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Ontario

Compliance Office Quarterly Activity Report

Fourth 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 January 1 and March 31, 2009.

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.

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 was made by staff.

Table 1 – Compliance Cases (Phase 1)		
Report for Q4 (January 1 – March 31)		
	Natural Gas	**Electricity**
Open from Q3	4	8
Opened in Q4	17	7
Phase 1 Completed in Q4	10	7
Open at end of Q4	11	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.

- Nine of the cases closed in this period involved allegations of disputed signatures. Two of the cases involved one electricity retailer and seven cases involved four natural gas marketers. Two 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.

- Staff reviewed three allegations of a retailer using the Electronic Business Transactions (EBT) system to process improper charges on a customer's bill. In one case, it was determined that the retailer did process improper charges through the EBT system. In the two other cases, it was determined that the charges the retailer processed were appropriate.

- A retailer/marketer brought forward an allegation of non-compliant behaviour by another retailer/marketer. After a review, it was determined that no evidence of non-compliance could be determined.

- The Compliance Office launched an investigation into the renewal practices of a retailer/marketer. It was determined that there was non-compliant behaviour. The retailer/marketer agreed to an action plan to revise its practices in order to become compliant.

- 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 237 customer contracts with reimbursement amounts in excess of $100,000.00.

For the year ending March 31, 2009, the Compliance Office reviewed and resolved 108 allegations of non-compliance; 91% of these cases were closed within the required 150 day metric.

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 "Level 2" complaints includes direct staff involvement in investigating the compliant, assessing level of compliance or non-compliance and following up to ensure any resolution of the matter is reasonable. "Level 1" complaints involve issuing a Consumer Complaint Response ("CCR") directly to the company involved for resolution. Staff monitors all the results of all Level 1 complaints. 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 Q4 (January 1 – March 31)			
	Electricity	**Natural Gas**	**Business Plan Performance Metric Achievement***
Level 2 Investigated and Closed	25	26	98%

*resolution for 90% of complaints facilitated within 90 days

Staff monitored 1,649 Level 1 complaints in the quarter.

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.

For the year ending March 31, 2009, the Compliance Office reviewed and resolved 205 Level 2 Natural Gas complaints and 338 Level 2 Electricity complaints; 91% of these cases were closed within the required 90 day metric.

3. PROVIDING INFORMATION TO MARKET PARTICIPANTS

The OEB 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 OEB staff within all branches of the OEB in the quarter.

Table 3 – Market Participant Enquiries		
Report for Q4 (January 1 – March 31)		
	Standard	Non-Standard
Open from Q3	1	4
Opened in Q4	222	10
Closed in Q4	223	12

Open at end of Q4	0	2

Market participants should expect a response to a standard enquiry within five business days. During this quarter, the Market Participant hotline responded to enquiries within the required timeframe 98% of the time. Of the non-standard enquiries closed during the quarter, 100% were responded to within the 45 business day metric.

The principal areas of enquiry included:

- Audit/Accounting Requirements
- Licensing Requirements
- Conservation and Demand Management Activities

For the year ending March 31, 2009, the OEB staff responded to 964 standard enquiries within the required timeframe 98% of the time. During the same period, OEB staff responded to 35 non-standard enquiries within the required timeframe 100% of the time.

4. EBT WORKING GROUPS

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

Date	Discussion
Jan 16, 2009	• continued discussion on GI 821 proposed to standardize format of Drop Reason Codes
Feb 6, 2009	• GI 821 placed on hold due to costs involved for process changes
Mar 6, 2009	• continued discussion on GI 813 modifications to clarify changes to Change Consumer Information transaction
Mar 27, 2009	• GI 813 clarification document approved – changes to be made to EBT Standards Document re Change Consumer Information transaction • discussion to address concern that existing retailer was not advised of a contest – reminder that transactions must be processed in the order in which they are received – then concern should not be an issue • input from LDCs indicating that a fixed date for exit of consumer from the RPP would create a conflict with those billing systems that are not able to support two rate classes within the same billing period