



LETTER NO. L-54-07

ROBERT J. PELLATT
COMMISSION SECRETARY
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Log No. 20615

VIA E-MAIL

June 22, 2007

nsilvestri@universalenergy.ca; dparent@universalenergy.ca
kmorrow@cegenenergy.com

RULES FOR GAS MARKETERS COMPLAINT NO. 2
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Mr. Nino Silvestri
Chief Operating Officer
Universal Energy Corporation
25 Sheppard Avenue West
Suite 1605
Toronto, Ontario M2N 6S6

Mr. Kirby Morrow
CEG Energy Options Inc.
502 - 4180 Lougheed Highway
Burnaby, BC V5C 6A7

Dear Sirs:

Re: Universal Energy Corporation
Complaint to Commission
Marketing Tactics of CEG Energy Options, Inc.

This is in response to the letter dated June 18, 2007 from Universal Energy Corporation ("Universal Energy") making a formal complaint about the marketing practices of CEG Energy Options, Inc. ("CEG"). Universal Energy alleges that CEG induced an existing Universal Energy customer to break their contract, and requests the Commission take the appropriate measures. The June 18th letter is enclosed.

The Code of Conduct for Gas Marketers (the "Code") was most recently approved by Commission Order No. G-45-07. Each licensed Gas Marketer has agreed to accept the obligations of the Code, and compliance with the Code is a condition of a Gas Marketer licence. Section 20 of the Code states:

"A Salesperson shall not induce any Consumer to break a contract with another Gas Marketer."

The Commission takes allegations of a violation of the Code very seriously and will take action to ensure that all Gas Marketers strictly adhere to their obligations under the Code, so that consumers and other Gas Marketers have confidence in and continue to support unbundling of the residential gas market. Section 10 of the Rules for Gas Marketers (the "Rules") that were approved by Order No. G-90-03 addresses the enforcement of the Rules, the Code and licence conditions. The Commission will review an alleged violation by a process that, while as expeditious as possible, provides both complainant and respondent with notice, and a suitable opportunity to present their evidence and other submissions on the matter and to respond to each other. The Commission expects that only the complainant and respondent will be involved in the Commission process to resolve a complaint and that, except possibly in very unusual circumstances, all materials provided to the Commission by one party will be fully disclosed to the other. Except for the final determination, the Commission does not intend to release information related to a complaint to parties that are not directly involved.

Consistent with Section 10 of the Rules and its practices for handling complaints, the Commission hereby establishes a written hearing and the following Regulatory Timetable for resolution of the Universal Energy complaint against CEG:

Regulatory Timetable

<u>Action</u>	<u>Date 2007</u>
Universal Energy Written Submission	Friday, June 29
CEG Written Submission	Monday, July 9
Universal Energy Reply Submission	Friday, July 13

Universal Energy included with its June 18th letter two voice message files. The Universal Energy Written Submission should include all evidence and arguments that Universal Energy desires the Commission to consider, including voice message files, and should be copied to CEG. It will be helpful if both recordings and transcripts of recorded conversations can be provided. The Commission does not wish to receive information that is not disclosed to CEG, and requests that Universal Energy redact any information that it considers confidential, prior to submitting it to the Commission and CEG. The Commission also asks that Universal Energy identify the specific actions that it is requesting the Commission take in this matter.

The CEG Written Submission should include all evidence and arguments that CEG desires the Commission to consider, and should be copied to Universal Energy.

The Universal Energy written Reply Submission should be limited to responding to points raised in the CEG Written Submission.

Yours truly

Original signed by:

Robert J. Pellatt

RJP/dlf
Enclosure



June 18, 2007

British Columbia Utilities Commission
6th Floor-900 Howe Street, P.O Box 250
Vancouver, BC V6Z 2N3

Attention: Robert J. Pellatt

Dear Mr. Pellatt:

Re: Formal Complaint Against Gas Marketers

Universal Energy Corporation ("Universal") wishes to lodge an official complaint against CEG Energy Options, Inc. ("CEG") and the Wholesale Energy Group ("WEG"), both part of the SemCanada Energy Group of Companies, for its dubious marketing practices. We have attached copies of two sample calls from the aforementioned companies which clearly conclude that CEG and WEG are in violation of Article 20 the Code of Conduct for Gas Marketers ("The Code") (See Article below).

Article 20

A Salesperson shall not induce any Consumer to breach a contract with another Gas Marketer.

Note that Universal did attempt to resolve this issue directly with CEG and WEG following the first and most egregious occurrence involving the CEG Agent (see attached). CEG and WEG responded stating that they take complaints seriously and pledged to follow up with the incident. We have yet to hear back from CEG regarding this issue.

The second call highlights a situation whereby a Universal customer is being coached by an Agent from the Wholesale Energy Group to cancel our contract in lieu of a discounted rate from the Wholesale Energy Group (keep in mind that the customer actually states that the Agent was present during the cancellation call).

We trust that the Commission will treat these actions as a violation of The Code and will take the appropriate measures.

Please do not hesitate to contact me at 416-673-1161 should you have any questions or wish to discuss this matter further.

Yours truly,

A handwritten signature in dark ink, appearing to read "Nino C. Silvestri", is written over a light blue horizontal line.

Nino Silvestri
Chief Operating Officer

cc: R. (Bob) Brownell – Senior Energy Analyst
Hans Mertins - Residential Unbundling Project Manage