independent Energy Advisors*

October 23, 2017

Michael Stedman, President & COO

**ACTIVE ENERGY INC.**

390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

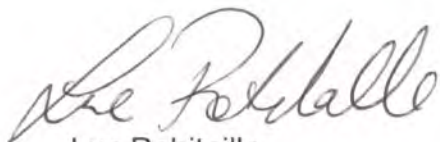
Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for *20 years* and have worked with Active Energy Inc, Hudson Energy, Just Energy and Blackstone Energy Services Inc since 2010.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.



Luc Robitaille  
President  
Independent Energy Advisors  
15 Spruce St.  
Wasaga Beach, ON L9Z 2X1



## CONSILIUM

### ENERGY PROCUREMENT CONCEPTS

**Phone.**

647.678.7475

**Fax.**

416-628-2535

**Email.**

[nickmorabito@consiliumenergy.com](mailto:nickmorabito@consiliumenergy.com)

**Mail.**

Consilium Energy Inc.  
5500 Old Mill Way - 3rd Floor  
Manotick Ontario  
K4M1C1

October 23, 2017

Michael Stedman, President & COO  
ACTIVE ENERGY INC.  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 14 years and have worked with the following retailers.
  - o Constellation New Energy
  - o SemCan Energy Group
  - o Hudson (previously Just Energy, previously OESC)
  - o Planet Energy
  - o GO Energy
  - o Direct Energy
  - o Summit Energy
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

Nick Morabito, President  
Consilium Energy Procurement Inc.





**NATIONAL**  
ENERGY ADVISORS

130 BRIDGELAND AVENUE, SUITE 101  
TORONTO, ONTARIO M6A 1Z4

THE POWER OF CHOICE

WWW.NATIONALENERGYADVISORS.COM

October 24, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for over 8 years and work with customers in manufacturing/ commercial industrial, long-term care, not-for-profit, multi-residential property management, multi-location retail and multi-location storage facilities.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these larger multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

In our opinion, customers with a number of below-the-threshold locations that in total exceed the threshold generally have the same sophistication as a customer with just one location over the threshold. Additionally, as brokers we never sign 'on the spot' contracts with any of customers and only after a profile and market consultation do we execute an agreement and at no point is the customer under any kind of duress. The law is designed to protect small volume customers from unscrupulous door-to-door agents or 'door knockers', a category we do not consider ourselves remotely connected to as professional advisors and brokers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

Sincerely,

Catherine Bryenton  
Managing Partner – National Energy Advisors

**Utilityrates – 7601 Bathurst St – Suite 1004, Thornhill, ON L4J 4H5**

October 24, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 15 years and have worked with companies such as Bruce Power Direct, Hudson Energy, Summit Energy, Just Energy including of course, Active Business Services.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

*Respectfully submitted,*

  
Morrie Klans, MBA  
UtilityRates



October 25, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 29 years and have worked with most all major retailers of electricity in Ontario, including but not limited to Bruce Power, Active Energy, Planet Energy, Direct Energy and Hudson Energy.
- I am aware of many Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that annually consume below 150,000 kWh of electricity. These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

Sincerely,

**EN-PRO INTERNATIONAL INC.**

A handwritten signature in blue ink, appearing to read "John Kiemele", is written over a light blue horizontal line.

John Kiemele  
Vice President/COO





October 23, 2017  
Michael Stedman, President & COO  
ACTIVE ENERGY INC.  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 14] years and have worked with both commercial and Industrial accounts. In this environment many clients have multiple locations with varying volumes in which some fall below the minimum volume requirement. When contracts are drawn it would not make sense to clients to sign different agreements which only frustrates the client and has no link relations with low volume users. The low volume agreements, I assume, was to protect consumers but in our case we are dealing with businesses and the small volume criteria, in my opinion, has no merit.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

Cubicgaz Energy Management Inc.  
President, Rene Natola

A handwritten signature in blue ink, appearing to read "R. Natola", is written over the printed name of the President.

October 24, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:


Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 12 years and have worked with Ontario Energy Savings, Just Energy, Hudson Energy, Superior Energy and Active Business Services.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

Paul DesRosiers



October 26, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

K-W | 519 888-0335  
Toronto | 647 296-0226  
Montreal | 514 476-4552  
Calgary | 403 608-6028

299 Northfield Dr. E., Suite 2  
Waterloo, Ontario, N2K 4H2

[www.goenergy.ca](http://www.goenergy.ca)

Dear Michael:

Re:Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 25 years.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

Sincerely,



Stephen Sabean  
President





October 23, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

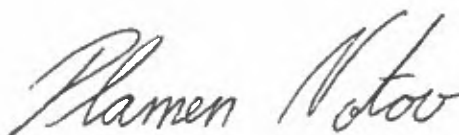

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for *10* years and have worked with Universal Energy Corp., Just Energy and Active Energy.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.



Energy Managed.

October 24, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- We have been personally active in the energy business in Ontario for over 50 years.
- We are aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

Sincerely,

A handwritten signature in blue ink, appearing to read "Wally Khalil".

Wally Khalil  
General Manager

Audit • Analysis • Data Management • Sourcing • Risk Management • Research • Sustainability

October 23, 2017  
Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 8 years and have worked with Canada Wholesale Energy, Ontario Wholesale Energy and Canadian Energy Services.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.



*Sami El-Shaer*  
CEO  
*Solaron Inc.*

**2365665 ONT Inc.**

October 24, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 10 years and have worked with Just Energy and Hudson Energy.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

Yours Truly,

A handwritten signature in black ink, appearing to read "Steve Berry", with a large, stylized flourish extending from the end of the signature.

Name: Steve Berry  
Title: President  
Date:

October 24, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada  
L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 10 years and have worked with Just Energy and Hudson Energy.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

Yours Truly,

A handwritten signature in black ink, appearing to read 'Greg Berry', with a large, sweeping horizontal stroke underneath.

Name: Greg Berry  
Date:



The Registered Trademark of M3 & W INC.

October 24, 2017

Michael Stedman, President & COO  
**ACTIVE ENERGY INC.**  
390 Brant Street, Suite 402  
Burlington Ontario, Canada L7R 4J4

Dear Michael:

Re: Active Energy Inc. OEB Compliance Proceeding: Multi-location Customers.

This letter is provided to confirm our recent conversation, during which I indicated to you that:

- I have been personally active in the energy business in Ontario for 25 years.
- I am aware of many Ontario energy brokers who work with, and Ontario energy suppliers who enter into supply arrangements with, multi-location customers, whose operations include one or more locations that consume below the Ontario energy consumer protection legislation consumption threshold. One large scale example of this that I've witnessed was an electricity supply deal in 2014 for one of the big Canadian banks with 650 small volume locations plus a few larger locations in Ontario across 80 LDC's.
- These types of customers are generally considered by those in the sector to be non-low volume customers when the aggregate consumption of the customer across all of their locations exceeds the legislated low-volume thresholds.
- It would be impractical, and unnecessary given the level of sophistication of these large multi-location business customers, to apply the detailed legislated energy consumer protections required for true low-volume (residential and small business) customers.

Thanks for bringing me up to speed on the status of the OEB compliance proceeding instituted against you, and sharing Active's position on interpretation and application of the low-volume customer thresholds. I agree with the logic and practicality of that position. This is a matter of significant concern to all of us in the industry.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gregg Scott", written over a horizontal line.

Gregg Scott  
President  
M3 & W INC operating as Energyshop