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Ontario

Compliance Office Quarterly Activity Report

Third Quarter 2008-09 Fiscal

The Ontario Energy Board (OEB) is committed to publishing quarterly reports on the activities of the Compliance Office. This report provides details as to the level of activity as well as an overview of matters resolved between October 1 and December 31, 2008.

The quarterly report is separated into three sections dealing with each role of the Compliance Office: compliance management, consumer dispute resolution and providing information to market participants.

A highlight of compliance activity undertaken in this quarter includes:

- Based on information found through the Compliance Office's Retail Compliance Plan the Board issued administrative penalties to two retailer/marketers in the amount of $197,500. These penalties related to supplying customers without a valid reaffirmation and to making false or misleading statements.

1. COMPLIANCE MANAGEMENT & ENFORCEMENT ACTIVITIES

Compliance management refers to the review of allegations of non-compliance to assess whether, and to what extent, a regulated energy company has breached a legal or regulatory obligation.

Table 1 shows the number of active (Phase 1) compliance cases under review during the quarter, including those that have been completed and the number on-going. "Open" cases refer to those cases which are still in the review stage. "Completed" cases refer to those cases in which a determination of compliance or non-compliance by the Chief Compliance Officer.

Table 1 – Compliance Cases (Phase 1)		
Report for Q3 (October 1 – December 31)		
	Natural Gas	**Electricity**
Open from Q1	12	23
Opened in Q2	11	6
Phase 1 Completed in Q2	19	21
Open at end of Q2	4	8

A synopsis of selected compliance cases underway or completed during the quarter follows. These summaries are provided to help inform regulated energy companies about their compliance obligations and potential broader application.

- Twenty two of the cases closed in this period involved allegations of disputed signatures. Six of the cases involved three electricity retailers and sixteen cases involved six natural gas marketers. Three cases were dismissed as the allegation could not be validated. In the remaining cases the licensees confirmed they would be contacting all customers enrolled by the agents against whom the allegations were made to verify the status of customer's contracts.

- The Compliance Office reviewed a transmitter's actions relating to the connection of an embedded generation facility to an LDC's distribution system. As a result of action by staff, the compliance issue was resolved and the generator was connected.

- A customer brought a complaint to the Compliance Office in respect to an LDC's refusal to connect an embedded generation facility in a Net Metering arrangement. After a review by staff, no compliance issues were found.

- A representative of a group of land owners brought a concern to the Board relating to an LDC's failure to provide information as required by a Board order. The Compliance Office clarified the distributor's obligation to provide whatever information is available when requested.

- A customer of a natural gas distributor brought a complaint about the sales tactics of the distributor's staff. After a review, it was determined that no evidence of non-compliance could be determined.

- During this quarter, retailer/marketers reported compliance activities resulted in the cancellation of over 92 customer contracts with reimbursement amounts in excess of $44,000.00.

2. CONSUMER DISPUTE RESOLUTION SERVICE

Consumer Dispute Resolution Service (CDRS) refers to the activity of the Compliance Office in reviewing allegations of non-compliance filed by consumers against regulated energy companies. Review of the complaint includes bringing the complaint to the attention of the regulated energy company, assessing level of compliance or non-compliance and following up to ensure any resolution of the matter is reasonable. Table 2 shows the number of new CDRS issues/complaints that were reviewed and closed in the quarter.

Table 2 – CDRS - Complaints Reviewed			
Report for Q3 (October 1 – December 31)			
	Natural Gas	**Electricity**	**Business Plan Performance Metric Achievement***
Reviewed and Closed in Q3	67	87	80%

* resolution for 90% of complaints facilitated within 90 days

The CDRS complaints typically involve the following types of issues:

Natural gas and electricity distributors – billing practices such as: estimation practices, meter readings, late payment charges and security deposit calculations.

Electricity retailers and natural gas marketers – contract management and processing issues as well as sales agent conduct complaints.

3. PROVIDING INFORMATION TO MARKET PARTICIPANTS

The Compliance Office promotes increased awareness and understanding of regulatory processes for regulated entities to help prevent market participants from unknowingly failing to meet their obligations. Market participants are encouraged to direct questions regarding legal and regulatory obligations to the Board through a dedicated Market Participant hotline and e-mail. Table 3 shows the total number of such enquiries responded to by staff within all branches of the OEB in the quarter.

Table 3 – Market Participant Enquiries		
Report for Q3 (October 1 – December 31)		
	Standard	Non-Standard
Open from Q1	15	4
Opened in Q2	254	9
Closed in Q2	253	5
Open at end of Q2	1	4

Market participants should expect a response to a standard enquiry within 5 business days. During this quarter, the Market Participant hotline responded to enquiries within the requirement timeframe 100% of the time. Of the non-standard enquiries closed during the quarter, 86% were responded within the 45 business day metric.

The principal areas of enquiry included:

- Rates Applications
- Generator Connection
- Audit/Accounting Requirements

4. EBT WORKING GROUPS

Compliance staff supervise the meetings of the Electricity and Natural Gas EBT Working Groups. The Electricity Working Group met five times during this period. Among the issues discussed were:

Date	Discussion
Oct 24, 2008	• role of a spouse of the account holder (Compliance Bulletin 200801) • contract cancellations during 10-day cooling off period
Oct 31, 2008	• continued discussion on GI 821 proposed to standardize format of Drop Reason Codes
Nov 21, 2008	• Historical Usages – concern from LDC that a large number of inquiries were being submitted by email to confirm conservation effects of programs. Retailer will look into. • Issue of notification where customer impacted by elimination of an LDC's long term load transfers is a retailer customer. • continued discussion on GI 821 proposed to standardize format of Drop Reason Codes • Error identified in GI 813 – GI will be modified • GI 822 raised to clarify transaction to be used where an account holder name on an account is changed.
Dec 5, 2008	• continued discussion on GI 821 proposed to standardize format of Drop Reason Codes

Dec 19, 2008	• continued discussion on GI 821 proposed to standardize format of Drop Reason Codes • Direct Energy requested a list of postal codes in each LDC's service area – no such list exists

One meeting of the Natural Gas EBT Working Group was held in November. At this meeting the group finalized the wording of the EBT Standards Document and the "Point-to-Point" Protocol Document. There was a discussion regarding distributor consolidated billing in a bill-ready form and Enbridge provided an update on its Billing System Replacement Project. There was also a discussion of the change management process for EBT transactions along with five new requested changes.