

VISTA CREDIT CORP.

Response to OEB Staff #1

Reference: Dispute Cases; Ref 1: Vista Evidence, p. 7.

Question:

Vista stated that there are other examples similar to the five cases that it provided and this illustrates the need to alter the OBA program rules and their administration.

- (a) Please provide the total number of cases similar to the ones provided in Vista's evidence for the last five years.
-

Response:

- (a) The five example cases which VISTA provided illustrate instances in which a third party biller reports a dispute resolved, and a customer charge is thus maintained, in circumstances where the customer alerts VISTA that there has not in fact been a resolution. While VISTA does not keep records specific to these situations, we have been involved in hundreds of customer complaint cases over the past 5 years, many of which were similar to the example cases.

There are likely many more cases of which VISTA is unaware. Under the current OBA process there is no mechanism (despite the statements to the contrary in the Enbridge e-mails included in the cases attached to VISTA's evidence) through which the customer's duly authorized agent submitting the dispute in the first place is advised when a third party biller advises Enbridge that a previously disputed charge has been resolved. The only way that VISTA is made aware that a previously disputed charge remains on the bill despite the ongoing dispute is if the customer calls us back a second or third time to so inform us. Where a customer simply pays a previously (and perhaps still) disputed charge and does not advise VISTA we would not be aware of the third party biller's conduct. Case C referenced in VISTA's evidence is, we subsequently discovered, such an instance, and we are aware of others and suspect that there are many more of which we are not aware. Given that customers will often pay charges even if disputed, in particular when Enbridge maintains a charge once disputed on subsequent bills, VISTA maintains the position that post-contract charges should not be allowed on the utility bill at all.

VISTA CREDIT CORP.

Response to OEB Staff #2

Reference: Dispute Cases; Ref 1: Vista Evidence - Attachment B – Case A, B, C, D, E; Ref 2: Enercare Water Heater Terms and Conditions (<https://www.enercare.ca/water-heating/water-heater-terms-and-conditions>).

Question:

Vista provided five cases where there was a dispute on the rental buyout charge on customers' bills. In the email correspondence, Vista was referenced to Enercare's Water Heater Terms and Conditions. On Enercare's website, there are three different Terms and Conditions documents depending on the time-period the water heater was installed. The difference between the Terms and Conditions is that for water heaters installed before September 15, 2010 the customer may terminate the rental and return the water heater but after September 15, 2010, the customer must purchase the water heater.

- (b) Please provide the relevant time-period for each case Vista provided.
 - (c) In the cases in reference 1, Enercare provided Vista with a copy of the customer's rental contract. Please confirm if the rental contract is consistent with those found on Enercare's website in reference 2.
 - (d) Please confirm, for each case, if Enercare was able to provide Vista with evidence to support the charge.
-

Response:

- (a) The following table provides the relevant time-period for each of the cases included in VISTA's evidence.

Case	Date of Rental Agreement for Subject Premise	Date of Agency Appointment from VISTA's Customer
A	November 2010*	June 2018
B	September 2014	September 2018
C	Agreement not provided.	September 2018
D	January 2012	May 2018
E	May 2013*	June 2018

* Contract signed by previous homeowner.

- (b) In our experience Enercare contracts, when they have been provided, are consistent with what Enercare has posted on its website. The contracts provided by Enercare in relation to the cases cited in VISTA's evidence have been filed in response to Energy Probe interrogatory 4(b).
- (c) VISTA was not provided with any evidence to support the charge in any of these cases.

In two of these cases (A and E), the contract produced by the third party biller was signed by a previous owner of the home. In one case (C) no contract was ever provided (see VISTA Evidence, Attachment B, page 27 of 48).

In the remaining two cases (B and D), the contracts produced were dated in 2014 and 2012, respectively. Consumer protection laws in place between 2010 and 2015 precluded post-contract charges for "Part IV Agreements", which we understand the agreements in issue to be, other than; i) unpaid pre-termination payments; ii) reasonable removal costs; and iii) charges for excessive wear and tear.

VISTA CREDIT CORP.

Response to OEB Staff #3

Reference: Dispute Cases – Case D; Ref 1: Attachment B – Case D.

Question:

In reference 1, Vista provided Case D, in which Vista included a scan of an Enbridge Collections Notice. The notice included a disconnection notice due to overdue charges.

- (a) Please confirm if the amount (\$1171.78) shown in the Enbridge Collections Notice is fully related to OBA charges or does it include other amounts related to Enbridge Gas charges.
-

Response:

- (a) VISTA was advised by the customer in question that unpaid amounts reflected in the Enbridge Collections Notice were OBA charges. VISTA did not seek to independently validate this advice, though VISTA notes that, as confirmed by the Enbridge Gas correspondence dated April 10, 2019 (page 41 of Evidence Attachment B), the amount in question was reversed on the basis of the customer's dispute of the third party biller's rental buy-out charge.

VISTA CREDIT CORP.

Response to OEB Staff #4

Reference: Customer Control; Ref 1: Vista Evidence, p. 9; Ref 2: Retail Settlement Code, Revised on January 1, 2017, Section 10.5.5.

Question:

Vista's position on the customer's control of the bill is the following:

- Customers, or their contemporaneously authorized agents, can at any time direct removal of any charges from the bill.
- Once a charge is removed from the bill, it can be reinstated only by the customer or with the customer's contemporaneous authorization a copy of which must be provided by the authorized party along with the request for reinstatement.

In Section 10.5.5 of the Retail Settlement Code, it describes a process where a customer submits a request to its distributor and the request is to be processed in ten business days unless a customer, by way of written authorization, terminates the request.

- (a) Under a similar principal as the Retail Settlement Code, if a customer requests that a third party charge be removed from the Enbridge Gas bill and the request is processed in ten business days unless a customer, by way of written authorization, terminates the request, would Vista find this acceptable?
-

Response:

- (a) Yes.

VISTA CREDIT CORP.
Response to Enbridge Gas Inc. #1

Question:

Please advise of your response to EGI's position on the unsettled items as set out in response to HVAC IR #30.

Response:

VISTA's understanding of, and response to, the elements of Enbridge's position on the unsettled items, as set out in response to HVAC IR #30, is as follows:

1. **EGI Position:** Customers should not direct the addition of third party charges to their Enbridge bill through the OBA services, as this would be *"burdensome and expensive"*.

VISTA Response: If Enbridge Gas demonstrates that providing customers with direct access to the processes and systems for adding third party charges to the Enbridge bill would be *"burdensome and expensive"*, then VISTA can accept this position. Erecting additional barriers to OBA program effectiveness is not in the interests of customers or third party billers.

2. **EGI Position:** All customer disputes would be allotted a 15 day period within which they would need to be resolved by the biller. That is, Enbridge Gas would no longer distinguish between CPA and non-CPA disputes, and all disputes would be allotted the same 15 day resolution period.

VISTA Response: VISTA agrees with this position. Enbridge Gas should not have any role in third party contract interpretation or enforcement, and customers should be entitled to have all disputes resolved, one way or another, promptly.

3. **EGI Position:** If a biller reports a dispute resolved and the customer then contacts Enbridge Gas and advises that the dispute is not resolved, then;
 - a. The disputed charges would be removed from future bills, credited back to the customer and charged to the biller and not permitted to be added back to the customer's bill in the future.

- b. The biller would be blocked from using the same Bill Type Code for recovering charges from that customer in the future.

VISTA Response: VISTA does not believe that this proposal goes far enough. Given evidence of abuses by third party billers in reporting as resolved disputes not in fact resolved, and given that customers will often pay charges even if disputed, in particular when Enbridge maintains a charge once disputed on subsequent bills, VISTA has proposed that, in order to protect the interests of customers, at the time that a biller advises Enbridge that a customer dispute has been resolved, it must also provide Enbridge with a copy of “*contemporaneous authorization*” from the customer confirming agreement to reinstitution of the previously disputed charge. The proposed parameters for this authorization are described at paragraph 14 of VISTA’s evidence. In light of the history of customer charges being reinstated on bills despite continued dispute by the customer, as demonstrated in VISTA’s evidence, VISTA does not believe that billers should be permitted to have previously disputed charges reinstated without providing some evidence of customer agreement to such reinstatement. Blocking the Bill Type Code for the biller for that customers is not likely an effective measure. VISTA has seen instances where a disputed buy-out charge, for example, is reintroduced as a charge for “General Merchandise”.

- 4. **Enbridge Position:** There would be no restriction on billing of post-contract charges through the Enbridge bill.

VISTA Response: VISTA does not agree that post-contract charges should continue to be permitted on the bill. Given;

- a. abuse in the past, as evidenced by a series of orders issued by the Commissioner of Competition regarding anti-competitive and abusive post-contract charges¹;
- b. the potential perceptions of customers regarding the position of third party billers *vis a vis* Enbridge²;
- c. the potential perceptions of some customers regarding the imperative to pay charges included on the Enbridge bill³; and

¹ Consent Order, 02.2002: <https://www.ct-tc.gc.ca/CasesAffaires/CasesDetails-eng.asp?CaseID=170>; Competition Bureau seeks \$15M in penalties: <https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03520.html>; Commitment to stop engaging in anti-competitive practices, October 2014: <https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03997.html>; \$1M Penalty, October 2015: <https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03997.html>

² VISTA Evidence, Paragraph 9 and Attachment A.

³ HVAC Coalition evidence, page 4 bottom and page 5.

- d. the ready availability of alternative methods of collecting legitimate post-contract charges⁴;

VISTA's view is that post-contract charges (as defined at paragraph 13.(b) of VISTA's evidence) should simply not be permitted on the Enbridge bill.

⁴ VISTA Evidence, Paragraph 26; HVAC Coalition Evidence, page 8.

VISTA CREDIT CORP.

Response to Enbridge Gas Inc. #2

Question:

Taking into account that currently most disputes are resolved without a charge being removed from the bill (see Staff Interrogatory #9(a)), please detail your expectation of what will happen with the number of OBA customers over the next four years if the proposal set out in your evidence is accepted and OBA charges are removed immediately when a customer disputes such charges.

Response:

If VISTA's proposals are accepted and disputed charges can only continue on the Enbridge bill with express and contemporaneous customer agreement, all legitimate charges will continue to be billed to willing OBA customers. Whatever impact more consumer appropriate OBA practices will have on the number of OBA customers is not relevant (though in VISTA's view more consumer friendly OBA practices should result in increased use of the OBA program by customers and competitive energy services providers).

VISTA CREDIT CORP.

Response to Enbridge Gas Inc. #3

Question:

Please explain in detail your proposal for how a disputed OBA charge would be reinstated on the Enbridge Gas bill, including:

- (a) The role to be played by the customer and the Biller.
 - (b) The manner in which instructions are to be conveyed to Enbridge Gas, so there is clarity that the customer and the Biller have reached consensus about the amount and duration of the re-instated charge(s).
 - (c) How the proposal made is different from the current process, including (without limitation) any changes to the current authorized agent practice and procedures.
 - (d) How the Biller fees will be adjusted to account for the extra administration required by Enbridge Gas.
-

Response:

- (a) In the case of a disputed OBA charge, reinstatement of the charge on the Enbridge bill would require that the customer provide to the biller, in writing (which could include an electronically equivalent process), acknowledgement that the customer has agreed to the named biller reinstating the identified charge on the Enbridge bill. Please see paragraph 14 of VISTA's evidence for definition of what VISTA means by "contemporaneous authorization" from the customer.
- (b) The biller would have to provide Enbridge Gas with a copy of the authorization (i.e. an electronic file) at the same time as the biller submits the reinstatement request, and ideally Enbridge Gas would develop a process to verify the customer authorization provided (i.e. open the file and confirm the agreed to charge particulars) prior to reinstating the charge.
- (c) The current process does not require that contemporaneous customer authorization for reinstatement of charges be provided to Enbridge Gas.
- (d) It is not clear to VISTA how a process amended as it suggests would add cost to the administration of the OBA. VISTA's proposed amended process would

preclude multiple additions and removals of charges and reinstitution of customer disputes, and could reduce OBA administration costs.

In any event, VISTA assumes that Enbridge Gas will bring forward information at the upcoming OBA renegotiation to support any increased costs claimed to result from OBA process changes directed by the Board in this proceeding, and also assumes that substantiated costs would be recovered in charges to OBA billers.

VISTA CREDIT CORP.

Response to Enbridge Gas Inc. #4

Question:

Please provide details of the end of contract charges to be paid when a Vista Credit rental customer opts to end their rental contract for a water heater or HVAC product before the end of the rental contract term. Please include details of all such charges, whether they are referred to as termination fees, exit fees, buy-out or something different.

- (a) Please confirm whether, under your proposal, any of these charges can be included on the Enbridge Gas bill.
-

Response:

- (a) End of contract charges under VISTA administered rental agreements would be buy-outs.

It is confirmed that under VISTA's proposal these types of charges would not be eligible for inclusion on the Enbridge Gas bill. As stated in VISTA's evidence (paragraph 26), VISTA has found that if a customer agrees as to the legitimacy of post-contract charges they are generally willing to make arrangements either to place such charges on their credit card, provide an electronic funds transfer, or send a cheque. VISTA can easily accommodate these payment methods.

VISTA CREDIT CORP.

Response to VECC #1

Questions:

- (a) Please provide a description of the nature of Vista's business with HVAC contractors. Specifically, the percentage in terms of the total retail customers it serves who use Vista's financing services for:
- Water tank rentals
 - Other equipment/appliance rentals
 - Warranties
 - Other financed contractor services (please describe most common)
-

Response:

- (a) VISTA works in partnerships with HVAC contractors to offer contract administration services, and financing and rental options, for smaller contractors. These services allow VISTA's partners to compete with the products and services offered by the large incumbent providers. VISTA agreements are co-branded with the HVAC contractor and the customer contacts the contractor directly for any equipment service issues. VISTA acquires signed contracts from its contractor partners and undertakes the billing and collection activities and other contract administration activities (financing and rental arrangements, for example), including engagement with the OBA program.

With regards to the breakdown of our HVAC business, it has varied over the years and we consider the specific breakdown as of now commercially sensitive; however, the trend over the last five years has been a decline in the origination of water heater rentals relative to other HVAC rentals and financing.

VISTA's business in the HVAC market includes administration and billing of customer contracts for:

- Water heater rentals
- Furnace, air conditioner, heat pump and boiler rentals

- Financing of the purchase of these appliances (including equal payment plans and commercial financing)
- Maintenance plans for HVAC appliances

VISTA CREDIT CORP.

Response to VECC #2

Questions:

- (a) Generally speaking, what portion of customers serviced by Vista would have been previous customers of another OBA biller?
 - (b) What are the most common issues encountered when moving a retail customer from an existing service provider to a Vista service?
-

Response:

- (a) With regards to the replacement water heater market, given that the two incumbent providers inherited monopoly positions through deregulation, and have purchased many major competitors (including hundreds of thousands of door to door originated customers) since that time, in nearly all cases a water heater replacement involves removing an Enercare or Reliance water heater. The balance of our business, including water heaters in new construction applications, does not involve replacing equipment provided by another OBA biller.
- (b) The primary issues customers face when moving from a pre-existing rental to a VISTA administered rental involve the return of the rental water heating equipment to one of the two incumbent providers; Enercare or Reliance. These customers face one or more of the following circumstances:
 - i. The incumbent provider refuses to accept the return of the old water heater.
 - ii. The customer is charged an exit fee or buy-out on the Enbridge bill.
 - iii. If disputing the exit fee or buy-out charge, and requesting a copy of the contract relied on by Enercare, the customer faces a \$50 retrieval fee to produce their agreement or is referred to their home purchase agreement (see examples included as Attachment B to VISTA evidence). In many cases the incumbent provider cannot produce a contract in the customer's name, or any contract at all. In many cases in which a contract is produced, the provisions of the *Ontario Consumer Protection Act* that were applicable at the time of contracting did not allow the charging of buy-out, termination or exit fees.

- iv. A disputed charge is reintroduced by the incumbent provider following its removal and without the agreement of the customer (see examples included as Attachment B to VISTA evidence).
- v. The customer may be harassed by collection agencies for the buy-out amount, and the customer's credit rating may be impacted by the collection activities.

VISTA CREDIT CORP.

Response to VECC #3

Questions:

- (a) At page 6 of the evidence Vista discusses the situation of a contract held by a previous home owner. Based on Vista's experience in transitioning customers of another (competing) OBA biller what portion of customers have signed contracts with their current provider?
 - (b) When homes (houses, condos etc.) change ownership how are existing Vista OBA billed services transitioned?
 - (c) In Vista's experience when a customer sells/leaves an existing premise how do other OBA service providers transition their services to the customer?
-

Response:

- (a) A significant portion of VISTA's rental water heater customers did not have signed contracts with their previous provider.

The rental water heater portfolios of the incumbents, Enercare and Reliance, originated from the regulated gas distributors (then Consumers Gas Company/Enbridge Gas Distribution and Union Gas). When water heater rentals were a utility service there were generally not contracts signed with end use customers. The relationships were between the utilities and new home builders, and end use customers automatically assumed the rental payments when they purchased their new home.

After the utility rental water heater program was removed from regulation these legacy customers were provided with terms and conditions through mailings, but contracts were not signed. This practice seems to have continued until about 2010 (considering the materials posted on Enercare's website).

As can be seen in the Enercare e-mail correspondence included in VISTA's evidence as part of the five customer case examples, Enercare (and our experience with Reliance is generally similar) relies on the contents of residential home purchase and sale agreements in asserting assignment of obligations for rental water heaters from home sellers to home buyers. Similarly, to VISTA's knowledge, Enercare and Reliance rely on the purchase and sale agreements

between the new home builders and customers in asserting customer obligations for rental water heaters. In these circumstances, from what VISTA sees, terms and conditions, sometimes in the form of a pamphlet, are mailed or delivered to the customer after the fact, or often the customer may simply be referred to a website where terms and conditions are posted. VISTA competes with Enercare and Reliance in the new construction market, and the transactional ease of providing new home buyers with pamphlets after the fact rather than additional documents for signature is a sales feature that we have been told by builders is emphasized by these incumbents.

- (b) When VISTA's HVAC contractor partners signs a new VISTA rental customer the customer receives a welcome letter which clearly states the need for an assignment agreement for their rental appliance if their home is later sold. When there is a change in home ownership by a VISTA customer, VISTA deals with the seller's and purchaser's lawyers, usually before closing, and obtains a written assignment agreement transferring the rental to the new homeowner.
- (c) Please see response to part (a).

VISTA CREDIT CORP.

Response to VECC #4

Questions:

- (a) In Vista's experience do any of these customers have signed contracts with the current provider Enercare?
 - (b) What is Vista's position with respect to customers who have Consumer Gas legacy (i.e. pre 2002) water tank rentals. Specifically, does Vista provide advice to legacy rental customers seeking to change providers?
-

Response:

- (a) None of the customers included in the example cases provided in VISTA's evidence had signed contracts with the third party biller seeking to recover post-contract charges from them.
- (b) VISTA does not provide advice to customers seeking to change rental providers regarding contract or other legal obligations. VISTA will assist customers in the event of a dispute between the customer and another third party biller, as reflected in the example case materials included with VISTA's evidence. In each of those cases it was determined through inquiries made by VISTA that either;
 - i. the customer involved did not execute any agreement with the third party biller claiming entitlement to post-contract charges; or
 - ii. when the contracts in issue were entered into the Ontario *Consumer Protection Act* precluded buy-out charges.

VISTA CREDIT CORP.
Response to Energy Probe #1

Reference: VISTA Evidence, page 1.

Preamble:

Vista Credit Corp. (VISTA) is a service finance company. VISTA is Ontario's leading provider of finance and rental program administrative services to independent heating, ventilation and air conditioning (HVAC) contractors across Ontario.

Questions:

- (a) Does VISTA provide finance and rental program administrative services to independent electricity HVAC contractors? If the answer is yes, please describe the services. If the answer is no, please describe why not.
 - (b) To the best of VISTA's knowledge, please describe the market for residential electricity energy services in Ontario electricity distribution sector, including rental of electric water heaters, billing practices, use of electricity distributors billing and collection services by energy service providers, penalties and termination charges. Please contrast it to similar services in the gas distribution sector.
-

Response:

- (a) Yes. The contractors we deal with often install both gas equipment and electric equipment such as electric water heaters, air source heat pumps and, in some cases, ground source heat pumps.
- (b) Rental of electric water heaters is not nearly as prevalent as rental of gas water heaters. There are far fewer customers in Ontario who heat water with electricity than customers who heat water with gas. The extensive gas water heater rental market is unique to Ontario, resulting from the (then) Consumers Gas Company regulator sanctioned load building program commencing in the 1950s. Consumers Gas developed relationships with new home builders under which rental tanks were provided by Consumers Gas for installation in new homes. Over time, most homes in Ontario came to have utility rental gas water heaters, and competitive residential gas water heater providers essentially disappeared.

When the rental water heater programs were removed from the regulated gas distributor, the successor affiliate inherited the customer relationships that went with these rentals, and in Enbridge's case an exclusive spot on the utility bill.

VISTA does not believe that any of Ontario's electricity distributors offer third party billing programs like the OBA. As outlined in HVAC Coalition's evidence, the OBA program resulted from a unique circumstance in which Enbridge Gas' predecessor provided an exclusive billing arrangement to its one time affiliate, which affiliate in turn had a 95% plus market share in residential natural gas water heaters in the Enbridge franchise territory as successor to the water heater rental program run for decades by the regulated gas distribution utility. That incumbent gas energy services position resulting from regulated utility rental water heater customer relationships has since devolved on Enercare (in the previous Enbridge Gas Distribution service territory). Reliance inherited a similar position in the previous Union Gas Distribution service territory.

VISTA CREDIT CORP.
Response to Energy Probe #2

Reference: VISTA Evidence, page 2.

Preamble:

VISTA supports the continuation of the OBA program. It is VISTA's belief, informed by having participated in the competitive HVAC services market prior to, during, and since, introduction of the OBA program, that OBA has enhanced competition in the market for energy services where it is available. This enhanced competition has benefited VISTA, its hundreds of HVAC contractor partners, and the thousands of energy services customers that together we serve.

Questions:

- (a) Please confirm that OBA program was and is only available in the legacy Enbridge Gas Distribution franchise areas of Ontario.
 - (b) Does VISTA provide services in parts of Ontario that are within the franchise of legacy Enbridge Gas Distribution? If the answer is yes, please list the services offered and areas of Ontario, and the billing methods used by VISTA's clients.
 - (c) Does VISTA have any information that compares competition in the market for energy services between areas of Ontario where OBA is available and where it is not available? If the answer is yes, please file it. If the answer is no, please explain why not.
-

Response:

- (a) Not confirmed. The OBA program does provide billing services for areas outside of the legacy Enbridge Gas Distribution territory. However, these are stand-alone bills which do not include any utility charges and are considerably more expensive for the biller to use.
- (b) Yes. VISTA offers services to HVAC contractor partners throughout Ontario, including in the legacy Enbridge Gas Distribution service territory. Please see VISTA's response to ~~EP-1~~ [VECC-1](#) for a description of the services provided by VISTA. Billing within Enbridge Gas Distribution territory is predominantly done through the OBA program, but in some cases is by way of pre-authorized payment.

- (c) VISTA has not conducted or commissioned any empirical analysis of competition in the provision of energy services in areas where the OBA program is available as compared to areas where it is not available. VISTA's experience is that there is more open competition in the market for residential and small commercial energy services customers in areas where the Enbridge OBA program is available than in legacy Union Gas service territory where there is no OBA program available (neither when the areas were serviced by Union Gas nor now). The ability to bill customers on their Enbridge gas bill, like the incumbent does, makes for an easier transition for customers who want to switch to a non-incumbent provider.

VISTA CREDIT CORP.
Response to Energy Probe #3

Reference: VISTA Evidence, page 3.

Preamble:

An Enbridge report on third party billing customer research from 2011 (Attachment A to this evidence) confirms VISTA's view that customers;

- (a) *clearly (87%) prefer to have their energy services charges consolidated on one bill; and*
- (b) *agree (63%) that the availability of such consolidation impacts their buying or renting decisions.*

Questions:

- (a) Please provide VISTA's interpretation of the result that 63% of the customers who responded to the survey would be influenced in the choice of the energy services provider by the ability of such provider to use the Enbridge bill. Please discuss the impact of this influence on competition for energy services.
 - (b) Does VISTA have any information on how much customers are willing to pay for a consolidated bill? If the answer is yes, please provide the information.
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Response:

- (a) VISTA's interpretation of the result that 63% of customers would be influenced in the choice of energy service provider by the ability of such provider to use the Enbridge bill is that many customers prefer to consolidate their regular charges on fewer separate bills. Accordingly, HVAC contractors who can put recurring energy services customer charges on the Enbridge bill have a better chance of obtaining those customers than those who cannot. In a context in which Enercare's predecessor company had an exclusive position on the bill, and that position is now no longer exclusive, the impact of the OBA has been to promote greater competition in the provision of competitive energy services in general, and rental water heaters in particular.
- (b) No, VISTA does not have the requested information.

VISTA notes that customers don't pay for a consolidated (i.e. Enbridge Gas plus third party charges) bill. Billers do. Customers pay less for their regulated services gas bill than they would without the OBA program.

VISTA does not believe that customers would pay appreciably more for a good or service by virtue of the fact that payment therefore can be made through the Enbridge bill, but VISTA does believe that customers may prefer to pay a service provider who can offer them such consolidated billing. VISTA does not charge a premium to customers that elect to be billed on the Enbridge bill.

VISTA CREDIT CORP.
Response to Energy Probe #4

Reference: VISTA Evidence, pages 6 and 7.

Preamble:

The rental contract provided by the biller to justify the charges was not with the customer disputing the charges, but rather with a previous owner of the premises.

Questions:

- (a) Based on VISTA's experience does Enercare have signed contracts with all water heater rental customers?
 - (b) Please file any Enercare water heater rental contracts that VISTA obtained in its dispute resolution work on the cases referred to in evidence, pages 6 and 7, redacting confidential information.
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Response:

- (a) No. Please see VISTA response to VECC-3.
- (b) Please see attached. These documents have been labelled to correspond with the relevant case cited in VISTA's evidence. Confidential information (information personal to the customer or which could permit identification of the customer) has been redacted, as requested. Please note that no contract was provided to VISTA in respect of Case C.



CASE A

One tank per form

Attach Rating Plate on reverse (DE COPY)

NEW
RE

WATER HEATER RENTAL CONTRACT

Please see terms and conditions in accompanying folder

Op/Sub Case number			
Client given name		Client surname	
Address		Unit/Apt.	City/Town
Postal code		Telephone number	Alt. Telephone number
Company name		District	District ID
Manufacturer - Old Water Heater		Manufacturer - New Water Heater	
Model number		Model number	
Serial number		Serial number	
Status <input type="checkbox"/> New Install <input checked="" type="checkbox"/> Water heater <input checked="" type="checkbox"/> Residential <input checked="" type="checkbox"/> Exchange <input type="checkbox"/> Tankless <input type="checkbox"/> Commercial <input type="checkbox"/> Straight Removal <input type="checkbox"/> Conversion Burner		Reason for Removal <input type="checkbox"/> Building Demolished <input type="checkbox"/> Cust. Purchased own <input type="checkbox"/> Damage <input type="checkbox"/> Electric to Gas <input type="checkbox"/> Gas to Electric <input type="checkbox"/> Fire <input type="checkbox"/> Furnace Replaced <input type="checkbox"/> Incorrect address install <input type="checkbox"/> Leaking <input type="checkbox"/> Liming <input type="checkbox"/> Rusty Water	
		Reason for Exchange <input type="checkbox"/> Damage <input type="checkbox"/> Fire <input type="checkbox"/> Leaking <input type="checkbox"/> Liming <input type="checkbox"/> Manufacturer Defect <input type="checkbox"/> Rusty Water <input type="checkbox"/> Save Op. > 5 years <input checked="" type="checkbox"/> Upgrade <input type="checkbox"/> Furnace Replaced <input type="checkbox"/> Upsize Tank <input type="checkbox"/> Downsize Tank	
Venting Change <input checked="" type="checkbox"/> <input type="checkbox"/> N If Yes: <input checked="" type="checkbox"/> Purchased or <input type="checkbox"/> Rent		Mixing Valve? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N Hard Water? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	
Required length if rented: <input type="checkbox"/> 0-15ft. <input type="checkbox"/> 16-30 ft.			

Pre-install Site Review

Was water off upon arrival? ☐ Y ☒ NIs there an active drain? ☐ Y ☒ NIs the drain covered or blocked? ☒ Y ☐ N

What is the distance from the tank to the drain? 8 ft.

Are there any obstructions between the tank and the drain? ☒ Y ☐ NAre there visible signs of water escape? ☐ Y ☒ N

Where is the tank leaking from?

Affected area (room)?

Damaged equipment

Noticeable damage (walls, flooring, etc.)/Comments

SALES AGREEMENT (Please see terms and conditions on reverse of page)

Quantity	Model#	SKU#	Description	Price
1	77M	1	BRING VENT TO CODE	135.00
1	146.20	1	5"X4" SENKIRK REDUCING RINGS	40.00
1		1	4" C-B CONNECTOR	40.00
*KMP REMOVED ALL OBSTRUCTIONS FROM CHIMNEY.				
*POSSIBLE CHIMNEY TO BE RAISED TO THE ROOF LEVEL				512
Payment Options: <input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Visa <input type="checkbox"/> Mastercard <input type="checkbox"/> Finance <input checked="" type="checkbox"/> Add it to my bill				015.00
Approval # _____				
Dear Customer,				
Direct Energy Home Services will pay for the costs of installing the rental water heater to your existing venting and piping. If the existing venting and piping are not suitable for use by the rental water heater being installed or if the rental water heater is replacing an existing water heater run by anything other than gas, then there may be additional installation and material costs payable by you, the customer.				
I, the undersigned, agree to rent a water heater from Direct Energy Home Services in accordance with the Water Heater Rental Terms and Conditions DE.507.FOR attached to this Water Heater Rental Contract. I also agree to purchase the products and/or services (if any) listed in the 'Sales Agreement' part of this form in accordance with the Customer Sales Agreement Terms and Conditions set out on the reverse side of this form.				
Should you have any questions please call 1-800-266-3939.				
Client Signature: _____ Date: 11/10				
Installer Signature: CHARLIE B. Date: 11/10				
Please see the Terms and Conditions on accompanying folder for a statement of your rights under the Consumer Protection Act				

Promotional

HST - (registration number 88863-035-RT-0001)

Administration Fee

Subtotal

Down Payment

Balance Owning

Sales Order Number

Credit Memo Number

Service Order Number

CA/EA (Buff Copy)

Contractor (Pink Copy)

Low Copy)

Rental Admin

Customer (White Copy)

DE.506.FOR

Terms and Conditions of Sales Agreement

1. Execution of agreement

By signing the Water Heater Rental Contract Form (the "Form") found on the opposite side of this page, you agree to these terms and conditions and confirm that you have read and understood them and that you have received a copy of this Agreement, as hereinafter defined. When used herein, the word "Agreement" means the Form together with these terms and conditions. Reference to "box" or "boxes" refer to the applicable box or boxes on the Form.

2. Personal information about you

We collect personal information about you in order to establish and manage our business relationship with you. You authorize us to collect personal information requested on the front of this agreement for purposes of assessing your application and to otherwise fulfill our obligations under this agreement. You can withdraw your authorization to this practice at any time. If you withdraw such authorization with respect to information which is necessary for us to fulfill our obligations under this agreement, we may end this agreement and you must immediately pay us everything you owe under this agreement.

You authorize us to collect and review credit, personal and other information about you ("Information") from information you provide on this application and from credit reporting agencies and other parties, for the purpose of enforcing this agreement and for any other purpose set out in this paragraph. You also authorize us to share your information with our affiliated companies who may use this information to offer you other products and services for use in your home, unless you have requested that we not do so. We won't knowingly share your information with any other third party without your permission, other than a party that we transfer or assign this agreement to.

You can access a copy of our privacy policy at our website at www.directenergy.com or by writing to us at the address below. If you have any questions about our privacy policy or how we handle your personal information, please email us at privacy@directenergy.com or write to us at: Privacy Officer, Direct Energy, 2225 Sheppard Ave. East Atria III, Toronto, ON, M2J 5C2.

3. About this Agreement

The Agreement sets out the terms and conditions upon which you will buy the goods (the "Goods") listed on the Form from us and, if you have elected to finance the purchase of such Goods, the terms and conditions upon which you agreed to repay the financed amount. Where the total amount payable in respect of the Goods (the "Total Payable") is more than the amount credit approved by SNAP, you will be responsible to pay the difference. Such difference is due upon the execution of this Agreement.

- If you opted to pay the Total Payable, such amounts are due upon the execution of this Agreement. Should any payment be returned non-sufficient funds, you authorize us to add this amount to the bill issued by the company who issues your invoice (the "Billing Company") including the returned payment fee specified in section 5. You must make your payment to us or anyone else we name. We may transfer or assign our rights under this agreement to another party at any time without notice to you and without your permission.

4. Your right to cancel the agreement

Once you sign and receive a copy of this agreement, you have 10 days to cancel it. See accompanied folder for Your Cancellation Rights under the Consumer Protection Act, 2002.

5. Returned payment fee

Should any payment be returned non-sufficient funds, in addition to our other rights, you will pay us a charge of \$25.00. You authorize us to add the returned payment fee to the bill issued by the Billing Company.

6. Delivery of the goods to you

Goods will be delivered to the Premises at the address and on the date specified on the signature page, or such other date as we may advise in writing. You must accept delivery of the Goods as soon as they are brought onto your premises by signing an acknowledgement confirming that the Goods have been delivered and installed in accordance with this agreement. If you are not present at the time of delivery and installation, the acknowledgement may be signed by an adult person having care and control of the premises. By signing this Agreement, you appoint such person as your authorized agent, for the purposes of executing the acknowledgement which shall be binding on you as though executed yourself. You can use any financed Goods as long as you meet your commitments under this agreement, but must keep them in good condition and are responsible for any loss or damage to them.

7. Ownership of the goods

We own the Goods until you pay everything you owe under this agreement. If you do not meet all of your commitments under this Agreement, we may take back the Goods and take other action against you as specified herein or as permitted by law. At your expense, we may protect our rights in the Goods by registering our interest in the Goods against the title to the premises and in any other manner permitted by law. You and the owner, if you aren't the owner of the premises, must sign any documents that we need to register.

8. Restriction on using the Goods

Until you have paid everything you owe under this Agreement, you may not do any of the following:

- sell, assign, transfer, convey, pledge or otherwise dispose of the Goods to anyone
- allow anyone to take possession of the Goods or premises
- move the Goods to a different location
- allow anyone other than us to have a claim against the goods
- if you're the owner of the premises, sell, mortgage or pledge the premises to anyone

9. Existing Protection Plan Customers

Bundled Plan (Total Home Protection Plans) and PLUS Plan Customers: If you purchase a new central air conditioner or heating unit from Direct Energy that is protected by your bundled Plan or PLUS Plan, your existing Plan will be downgraded within 30 days of your new equipment installation date to a Plan that excludes repair service on your new equipment. We will mail you a welcome package with your revised plan details and advise you of your new lower monthly rate.

Non-Bundled Plan Customers: If you purchase a new central air conditioner or heating unit from Direct Energy that is protected by your non-bundled Plan, your existing Plan and any remaining charges will be cancelled within 30 days of your new equipment installation date.

10. What happens if you break the terms of this Agreement

If you break any of the terms of this Agreement, then to the extent permitted by law, we may enter the premises to repossess the Goods and terminate this Agreement. You must pay us what it costs us to collect, store and sell the Goods. If we sell the Goods, we will subtract the sale price from the

amount you owe us. If there is still an amount owing to us after we sell the Goods, you must pay us that amount. You shall also pay all reasonable charges in respect of legal costs that we incur in collecting or attempting to collect a required payment by you, as permitted by law. Without limiting the above, we may take any of these actions if:

- you fail to pay when due and payable any amount payable under this Agreement to us
- any payment is dishonoured or returned for non-sufficient funds
- you lose possession of the Goods,
- you do not meet any of your other commitments under this agreement, or
- you are or become bankrupt or insolvent.

11. No implied warranties

This Agreement contains all our commitments with respect to the Goods. It doesn't include any implied rights under the Sale of Goods Act (Ontario), unless this is a consumer sale under Ontario law.

12. Our responsibility to remedy installation

Within one year of the date of installation, we will fix any problem relating to the installation of the goods that is a direct result of an improper installation by us, free of charge. However, we are not responsible for any injury or damage resulting from your negligence or misuse of the Goods.

13. Agreement ends when all obligations performed

Unless we terminate this agreement earlier under Section 10, and subject to Section 5, this Agreement will end when you have fulfilled all your obligations to us under this Agreement.

14. Trademarks and Tradename

Direct Energy and the Energy Bolt Design are trademarks of Direct Energy Marketing Limited. Direct Energy Marketing Limited operates under the Direct Energy Home Services trade name.

15. Severability

If any provision of this agreement is held to be invalid, void or unenforceable by a court with jurisdiction over the parties, all other provisions of this agreement shall remain valid and enforceable and construed as if such invalid, void or unenforceable provisions were never a part of this agreement.

Franchise Office Use Only

Transfer of seller's rights

By signing below, the seller transfers all its rights under this Agreement to Direct Energy. The seller confirms:

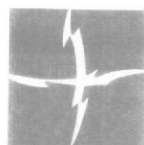
- the description of the goods noted on the front is correct and the goods are new and unused
 - the goods have been installed according to:
 - applicable codes and legislation
 - specifications of the manufacturer, distributor and us
 - any agreement between the seller and us
 - the buyer's instructions
 - the seller hasn't made any other promises to the buyer other than those set out in this agreement
 - the seller hasn't done anything to prevent us enforcing our rights under this agreement
- The seller agrees to pay us any amounts we spend in fixing any problems with the Goods.

Seller's corporate name	
Signature	Date signed (m.d.y.)
Print name (first, middle initial, last)	
Address (number, street name, unit number)	
City	Postal code
Phone number	Fax number

(A)
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Water Heater Rental Contract



Direct EnergyTM
Home Services

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Water Heater Rental Terms and Conditions

IMPORTANT: If you have previously rented a water heater from Direct Energy, you should be aware that these Water Heater Rental Terms and Conditions are different from those that have applied in the past, in particular with respect to the termination option. Please read these Water Heater Rental Terms and Conditions carefully. Certain provisions have been highlighted for ease of reference.

Venting.

These Water Heater Rental Terms and Conditions also address the rental of venting ("Venting"). Please refer to the Rental Water Heater Contract to determine whether you rent venting from us. If you do not rent venting from us, ignore the provisions which relate to Venting.

Commitment.

"Our," "us," "we" or "Direct Energy" means Direct Energy Marketing Limited. Our commitment to you, our rental customer, ("you," "your" or "customer"), is to provide you with a reliable, trouble-free water heater, and, if applicable, Venting, in accordance with the terms set out in the Residential Application for Water Heaters, the Rental Water Heater Contract form and these Water Heater Rental Terms and Conditions (collectively, the "Agreement"). The water heater ("Water Heater") and, if applicable, the Venting you rent from us is fully backed by Direct Energy Home Services, a Direct Energy business.

Term.

The Water Heater and, if applicable, Venting rental term commences the date the Water Heater is installed or, if you purchased the premises after the Water Heater was installed, from the date of your purchase, provided you meet the requirements set out in the section called "Sale of Your Home". The term of the Water Heater rental ends if the Agreement is terminated by you or us in accordance with its terms (which, for greater certainty, means you exercising your buyout option in accordance with the terms of the Agreement) or if the useful life of the Water Heater has ended. The useful life of a Water Heater ends when Direct Energy or its authorized service provider determines, having regard to the relevant factors, including without limitation, the age of the Water Heater and the cost of any repairs to be made to the Water Heater, that it is no longer commercially reasonable to repair the Water Heater.

The Venting rental term commences the same date as the Water Heater rental term. The term of the Venting rental ends when: 1) you exercise your buyout option in respect of the Venting; or 2) the Agreement is terminated by you or us in accordance with its terms.

You may exercise your buyout option in respect of the Venting without exercising your buyout option in respect of the Water Heater. Should you exercise your buyout option in respect of the Venting but not in respect of the Water Heater, the Agreement shall remain in full force and effect in respect of the Water Heater. However, should you exercise your buyout option in respect of the Water Heater, you must buy out your Venting at the same time.

Our Obligation to You.

Our obligation to you is to service and repair the Water Heater and, if applicable, Venting with no service charges or parts replacement charges except in the following circumstances:

- if you (or a third party not authorized by us) alter, modify, adjust, damage, service, repair, move or disconnect, the Water Heater or, if applicable, Venting;
- if service or repairs to the Water Heater and/or, if applicable, Venting are necessary because the Water Heater and/or, if applicable, Venting was used for an unintended or unauthorized purpose;
- unless you are paying our hard water rental rate, if the Water Heater requires de-liming, flushing or other repair due to water conditions or the quality of the environment in which the Water Heater is situated. For greater certainty, Direct Energy determines hard water conditions. In such situations, we cover only diagnostic work;
- where venting (other than the Venting which you rent from us), piping, wiring, plumbing, ducting and/or electric services requires cleaning, repair or replacement;
- where re-setting is required due to "FVIR lock-out" as described below under "Customer Advisory";
- if you fail to maintain your Water Heater or, if applicable, Venting in accordance with the requirements set out below under "Customer Obligations - Safety"; or
- if you fail to notify us as described below under "Customer Obligations - Duty to Maintain".

Should you require assistance, our 24-hour per day, 7 days per week emergency phone number is 1-866-554-5591. Should we update this phone number, the updated number can be found on the Direct Energy website.

Customer Obligations.

In return for fulfilling our obligations to you, you agree that:

- Payment of Charges** - You will pay your rental charges when due. We may change our rental rates from time to time by announcing rate changes in advance in bill inserts, by letter or by any method permitted by law. Your rental charges will be included on your utility bill, or we may choose to bill you separately through our service provider. Acceptable methods of payment will be set out on the bill you receive. You will pay us on demand interest on all amounts payable by you (including interest) and not paid when due, both before and after judgement at the rate set out on your bill.
- Safety** - You will use your Water Heater and, if applicable, Venting safely and responsibly. In particular, you will:
 - maintain effective operation of any plumbing and pumping systems supplying water to the Water Heater;
 - ensure that no combustible, hazardous or flammable materials are used or stored in the same room or near the Water Heater;
 - ensure that the Water Heater is not confined in a location where it is difficult to service or remove or where there is inadequate ventilation;
 - provide us with access to the Water Heater and, if applicable, Venting whenever reasonably required for purposes of inspection, repair, maintenance or removal;
 - ensure that the Water Heater is located in an area with sufficient drainage in the vicinity, and that the drainage is open and unrestricted; or
 - you will not permit anyone who has not been authorized by us to service, repair, modify, alter, adjust, move or disconnect the Water Heater and, if applicable, the Venting. Further, any person authorized by us to service, repair, modify, move or disconnect the Water Heater and, if applicable, Venting shall do so in accordance with our instructions or requirements.
- Duty to Maintain** - As the user of the Water Heater, you are required under law to ensure that it is maintained in a safe operating condition.* In the event that a service or repair is required please call 1-866-554-5591.
- Ownership, Credit and Security Interest.** You agree that:
 - if more than one customer is named on the account, each of you is individually liable, and all of you are collectively liable, for all obligations imposed on you by the Agreement;
 - during the term of the Agreement, the Water Heater and, if applicable, Venting remains our property, does not become a fixture, and you will not tamper with any tag(s) or sticker(s) identifying the Water Heater and, if applicable, Venting as rented equipment;
 - we may inquire about your credit history and, if necessary, use the personal information you have provided us to do so. For greater certainty, you authorize any credit reporting agency to give us credit or other personal information about you from time-to-time during the term of this Agreement. You can withdraw this authorization at any time. If you do or we are not satisfied with the results of any credit check, we may end this Agreement;
 - you will promptly inform us of any change in: (i) your mailing address at least 30 days in advance of such change; and/or (ii) the bank account or credit card information provided to us promptly after such change is made;
 - we may sell, assign, concurrently lease or otherwise dispose of, or grant a security interest in, all or part

of our right, title and interest in this Agreement or the Water Heater and/or, if applicable, Venting to anyone else, without notice to you or your consent. To the extent permitted by law, you will not assert against any transferee any claims, defences, set-offs, deductions or counter-claims which you may now or in the future be entitled to assert against us;

- the Agreement is binding upon and will enure to your respective heirs, personal representatives, successors and permitted assigns; and
- we may register, at your expense, our interest in the Water Heater and, if applicable, Venting against you and/or against title to the premises. To the extent permitted by law, you agree to waive any right to receive a copy of such registration and appoint us as your lawful attorney for the purpose of doing any such registrations. You agree that the Water Heater and, if applicable, Venting will remain personal property even though it may become affixed to the premises. You agree to keep the Water Heater and, if applicable, Venting free of all liens, security interests, mortgages and other claims.
- Sale of your Home** - If you sell the premises, the Agreement shall be transferred to the purchaser, and we will permit the purchaser to assume your rights and obligations under the Agreement, effective from the date of sale, provided that:
 - the purchaser is notified in the agreement of purchase and sale that the Water Heater and, if applicable, Venting is rented and is subject to the terms and conditions of the Agreement;
 - you advise us in advance of the purchaser's name and the intended date of sale;
 - the purchaser agrees in writing or by conduct to rent the Water Heater and, if applicable, Venting in accordance with this Agreement; and
 - you have paid us all other amounts owing under this Agreement.

You hereby authorize us to respond to information requests relating to your account made by or on behalf of the purchaser.

Customer Advisory.

Your Water Heater may be equipped with flammable vapour ignition resistant ("FVIR") technology. Direct Energy encourages you to read your Water Heater Use & Care Manual to determine if the unit in your home is equipped with FVIR technology. Certain activities such as, without limitation, painting or using solvents could cause the FVIR technology to "lockout" the Water Heater causing it to no longer function until reset by a qualified service technician. Resetting the Water Heater caused by FVIR "lockout" is not covered by Direct Energy under the rental terms and conditions set forth herein and, if applicable, you will be charged for both parts and labour.

Warranties and Liability.

- Warranties** - We make no representations, warranties or conditions as to the performance of the Water Heater and, if applicable, Venting except for those which are given by statute and which you cannot waive. We are not the manufacturer of the Water Heater or, if applicable, the Venting and we are not making any warranty or guarantee in respect of it, the supplier or the manufacturer of the Water Heater or, if applicable, the Venting, including whether the Water Heater is suitable for you. Any warranties or guarantees provided under applicable legislation are hereby excluded to the extent permitted by law.
- Liability** - We will not be liable for any loss, damage or injury of any type (including as a result of any water leakage or electrical or natural gas related events) arising out of or related to this Agreement or caused or contributed to in any way by the use and/or operation of the Water Heater and/or, if applicable, the Venting including without limitation, any indirect, incidental, special or consequential damages, even if reasonably foreseeable. If we are unable to perform any of our obligations under the Agreement because of circumstances or events beyond our control, we shall be excused from the performance of such obligations for

* Ontario regulation 212/01 Section 15

the duration of such circumstances or events and we shall not be liable to you for such failure to perform.

- c) **Indemnity** - You will indemnify us from any loss or damage to the Water Heater and, if applicable, Venting for any reason (other than normal wear and tear) and all claims, losses and costs that we may suffer or pay or may be required to pay, including legal expenses, in connection with the Agreement or the use and operation of the Water Heater and, if applicable, Venting including any claims against us for any injury or death to individuals or damage to property. This obligation survives the termination of this Agreement for any reason.

- d) **Insurance** - During the term of the Agreement, you are responsible for any loss or damage to the Water Heater and, if applicable, Venting from any cause, whether or not insured, until all of your obligations under the Agreement have been fulfilled.

Personal Information About You.

We collect and use personal information about you in order to establish and manage our business relationship with you. You authorize us to review information about your Direct Energy bill payments or, if you are billed by your gas utility, you authorize your gas utility to provide us with any charges and payment information. Other than to our authorized service providers, parties that will provide us with credit information, and parties for whom we are servicing the Water Heater and, if applicable, Venting we won't knowingly share this information with third parties without your permission, other than a party to whom we transfer or assign this Agreement.

Your privacy is important to us.

Your privacy is important to us. As a current customer, we are committed to offering you more value in the future. Every once in a while we, or an authorized service provider, may mail or call you about our other products and services that may be of interest to you. If you don't want us, or an authorized service provider, to contact you about such products and services or if you would simply like more information about how we use personal information, please contact us using the information set out in the section "How to Contact Us" located at the end of the Agreement. Our privacy policy can be found on the Direct Energy website.

Venting Buyout.

You may buy out your Venting at any time for the applicable age-reduced price shown on the Buyout Schedule provided with these Water Heater Rental Terms and Conditions. Such Venting Buyout Schedule can also be located on our website. The purchase price reflects, among other things, the unpaid cost of the Venting and related installation, finance and servicing costs. You may exercise your buyout option by notifying us in writing or by calling a Direct Energy Rental Specialist at (416) 495-3979 or toll-free outside Toronto at 1-800-493-3034.

When you exercise your buyout option, you accept the Venting in an "as-is" condition, subject to the balance of any transferable manufacturer's warranty, and you assume full responsibility for the Venting and its repair and maintenance. You also agree to pay the buyout price when invoiced by Direct Energy.

As set out above, should you exercise your option to buyout only the Venting, this Agreement shall remain in full force and effect in respect of the Water Heater.

Should you exercise your option to buyout the Water Heater as set out below, you must buy out your Venting at the same time. Once payment has been received for the buyout price for the Venting you will have no further obligation to pay rent on repeat of Venting and we will have no further obligation to you in respect of Venting.

Termination.

Termination by Us - You agree that we may terminate the Agreement and, in addition to any other remedies that we may have, we may remove the Water Heater and, if applicable, Venting, if you fail to meet any of your obligations set out in the Agreement.

Termination by You: Buyout Option - Your sole method of terminating this Agreement is to purchase your rental Water Heater. You may purchase your rental Water Heater at any time for the applicable age-reduced price shown on the Buyout Schedule provided with these Water Heater Rental Terms and Conditions. Such Buyout Schedule can also be located on our website. The purchase price reflects, among other things,

the unpaid cost of the Water Heater and related installation, finance and servicing costs. You may exercise your buyout option by notifying us in writing or by calling a Direct Energy Rental Specialist at (416) 495-3979 or toll-free outside Toronto at 1-800-493-3034.

When you exercise your buyout option, you accept the Water Heater in an "as-is" condition, subject to the balance of any transferable manufacturer's warranty, and you assume full responsibility for the Water Heater and its repair and maintenance. You also agree to pay the buyout price when invoiced by Direct Energy.

End of the Agreement.

At the end of the Agreement (for whatever reason):

- Rent** - you are not obligated to rent and we are not obligated to supply replacement equipment (including a Water Heater and venting), unless we mutually agree at the time and enter into a new Water Heater rental agreement;
- Replacement** - Direct Energy is not responsible for replacing the Water Heater or, if applicable, Venting or re-connecting any ancillary or other equipment including without limitation venting, piping, plumbing, wiring, ducting; and/or electrical services.
- No Further Obligations** - you will have no further obligation to pay rent (other than rent owing prior to the end of the Agreement) and, subject to any statutorily mandated requirements, we will have no further obligations of any kind or manner to you.

Your Rights under the Consumer Protection Act, 2002.

If this Agreement was entered into in person at a place other than our place of business, a trade show, market place or an exhibition, the following excerpt from the *Consumer Protection Act, 2002* applies: "You may cancel this Agreement at any time during the period that ends ten (10) days after the day you receive a written copy of the Agreement. You do not need to give us a reason for cancelling during this 10-day period. If we do not make delivery within 30 days after the delivery date specified in this Agreement or if we do not begin performance of our obligations within 30 days after the commencement date specified in this Agreement, you may cancel this Agreement at any time before delivery or commencement of performance. You lose the right to cancel it, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance. If the delivery date or commencement date is not specified in this Agreement and we do not deliver or commence performance within 30 days after the date this Agreement is entered into, you may cancel this Agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance. In addition, there are other grounds that allow you to cancel this Agreement. You may also have other rights, duties and remedies at law. For more information, you may

contact the Ministry of Consumer and Business Services.

To cancel this Agreement, you must give notice of cancellation to us, at the address set out in the Agreement, by any means that allows you to prove the date on which you gave notice. If no address is set out in the Agreement, use any address of ours that is on record with the Government of Ontario or the Government of Canada or is known by you. If you cancel this Agreement, we have fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance). However, if you cancel this Agreement after having solicited the goods or services from us and having requested that delivery be made or performance be commenced within ten (10) days after the date this Agreement is entered into, we are entitled to reasonable compensation for the goods and services that you received before the earlier of the 11th day after the date this Agreement was entered into and the date on which you gave notice of cancellation to us, except goods that can be repossessed by or returned to us. If we request in writing repossession of any goods that came into your possession under the Agreement, you must return the goods to our address or to the address of a person designated in writing by us or allow us, or our authorized service provider, to repossess the goods. If you cancel this Agreement, you must take reasonable care of any goods that came into your possession under the Agreement until one of the following happens: we repossess the goods; we have been given a reasonable opportunity to repossess the goods and twenty-one (21) days have passed since the Agreement was cancelled; you return the goods; or we direct you in writing to destroy the goods and you do so in accordance with our instructions.

Entire Agreement and Amendments.

You understand that this Agreement is the entire Agreement between you and us and may be amended from time to time by us by notice in bill inserts, by letter or by any method permitted by law.

How to Contact Us.

You may contact us as follows:

80 Allstate Parkway
Markham, Ontario L3R 6H3
Attention: "Rental Group"
1-866-554-5591

2010 Buyout Prices for Your Water Heater And/Or Venting

Use this table to find the buyout price if you decide to purchase your rental water heater and/or venting from Direct Energy. Simply find the column matching the size and type of your rental water heater and the age of your tank.

Age of Your Tank

Replacement Water Heater: The age of your tank is determined based on the installation date shown on the installer's sticker on your water heater. The type of tank is as indicated on the rental rate chart to the left.

The price for Water Heaters less than one year old is based on the equivalent installed cost through a mass market retail outlet. This includes an amount to reflect our typical installation charge.

Age Discount: Buyout prices shown are determined by amortizing the starting price over the expected useful life of the water heater.††

Remember: When you purchase your water heater from Direct Energy, our rental agreement ends. You will be under no obligation to pay rent for subsequent months, and you will be responsible for service and maintenance of the water heater.

Need help? The chart shows prices for almost all types of Direct Energy rental water heaters. If your water heater and/or venting is not covered or if you are not sure of the type of water heater you have, or when it was installed, please call one of our rental specialist at 1-800-493-3034.

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Buyout schedule: 2010 Installations

2010 Installations Going Forward		CV40/CV50 40/50 Gallons	CV60 60 Gallons	PV50 DV50 50 Gallons	PV 50-65 50 Gallons	PV60 60 Gallons	PV75 75 Gallons	Polaris 34 34 Gallons	CombiCor 50 50 Gallons	CombiCo 75 75 Gallons	Rinnai Tankless R75LS	Electric 60 Gallons	VENT1	VENT2
0 to	1 yrs.old	\$ 960	\$ 1,050	\$ 1,150	\$ 1,170	\$ 1,260	\$ 1,490	\$ 4,550	\$ 2,440	\$ 2,710	\$ 3,050	\$ 750	\$ 200	\$ 230
1 to	2 yrs.old	\$ 920	\$ 1,007	\$ 1,103	\$ 1,122	\$ 1,208	\$ 1,429	\$ 4,363	\$ 2,339	\$ 2,598	\$ 2,924	\$ 719	\$ 189	\$ 217
2 to	3 yrs.old	\$ 877	\$ 959	\$ 1,050	\$ 1,069	\$ 1,151	\$ 1,361	\$ 4,156	\$ 2,228	\$ 2,475	\$ 2,786	\$ 685	\$ 176	\$ 202
3 to	4 yrs.old	\$ 830	\$ 908	\$ 995	\$ 1,012	\$ 1,090	\$ 1,289	\$ 3,936	\$ 2,111	\$ 2,344	\$ 2,639	\$ 649	\$ 163	\$ 188
4 to	5 yrs.old	\$ 781	\$ 855	\$ 936	\$ 952	\$ 1,026	\$ 1,213	\$ 3,704	\$ 1,986	\$ 2,206	\$ 2,483	\$ 610	\$ 150	\$ 174
5 to	6 yrs.old	\$ 729	\$ 798	\$ 874	\$ 889	\$ 957	\$ 1,132	\$ 3,457	\$ 1,854	\$ 2,059	\$ 2,318	\$ 570	\$ 137	\$ 158
6 to	7 yrs.old	\$ 674	\$ 738	\$ 808	\$ 822	\$ 885	\$ 1,047	\$ 3,196	\$ 1,714	\$ 1,904	\$ 2,142	\$ 527	\$ 122	\$ 142
7 to	8 yrs.old	\$ 616	\$ 674	\$ 738	\$ 751	\$ 808	\$ 956	\$ 2,919	\$ 1,566	\$ 1,739	\$ 1,957	\$ 481	\$ 107	\$ 124
8 to	9 yrs.old	\$ 554	\$ 606	\$ 664	\$ 675	\$ 727	\$ 860	\$ 2,626	\$ 1,408	\$ 1,564	\$ 1,760	\$ 433	\$ 90	\$ 105
9 to	10 yrs.old	\$ 488	\$ 534	\$ 585	\$ 595	\$ 641	\$ 758	\$ 2,315	\$ 1,242	\$ 1,379	\$ 1,552	\$ 382	\$ 71	\$ 83
10 to	11 yrs.old	\$ 419	\$ 458	\$ 502	\$ 511	\$ 550	\$ 650	\$ 1,986	\$ 1,065	\$ 1,183	\$ 1,331	\$ 327	\$ 50	\$ 58
11 to	12 yrs.old	\$ 345	\$ 378	\$ 414	\$ 421	\$ 453	\$ 536	\$ 1,637	\$ 878	\$ 975	\$ 1,097	\$ 270	\$ 26	\$ 31
12 to	13 yrs.old	\$ 267	\$ 292	\$ 320	\$ 326	\$ 351	\$ 415	\$ 1,267	\$ 679	\$ 755	\$ 849	\$ 209	\$ 20	\$ 20
13 to	14 yrs.old	\$ 185	\$ 202	\$ 221	\$ 225	\$ 242	\$ 286	\$ 875	\$ 469	\$ 521	\$ 586	\$ 144	\$ 20	\$ 20
14 to	15 yrs.old	\$ 100	\$ 106	\$ 116	\$ 118	\$ 127	\$ 150	\$ 459	\$ 246	\$ 274	\$ 308	\$ 100	\$ 20	\$ 20
15+	years old	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 20	\$ 20
Monthly Rental Rate		\$12.99/ \$14.49	\$16.99	\$22.99	\$24.99	\$24.99	\$27.63	\$62.34	\$38.23	\$40.90	\$35.95	\$10.99		

One tank per form

Att:

JPY

WATER HEATER RENTAL CONTRACT

* Please see Water Heater Rental Terms and Conditions on reverse

Op/Sub Case number

CUSTOMER INFORMATION PLEASE NOTE: Terms of rental agreement are reviewed and / or revised on an annual basis. Please ensure you read and understand your terms and conditions prior to signing.

Customer given name		Client surname	
Address		Unit/Apt.	City/Town
Postal code		Telephone number	Alt. Telephone number

DIRECT ENERGY/CONTRACTOR INFORMATION

Company name		District	District ID	Installer name
Manufacturer - Old Water Heater		Manufacturer - New Water Heater		Pre-install Site Review Was water off upon arrival? <input checked="" type="checkbox"/> <input type="checkbox"/> Is there an active drain? <input checked="" type="checkbox"/> <input type="checkbox"/> Is the drain covered or blocked? <input checked="" type="checkbox"/> <input type="checkbox"/> What is the distance from the tank to the drain? 4 ft. Are there any obstructions between the tank and the drain? <input checked="" type="checkbox"/> <input type="checkbox"/> Are there visible signs of water escape? <input checked="" type="checkbox"/> <input type="checkbox"/> Where is the tank leaking from? Affected area (room)? Damaged equipment Noticeable damage (walls, flooring, etc.)/Comments Client acknowledges additional charges may apply in connection with the installation of the water heater:
Model number		Model number		
Serial number		Serial number		
Status <input checked="" type="checkbox"/> New Install <input type="checkbox"/> Water heater <input type="checkbox"/> Residential <input type="checkbox"/> Exchange <input type="checkbox"/> Tankless <input type="checkbox"/> Commercial <input type="checkbox"/> Straight Removal <input type="checkbox"/> Conversion Burner <input checked="" type="checkbox"/> Mixing Valve <input type="checkbox"/> Hard Water	Reason for Removal <input type="checkbox"/> Building Demolished <input type="checkbox"/> Cust. Purchased own <input type="checkbox"/> Damage <input type="checkbox"/> Electric to Gas <input type="checkbox"/> Gas to Electric <input type="checkbox"/> Fire <input type="checkbox"/> Flood <input type="checkbox"/> Furnace Replaced <input type="checkbox"/> Incorrect address install <input type="checkbox"/> Leaking <input type="checkbox"/> Liming <input type="checkbox"/> Rusty Water	Reason for Exchange <input type="checkbox"/> Damage <input type="checkbox"/> Fire <input type="checkbox"/> Leaking <input type="checkbox"/> Liming <input type="checkbox"/> Manufacturer Defect <input type="checkbox"/> Rusty Water <input type="checkbox"/> Save Op. > 5 years <input type="checkbox"/> Upgrade <input type="checkbox"/> Furnace Replaced <input type="checkbox"/> Upsize Tank <input type="checkbox"/> Downsize Tank		

SALES AGREEMENT (Please see terms of sale below)

Venting Included ☐

Quantity	Model#	SKU#	Description	Price
			WH Relocate - 24" +	\$299

Payment Options:

☐ Cash ☐ Cheque ☐ Visa ☐ MasterCard ☒ Add it to my bill

Approval #

Total Sales Price (incl. delivery and install)

Promotional	
HST - (registration number 88863-035-RT-0001)	38.8
Administration Fee	
Subtotal	
Down Payment	
Total Payable	337.8

I, the undersigned, agree to rent a water heater from Direct Energy Home Services in accordance with the Water Heater Rental Terms and Conditions on the reverse of this Water Heater Rental Contract and rental rate as listed below. I also agree to purchase the products and/or services (if any) listed in the 'Sales Agreement' part of this form in accordance with the Sales Agreement Terms and Conditions set forth below.

Water Heater Monthly Rental Rate (2014): 19.49

Client Signature:

Date: 9/9/14

Landlord/Owner Signature:

Date: 9/9/14

(Only required if the buyer is a tenant, by signing above, the owner agrees to everything on the front of this form and to the terms and conditions attached hereto and agrees to let us onto the premises to install and, if necessary, remove the goods.)

Installer Signature:

Date: 9/9/14

☐ Homeowner ☐ initial
☐ Tenant ☐ initial

Should you have any questions please call 1-877-334-1846.

Your cancellation rights under the Consumer Protection Act, 2002, can be found in the Rental Water Heater Terms and Conditions

Sales Agreement Terms and Conditions PLEASE NOTE: Water heater rental terms are located on the reverse.

- You agree with these terms and conditions and confirm that you have read and understood them.
- You agree to pay the Total Payable (as set forth above), which is due upon execution of the Water Heater Rental Contract (the "Contract"). Should any payment be returned non-sufficient funds, you agree to pay a charge of \$25. The outstanding balance and the returned payment fee will be added to the bill issued by the company that issues your invoice.
- The purchased goods set forth above will be delivered at the address and on the date specified on the Contract. We own the products until you pay everything you owe as set forth above.
- If you break any of these sales terms, then to the extent permitted by law, we may enter the premises to repossess the goods and terminate this Contract. We may take this action if, without limitation, you fail to pay when due any amount payable herein.
- The Contract contains all our commitments with respect to the purchased goods.
- Within one year of the date of installation, we will fix any problem relating to the installation of the goods that is a direct result of an improper installation by us, free of charge.
- We are not responsible for any injury or damage resulting from negligence or misuse of the goods.

CASE D

One tank per form

Atta

B67E: COPY)

WATER HEATER RENTAL CONTRACT

Please see terms and conditions in accompanying folder

Op/Sub Case number			
Client given name		Client surname	
Address		Unit/Apt.	City/Town
Postal code		Telephone number	Alt. Telephone number
Company name	District	District ID	Installer name
Manufacturer - Old Water Heater	Manufacturer - New Water Heater		
Model number	Model number		
Serial number	Serial number		
Status <input type="checkbox"/> New Install <input checked="" type="checkbox"/> Water heater <input type="checkbox"/> Residential <input checked="" type="checkbox"/> Exchange <input type="checkbox"/> Tankless <input type="checkbox"/> Commercial <input type="checkbox"/> Straight Removal <input type="checkbox"/> Conversion Burner	Reason for Removal <input type="checkbox"/> Building Demolished <input type="checkbox"/> Cust. Purchased own <input type="checkbox"/> Damage <input type="checkbox"/> Electric to Gas <input type="checkbox"/> Gas to Electric <input type="checkbox"/> Fire <input type="checkbox"/> Flood <input type="checkbox"/> Furnace Replaced <input type="checkbox"/> Incorrect address install <input type="checkbox"/> Leaking <input type="checkbox"/> Liming <input type="checkbox"/> Rusty Water	Reason for Exchange <input type="checkbox"/> Damage <input type="checkbox"/> Fire <input type="checkbox"/> Leaking <input type="checkbox"/> Liming <input type="checkbox"/> Manufacturer Defect <input checked="" type="checkbox"/> Rusty Water <input type="checkbox"/> Save Op. > 5 years <input type="checkbox"/> Upgrade <input type="checkbox"/> Furnace Replaced <input type="checkbox"/> Upsize Tank <input type="checkbox"/> Downsize Tank Mixing Valve? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N Hard Water? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	
Pre-install Site Review Was water off upon arrival? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N Is there an active drain? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N Is the drain covered or blocked? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N What is the distance from the tank to the drain? _____ ft. Are there any obstructions between the tank and the drain? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N Are there visible signs of water escape? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N			
Where is the tank leaking from? _____			
Affected area (room)? _____			
Damaged equipment _____			
Noticeable damage (walls, flooring, etc.)/Comments _____			
Venting Change <input checked="" type="checkbox"/> Y <input type="checkbox"/> N If Yes: <input checked="" type="checkbox"/> Purchased or <input type="checkbox"/> Rent Required length if rented: <input type="checkbox"/> 0-15ft. <input type="checkbox"/> 16-30 ft.			

SALES AGREEMENT (Please see terms and conditions on reverse of page) *SP7" WC MP 3.5" W 42 000 BTU*

Quantity	Model#	SKU#	Description	Price
18			3" ABS - 2" PVC 636	255.00
			Priced job. CX agreed - then completed job	

Payment Options:

☐ Cash ☐ Cheque ☐ Visa ☐ Mastercard ☐ Finance ☐ Add it to my bill

Approval #

Dear Customer,

Direct Energy Home Services will pay for the costs of installing the rental water heater to your existing venting and piping. If the existing venting and piping are not suitable for use by the rental water heater being installed or if the rental water heater is replacing an existing water heater run by anything other than gas, then there may be additional installation and material costs payable by you, the customer.

I, the undersigned, agree to rent a water heater from Direct Energy Home Services in accordance with the Water Rental Heater Terms and Conditions DE.509.FOR attached to this Water Heater Rental Contract. I also agree to purchase the products and/or services (if any) listed in the 'Sales Agreement' part of this form in accordance with the Customer Sales Agreement Terms and Conditions set out on the reverse side of this form.

Should you have any questions, please call 1-800-266-3939.

Client Signature:

Date: _____

Installer Signature:

Date:

Please see the Terms and Conditions on accompanying folder for a statement of your rights under the Consumer Protection Act

Total Sales Price (incl. delivery and install)	
Promotional	
HST - (registration number 88863-035-RT-0001)	32.5
Administration Fee	
Subtotal	288.19
Down Payment	
Balance Owng	

Sales Order Number	[REDACTED]
Credit Memo Number	2
Service Order Number	

WATER HEATER RENTAL CONTRACT

* Please see Water Heater Rental Terms and Conditions on reverse

Op/Sub Case number [REDACTED]

Attach F
M/

TANK STICKER HERE

CUSTOMER INFORMATION PLEASE NOTE: Terms of rental agreement are reviewed and / or revised on an annual basis. Please ensure you read and understand your terms and conditions prior to signing.

Customer given name [REDACTED]		Client surname [REDACTED]	
Address [REDACTED] Rd.		Unit/Apt. [REDACTED]	City/Town [REDACTED] Prov. On
Postal code [REDACTED]		Telephone number [REDACTED]	Alt. Telephone number [REDACTED]

DIRECT ENERGY/CONTRACTOR INFORMATION

Company name <u>Blue Kone GLG</u>		District <u>Inpick</u>	District ID <u>BFMMATT-9</u>	Installer name <u>S. Kent</u>
Manufacturer - Old Water Heater <u>GSW</u>		Manufacturer - New Water Heater <u>Rheem</u>		
Model number [REDACTED]		Model number [REDACTED]		
Serial number [REDACTED]		Serial number [REDACTED]		
Status <input type="checkbox"/> New Install <input checked="" type="checkbox"/> Water heater <input checked="" type="checkbox"/> Residential <input checked="" type="checkbox"/> Exchange <input type="checkbox"/> Tankless <input type="checkbox"/> Commercial <input type="checkbox"/> Straight Removal <input type="checkbox"/> Conversion Burner <input type="checkbox"/> Mixing Valve <input type="checkbox"/> Hard Water		Reason for Removal <input type="checkbox"/> Building Demolished <input type="checkbox"/> Cust. Purchased own <input type="checkbox"/> Damage <input type="checkbox"/> Electric to Gas <input type="checkbox"/> Gas to Electric <input type="checkbox"/> Fire <input type="checkbox"/> Flood <input type="checkbox"/> Furnace Replaced <input type="checkbox"/> Incorrect address install <input type="checkbox"/> Leaking <input type="checkbox"/> Liming <input type="checkbox"/> Rusty Water Reason for Exchange <input type="checkbox"/> Damage <input type="checkbox"/> Fire <input type="checkbox"/> Leaking <input type="checkbox"/> Liming <input type="checkbox"/> Manufacturer Defect <input type="checkbox"/> Rusty Water <input type="checkbox"/> Save Op. > 5 years <input type="checkbox"/> Upgrade <input type="checkbox"/> Furnace Replaced <input type="checkbox"/> Upsize Tank <input type="checkbox"/> Downsize Tank		
Pre-install Site Review Was water off upon arrival? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N Is there an active drain? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N Is the drain covered or blocked? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N What is the distance from the tank to the drain? _____ ft. Are there any obstructions between the tank and the drain? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N Are there visible signs of water escape? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N				
Where is the tank leaking from?				
Affected area (room)?				
Damaged equipment				
Noticeable damage (walls, flooring, etc.)/Comments				
Client acknowledges additional charges may apply in connection with the installation of the water heater: [REDACTED]				

SALES AGREEMENT (Please see terms of sale below)

Venting Included ☐

Quantity	Model#	SKU#	Description	Price

Payment Options: <input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Add it to my bill Approval # _____	Total Sales Price (incl. delivery and install) Promotional HST - (registration number 88863-035-RT-0001) Administration Fee Subtotal Down Payment Total Payable
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I, the undersigned, agree to rent a water heater from Direct Energy Home Services in accordance with the Water Heater Rental Terms and Conditions on the reverse of this Water Heater Rental Contract and rental rate as listed below. I also agree to purchase the products and/or services (if any) listed in the 'Sales Agreement' part of this form in accordance with the Sales Agreement Terms and Conditions set forth below.

Water Heater Monthly Rental Rate (2013): 14.99

Client Signature: [REDACTED] Date: 00 / 00 / 00

Landlord/Owner Signature: [REDACTED] Date: 00 / 00 / 00

(Only required if the buyer is a tenant, by signing above, the owner agrees to everything on the front of this form and to the terms and conditions attached hereto and agrees to let us onto the premises to install and, if necessary, remove the goods.)

Installer Signature: S. Kent Date: [REDACTED]

☐ Homeowner _____ initial
☐ Tenant _____ initial

Should you have any questions please call 1-877-334-1846.

Your cancellation rights under the Consumer Protection Act, 2002, can be found in the Rental Water Heater Terms and Conditions

Sales Agreement Terms and Conditions PLEASE NOTE: Water heater rental terms are located on the reverse.

- You agree with these terms and conditions and confirm that you have read and understood them.
- You agree to pay the Total Payable (as set forth above), which is due upon execution of the Water Heater Rental Contract (the "Contract"). Should any payment be returned non-sufficient funds, you agree to pay a charge of \$25. The outstanding balance and the returned payment fee will be added to the bill issued by the company that issues your invoice.
- The purchased goods set forth above will be delivered at the address and on the date specified on the Contract. We own the products until you pay everything you owe as set forth above.
- If you break any of these sales terms, then to the extent permitted by law, we may enter the premises to repossess the goods and terminate this Contract. We may take this action if, without limitation, you fail to pay when due any amount payable herein.
- The Contract contains all our commitments with respect to the purchased goods.
- Within one year of the date of installation, we will fix any problem relating to the installation of the goods that is a direct result of an improper installation by us, free of charge.
- We are not responsible for any injury or damage resulting from negligence or misuse of the goods.

Revised as of December 12, 2012

IMPORTANT: If you have previously rented a water heater from Direct Energy, you should be aware that these Water Heater Rental Terms and Conditions are different from those that have applied in the past, in particular with respect to the termination option. Please read these Water Heater Rental Terms and Conditions carefully. Certain provisions have been highlighted for ease of reference.

Commitment. "Our", "us" "we" or "Direct Energy" means Direct Energy Marketing Limited. Our commitment to you, our rental customer, ("you", "your" or "customer"), is to provide you with a reliable, trouble-free water heater in accordance with the terms set out in the Rental Water Heater Contract form and these Water Heater Rental Terms and Conditions (collectively, the "Agreement"). The water heater ("Water Heater") you rent from us is fully backed by Direct Energy Home Services, a Direct Energy business.

Term. The Water Heater rental term commences the date the Water Heater is installed or, if you purchased the premises after the Water Heater was installed, from the date of your purchase, provided you meet the requirements set out in the section called "Sale of Your Home". The term of the Water Heater rental ends if the Agreement is terminated by you or us in accordance with its terms (which, for greater certainty, includes you exercising your buyout option in accordance with the terms of the Agreement) or the useful life of the Water Heater has ended. The useful life of a Water Heater ends when Direct Energy or its authorized service provider determines, having regard to the relevant factors, including without limitation, the age of the Water Heater and the cost of any repairs to be made to the Water Heater, that it is no longer economically reasonable to repair the Water Heater.

Our Obligation to You. Our obligation to you is to service and repair the Water Heater with no service charges or parts replacement charges except in the following circumstances:

- If you (or a third party not authorized by us) alter, modify, adjust, damage, service, repair, move or disconnect, the Water Heater;
- If service or repairs to the Water Heater are necessary because the Water Heater was used for an unintended or unauthorized purpose;
- Unless you are paying our hard water rental rate, if the Water Heater requires de-liming, flushing or other repair due to water conditions or the quality of the environment in which the Water Heater is situated. For greater certainty, Direct Energy determines hard water conditions. In such situations, we cover only diagnostic work;
- Where venting, piping, wiring, plumbing, ducting and/or electric services requires cleaning, repair or replacement;
- Where re-setting is required due to FVIR lock-out as described below under "Customer Advisory";
- If you fail to maintain your Water Heater in accordance with the requirements set out below under "Customer Obligations – Safety"; or
- If you fail to notify us as described below under "Customer Obligations – Duty to Maintain".

Should you require assistance, our 24-hour per day, 7 days per week emergency phone number is 1-800-266-3939. Should we update this phone number, the updated number can be found on the Direct Energy website.

Customer Obligations. In return for fulfilling our obligations to you, you agree that:

- Payment of Charges** – You will pay your rental charges when due. We may change our rental rates from time to time by announcing rate changes in advance in bill inserts, by letter or by any method permitted by law. Your rental charges will be included on your utility bill, or we may choose to bill you separately through our service providers. Acceptable methods of payment will be set out on the bill you receive. You will pay us on demand interest on all amounts payable by you (including interest) and not paid when due, both before and after judgement at the rate set out on your bill.
- Safety** – You will use your Water Heater safely and responsibly. In particular, you will:
 - maintain effective operation of any plumbing and pumping systems supplying water to the Water Heater;
 - ensure that no combustible, hazardous or flammable materials are used or stored in the same room or near the Water Heater;
 - ensure that the Water Heater is not confined in a location where it is difficult to service or remove or where there is inadequate ventilation;
 - provide us with access to the Water Heater whenever reasonably required for purposes of inspection, repair, maintenance or removal;
 - ensure that the Water Heater is located in an area with sufficient drainage in the vicinity, and that the drainage is open and unrestricted; or
 - you will not permit anyone who has not been authorized by us to service, repair, modify, alter, adjust, move or disconnect the Water Heater. Further, any person authorized by us to service, repair, modify, move or disconnect the Water Heater shall do so in accordance with our instructions or requirements.
- Duty to Maintain** – As the user of the Water Heater, you are required under law to ensure that it is maintained in a safe operating condition. In the event that a service or repair is required please call 1-800-266-3939.
- Ownership, Credit and Security Interest.** You agree that:
 - if more than one customer is named on the account, each of you is individually liable, and all of you are collectively liable, for all obligations imposed on you by the Agreement;
 - during the term of the Agreement, the Water Heater remains our property, does not become a fixture, and you will not tamper with any label(s) or sticker(s) identifying the Water Heater as rented equipment;
 - we may inquire about your credit history and, if necessary, use the personal information you have provided us to do so. For greater certainty, you authorize any credit reporting agency to give us credit or other personal information about you from time-to-time during the term of this Agreement. You can withdraw this authorization at any time. If you do or we are not

satisfied with the results of any credit check, we may end this Agreement;

- you will promptly inform us of any change in: (i) your mailing address at least 30 days in advance of such change; and/or (ii) the bank account or credit card information provided to us promptly after such change is made;
- we may sell, assign, concurrently lease or otherwise dispose of, or grant a security interest in, all or part of our right, title and interest in this Agreement or the Water Heater to anyone else, without notice to you or your consent. To the extent permitted by law, you will not assert against any transferee any claims, defenses, set-offs, deductions or counter-claims which you may now or in the future be entitled to assert against us;
- the Agreement is binding upon and will ensure to your respective heirs, personal representatives, successors and permitted assigns; and
- we may register, at your expense, our interest in the Water Heater against you and/or against title to the premises. To the extent permitted by law, you agree to waive any right to receive a copy of such registration and appoint us as your lawful attorney for the purpose of doing any such registrations. You agree that the Water Heater will remain personal property even though it may become affixed to the premises. You agree to keep the Water Heater free of all liens, security interests, mortgages and other claims.
- Sale of Your Home** – If you sell the premises, the Agreement shall be transferred to the purchaser, and we will permit the purchaser to assume your rights and obligations under the Agreement, effective from the date of sale, provided that:
 - the purchaser is notified in the agreement of purchase and sale that the Water Heater is rented and is subject to the terms and conditions of the Agreement;
 - you advise us in advance of the purchaser's name and the intended date of sale;
 - the purchaser agrees in writing or by conduct to rent the Water Heater in accordance with this Agreement; and
 - you have paid us all other amounts owing under this Agreement.

You hereby authorize us to respond to information requests relating to you account, made by or on behalf of the purchaser.

Customer Advisory. Your Water Heater may be equipped with flammable vapour ignition resistant ("FVIR") technology. Direct Energy encourages you to read your Water Heater Use & Care Manual to determine if the unit in your home is equipped with FVIR technology. Certain activities such as, without limitation: painting or using solvents could cause the FVIR technology to "lockout" the Water Heater causing it to no longer function until reset by a qualified service technician. Resetting the Water Heater caused by FVIR "lockout" is not covered by Direct Energy under the rental terms and conditions set forth herein and, if applicable, you will be charged for both parts and labour.

- Warranties** – We make no representations, warranties or conditions as to the performance of the Water Heater except for those which are given by statute and which you cannot waive. We are not the manufacturer of the Water Heater and we are not making any warranty or guarantee in respect of it. If the supplier or the manufacturer of the Water Heater including whether the Water Heater is suitable for use. Any warranties or guarantees provided under applicable legislation are hereby excluded to the extent permitted by law.
- Liability** – We will not be liable for any loss, damage or injury of any type (including as a result of any water leakage or electrical or natural gas related events) arising out of or related to this Agreement or caused or contributed to in any way by the use and/or operation of the Water Heater including without limitation, any indirect, incidental, special or consequential damages, even if reasonably foreseeable. If we are unable to perform any of our obligations under the Agreement because of circumstances or events beyond our control, we shall be excused from the performance of such obligations for the duration of such circumstances or events and we shall not be liable to you for such failure to perform.
- Indemnity** – You will indemnify us from any loss or damage to the Water Heater for any reason (other than normal wear and tear) and all claims, losses and costs that we may suffer or pay or may be required to pay, including legal expenses, in connection with the Agreement or the use and operation of the Water Heater including any claims against us for any injury or death to individuals or damage to property. This obligation survives the termination of this Agreement for any reason.
- Insurance** – During the term of the Agreement, you are responsible for any loss or damage to the Water Heater from any cause, whether or not insured, until all of your obligations under the Agreement have been fulfilled.

Personal Information About You. We collect and use personal information about you in order to establish and manage our business relationship with you. You authorize us to review information about your Direct Energy bill payments or, if you are billed by your gas utility, you authorize your gas utility to provide us with any charges and payment information. Other than to our authorized service providers, parties that will provide us with credit information, and parties to whom we are servicing the Water Heater we won't knowingly share this information with third parties without your permission, other than a party to whom we transfer or assign this Agreement.

Your privacy is important to us. As a current customer, we are committed to offering you more value in the future. Every once in a while, we, or an authorized service provider, may mail or call you about our other products and services that may be of interest to you. If you don't want us, or an authorized service provider, to contact you about such products and services or if you would simply like more information about how we use personal information, please contact us using the information set out in the section "How to Contact Us" located at the end of the Agreement. Our privacy policy can be found on the Direct Energy website.

Termination

Termination by Us – You agree that we may terminate the Agreement and, in addition to any other remedies that we may have, we may remove the Water Heater if you fail to meet any of your obligations set out in the Agreement.

Termination by You – Your sole method of terminating this Agreement is to purchase your rental water heater. You may purchase your rental Water Heater at any time for the age-reduced price shown on the Buyout Schedule provided with these Water Heater Rental Terms and Conditions. The purchase price reflects, among other things, the unpaid cost of the Water Heater and related installation, finance and servicing costs. You may exercise your buyout option by notifying us in writing or by calling a Direct Energy Rental Specialist at 1-877-339-1846.

When you exercise your buyout option, you accept the Water Heater in an "as-is" condition, subject to the balance of any transferable manufacturer's warranty, and you assume full responsibility for the Water Heater and its repair and maintenance. You also agree to pay the buyout price when invoiced by Direct Energy.

Once payment has been received for the buyout price, and no other amounts are outstanding pursuant to the Agreement, the Agreement will end for the Water Heater and, as set out more particularly below in the section called "End of the Agreement", you will have no further obligation to pay rent and we will have no further obligation to you. End of the Agreement. At the end of the Agreement (for whatever reason):

- Rent – you are not obligated to rent and we are not obligated to supply replacement equipment (including a Water Heater), unless we mutually agree at the time and enter into a new Water Heater rental agreement;
- Replacement – Direct Energy is not responsible for replacing the Water Heater or re-connecting any ancillary or other equipment including without limitation venting, piping, plumbing, wiring, ducting; and/or electrical services;
- No Further Obligations – you will have no further obligation to pay rent (other than rent owing prior to the end of the Agreement) and, subject to any statutorily mandated requirements, we will have no further obligations of any kind or manner to you.

Your Rights under the Consumer Protection Act, 2002. If this Agreement was entered into in person at a place other than our place of business, a trade show, market place or an exhibition, the following except from the Consumer Protection Act, 2002 applies: "You may cancel this Agreement at any time during the period that ends ten (10) days after the day you receive a written copy of the Agreement. You do not need to give us a reason for cancelling during this 10-day period. If we do not make delivery within 30 days after the delivery date specified in this Agreement or if we do not begin performance of our obligations within 30 days after the commencement date specified in this Agreement, you may cancel this Agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance. If the delivery date or commencement date is not specified in this Agreement and we do not deliver or commence performance within 30 days after the date this Agreement is entered into, you may cancel this Agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance. In addition, there are other grounds that allow you to cancel this Agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Consumer and Business Services.

To cancel this Agreement, you must give notice of cancellation to us, at the address set out in the Agreement, by any means that allows you to prove the date on which you gave notice. If no address is set out in the Agreement, use an address of ours that is on record with the Government of Ontario or the Government of Canada or is known by you. If you cancel this Agreement, we have fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance). However, if you cancel this Agreement after having sold the goods or services from us and having requested that delivery be made or performance be commenced within ten (10) days after the date this Agreement is entered into, we are entitled to reasonable compensation for the goods and services that you received before the earlier of the 11th day after the date this Agreement was entered into and the date on which you gave notice of cancellation to us, except goods that can be repossessed by or returned to us. If we request in writing, repossession of any goods that came into your possession under the Agreement, you must return the goods to our address or to the address of a person designated in writing by us or allow us, or our authorized service provider, to repossess the goods. If you cancel this Agreement, you must take reasonable care of any goods that came into your possession under the Agreement until one of the following happens: we repossess the goods; we have given you a reasonable opportunity to repossess the goods and twenty-one (21) days have passed since the Agreement was cancelled; you return the goods; or we direct you in writing to destroy the goods and you do so in accordance with our instructions.

Entire Agreement and Amendments. You understand that this Agreement is the entire Agreement between you and us and may be amended from time to time by us by notice in bill inserts, by letter or by any method permitted by law.

How to Contact Us. You may contact us as follows:

88 Altona Parkway
Mississauga, Ontario L3R 9H3
Attention: "Rental Group"
1-800-266-3939

*Ontario regulation 212/01 Section 15

2013 RWH Buyout Schedule **

Buyout Schedule: 2013 Installs															
	CV40	CV50	CV60	PV40	PV50	PV50-HI	PV60	PV75 HI	DV40/ DV50	PV40/ PV50	Polaris 34	COMBI- COR 50	Tankless (R75)	Condensing Tankless (R100)	Electric 80
1 to 2 yrs old	\$ 787	\$ 882	\$ 1,045	\$ 1,170	\$ 1,189	\$ 1,285	\$ 1,314	\$ 1,457	\$ 920	\$ 1,381	\$ 4,372	\$ 2,339	\$ 2,944	\$ 3,365	\$ 815
3 to 4 yrs old	\$ 887	\$ 796	\$ 943	\$ 1,055	\$ 1,073	\$ 1,159	\$ 1,185	\$ 1,316	\$ 830	\$ 1,246	\$ 3,945	\$ 2,111	\$ 2,856	\$ 3,039	\$ 735
5 to 6 yrs old	\$ 609	\$ 699	\$ 828	\$ 927	\$ 942	\$ 1,018	\$ 1,041	\$ 1,155	\$ 729	\$ 1,094	\$ 3,465	\$ 1,854	\$ 2,333	\$ 2,667	\$ 646
7 to 8 yrs old	\$ 513	\$ 590	\$ 688	\$ 783	\$ 798	\$ 860	\$ 879	\$ 975	\$ 616	\$ 924	\$ 2,925	\$ 1,566	\$ 1,970	\$ 2,252	\$ 545
9 to 10 yrs old	\$ 407	\$ 468	\$ 555	\$ 621	\$ 632	\$ 682	\$ 681	\$ 773	\$ 488	\$ 733	\$ 2,329	\$ 1,242	\$ 1,562	\$ 1,786	\$ 433
11 to 12 yrs old	\$ 288	\$ 331	\$ 382	\$ 446	\$ 446	\$ 482	\$ 483	\$ 547	\$ 345	\$ 518	\$ 1,640	\$ 878	\$ 1,104	\$ 1,263	\$ 306
13 to 14 yrs old	\$ 154	\$ 177	\$ 218	\$ 238	\$ 238	\$ 258	\$ 263	\$ 292	\$ 185	\$ 277	\$ 877	\$ 409	\$ 590	\$ 675	\$ 163
15+ years old	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Monthly Rental Rate	\$14.00	\$15.09													

All tank sizes in U.S. Gallons. 1 U.S. Gallon = 0.8327 Imperial Gallons = 3.7854 Litres. Please allow 30-90 days to see credits/charges to your bill.

** The chart shows prices for almost all types of Direct Energy Rental Heaters. If your water heater is not covered or if you are unsure of the type or install data, please call us at 1-877-334-1846.