



**NOTICE OF INTENTION TO MAKE AN ORDER FOR AN ADMINISTRATIVE
PENALTY UNDER s. 112.5
UNIVERSAL ENERGY CORPORATION**

The Ontario Energy Board (the “Board”), on its own motion, intends to make an Order under subsection 112.5 of the *Ontario Energy Board Act, 1998* (the “Act”) requiring Universal Energy Corporation (“Universal”) to pay an administrative penalty in the amount of \$200,000 for contravening certain enforceable provisions of the Act.

The Board intends to make this Order based on evidence obtained through both: a formal review of selected Universal recorded reaffirmation calls made in March, April and May 2007 as well as a further review of recorded calls made in June 2008 as part of the Board’s Retail Compliance Review. The particulars of non-compliance are as follows:

1. As part of a formal review initiated in September 2007 the Board finds that in 57 recorded calls with low volume electricity consumers, Universal has contravened section 88.4 of the Act, in that it has engaged in an unfair practice as defined in section 2 of Ontario Regulation 200/02, by making false, misleading or deceptive statements to low volume consumers as follows:
 - a. Universal representatives indicate that an electricity price protection program is being offered because the Ontario Energy Board and / or the government is cancelling the Regulated Price Plan in May 2008;
 - b. Universal representatives indicate that consumers will become subject to the true cost of power and will pay market prices for electricity starting in May 2008; and
 - c. Universal representatives indicate the government is deregulating electricity prices and / or removing the price cap in May 2008.

A list of the identified non-compliant recorded calls is attached as Appendix A to this Notice.

2. Further, as part of the Retail Compliance Review, the Board finds that Universal, in three transactions has contravened section 88.4 of the Act in that it has engaged in an unfair practice as defined in section 2 of Ontario Regulation 200/02, by making false, misleading or deceptive statements to consumers as follows:
 - a. Consumers currently pay subsidized electricity rates;
 - b. Consumers will become subject to the true cost of power in 2009 as the government is scheduled to remove the subsidy;
 - c. The government is paying a portion of your electricity bill monthly;
 - d. The government may cancel the regular rate adjustment in 2009; and
 - e. Consumers will be subject to paying the true cost of hydro which fluctuates.

These three transactions are listed in Appendix B.

3. Board finds that in 7 transactions Universal is non-compliant with section 2.3 of the Board's Electricity Retailer Code of Conduct by supplying low volume consumers without a valid reaffirmation. (A list of these transactions is set out in Appendix C).

Universal may request the Board hold a hearing on these matters within 15 days after receiving the Notice.

If no hearing is requested within the time permitted the Board may make an order that Universal shall pay an administrative penalty in the amount of \$200,000 pursuant to s. 112.5 of the Act.

If a hearing is requested, the Board is not bound by the above noted penalty and has discretion, upon finding a contravention(s) of the Act, to make any order it deems appropriate under s. 112.3, 112.4 or 112.5 of the Act.

In order to respond to this Notice and request a hearing, Universal must file 6 copies of

this request with the office of the Board Secretary.

If a hearing is requested, Universal is entitled to be present at the hearing with or without counsel and to adduce evidence and make submissions. Should Universal fail to attend, the hearing may be conducted in its absence and Universal will not be entitled to any further notice in the proceeding.

The hearing will proceed before a Panel of the Board, at the offices of the Ontario Energy Board, 2300 Yonge Street, Toronto, Ontario on a date to be set by the Board.

Dated at Toronto, December 22, 2008

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

Universal Energy Corporation Recorded Calls with Low-Volume Electricity Consumers March 2007

DVD 01

File Name	Size
1. 2007-03-07_20_42_46	(231 KB)
2. 2007-03-07_20_31_13.wav.32073	(201 KB)
3. 2007-03-05_20_09_25	(209 KB)
4. 2007-03-07_12_52_09	(209 KB)
5. 2007-03-03_15_18_01	(200 KB)
6. 2007-03-06_15_19_20	(226 KB)
7. 2007-03-05_11_16_06	(231 KB)
8. 2007-03-03_11_17_18.wav.11443	(232 KB)
9. 2007-03-05_16_04_27	(233 KB)

Universal Energy Corporation
Recorded Calls with Low-Volume Electricity Consumers
April 2007

DVD 07

File Name:

Size:

1. 2007-04-09_18_46_15	(300 KB)
2. 2007-04-10_19_33_58	(200 KB)
3. 2007-04-10_17_53_10	(209 KB)
4. 2007-04-13_14_09_53	(OEB File Number 2007-0008249)
5. 2007-04-13_11_55_07	(200 KB)
6. 2007-04-13_15_17_04	(200 KB)
7. 2007-04-09_20_23_18	(201 KB)
8. 2007-04-12_18_15_58	(202 KB)
9. 2007-04-11_09_59_03	(202 KB)
10. 2007-04-11_19_25_35	(231 KB)
11. 2007-04-10_09_57_27	(232 KB)
12. 2007-04-13_17_02_41	(232 KB)
13. 2007-04-11_19_19_57	(233 KB)
14. 2007-04-09_19_14_45	(246 KB)
15. 2007-04-09_15_45_12	(246 KB)
16. 2007-04-08_12_58_07	(252 KB)
17. 2007-04-10_09_57_33	(284 KB)
18. 2007-04-13_16_37_09	(285 KB)
19. 2007-04-13_10_03_02	(285 KB)
20. 2007-04-08_10_01_43	(286 KB)
21. 2007-04-13_19_17_32	(286 KB)
22. 2007-04-08_09_58_57	(287 KB)
23. 2007-04-12_12_48_01	(288 KB)
24. 2007-04-11_20_13_55	(289 KB)
25. 2007-04-11_14_26_40	(290 KB)
26. 2007-04-13_10_26_29	(290 KB)
27. 2007-04-10_09_31_59	(290 KB)
28. 2007-04-13_19_12_25	(293 KB)
29. 2007-04-13_13_06_46	(293 KB)
30. 2007-04-13_09_05_56	(298 KB)
31. 2007-04-13_19_56_19	(298 KB)
32. 2007-04-08_11_03_27	(298 KB)
33. 2007-04-13_15_32_29	(300 KB)
34. 2007-04-08_16_01_47	(302 KB)
35. 2007-04-11_11_03_37	(302 KB)
36. 2007-04-09_10_59_08	(307 KB)
37. 2007-04-13_17_05_35	(308 KB)
38. 2007-04-08_13_53_04	(310 KB)
39. 2007-04-09_09_28_18	(435 KB)
40. 2007-04-09_20_40_00	(436 KB)
41. 2007-04-09_09_43_06	(442 KB)
42. 2007-04-11_10_25_58	(442 KB)
43. 2007-04-12_16_18_52	(822 KB)
44. 2007-04-11_15_57_05	(916 KB)
45. 2007-04-10_17_16_15	(932 KB)
46. 2007-04-12_20_10_49	(1,000 KB)

**Universal Energy Corporation
Recorded Calls with Low-Volume Electricity Consumers
May 2007**

DVD 14

File Name	Size
1. 2007-05-26_12_11_41	(209 KB)
2. 2007-05-23_13_19_49	(212 KB)

APPENDIX B

Universal Energy Corporation Recorded Calls with Low-Volume Electricity Consumers June 2008

Contract Number

1. 13125805
2. 13103134
3. 13128599

APPENDIX C

Universal Energy Corporation Low-Volume Electricity Consumers Supplied without Valid Reaffirmation

Contract Number

1. 50782151
2. 50778527
3. 50760018
4. 50781832
5. 50789339
6. 50334307
7. 13125805