

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER A-11-10**



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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**Terasen Gas Inc.
Standardized Third Party Verification Call Script
and
Modifications to the Code of Conduct for Gas Marketers
Customer Choice Program**

BEFORE: D.A. Cote, Commissioner
 L.F. Kelsey, Commissioner

June 17, 2010

O R D E R

WHEREAS:

- A. The British Columbia Utilities Commission (Commission) issued Order C-6-06 granting a Certificate of Public Convenience and Necessity (CPCN) to Terasen Gas Inc. (Terasen Gas) for the Residential Commodity Unbundling Project effective November 1, 2007 (Customer Choice Program); and
- B. The Commission established an annual general meeting participated by gas marketers, Terasen Gas, and other interested parties to review the effectiveness of the Customer Choice Program. On April 23, 2009, the second Customer Choice Annual General Meeting was held to discuss the concerns and suggestions of interested parties, and to review the communication activities planned for 2009 and 2010, as well as system enhancements that have taken place since 2008. At the meeting the Commission requested Terasen Gas file a Report, the Customer Choice – 2009 Program Summary and Recommendations (the Application); and
- C. On February 22, 2010, subsequent to a written review of Terasen Gas's Application, the Commission issued Order A-3-10 which included a determination on the timing and scripting of the Third Party Verification (TPV) call script requirements, as well as allowing more flexibility on the scheduling of the Annual General Meeting; and
- D. On March 17, 2010, the Commission issued a letter enclosing a draft TPV script for comment to the British Columbia Old Age Pensioners' Organization et al (BCOAPO), Terasen Gas, and gas marketers (collectively, Program participants); and

- E. The Commission received comments from BCOAPO, Terasen Gas, Access Gas Services Inc., and a joint submission from Summit Energy BC LP, Just Energy (B.C.) Limited Partnership, and Superior Energy Management Gas LP; and
- F. In the process of reviewing revisions to the TPV script, the Commission identified an item requiring additional clarity and on May 13, 2010, the Commission issued a letter with a recommendation and requested comments from Program participants; and
- G. In response to the Commission's May 13, 2010 letter, additional comments were received from Just Energy (B.C.) Limited Partnership, and a joint submission from Superior Energy Management Gas LP and Summit Energy BC LP.
- H. The Commission reviewed and considered comments from Program participants on the standardized TPV script, including changes required to the Code of Conduct for Gas Marketers (Code of Conduct) to implement the script, as well as other modifications contemplated under Order A-3-10.

NOW THEREFORE pursuant to section 71.1 of the *Utilities Commission Act* the Commission orders as follows:

- 1. The Reasons for Decision and the standardized TPV script are attached as Appendix A to this Order. The TPV script must be implemented by each gas marketer and is effective 30 calendar days from the date of this Order.
- 2. Effective 30 calendar days from the date of this Order, Articles 26, 32, and 33 of the Code of Conduct are revised as follows:
 - Article 26 of the Code of Conduct is amended to include:
"The Consumer's Agreements must also include a fill-in date (beside the customer's signature) for the customer to complete at the time the contract or agreement is signed."
 - Article 32 of the Code of Conduct is revised to amend the timing of the TPV call and to include a standardized TPV script. It states:
"Third Party Verification (TPV) is the form of a digitally recorded telephone call either initiated as an outbound call from the Gas Marketer to the Consumer or as an inbound call from the Consumer."

The TPV call must not occur until 24 hours after the Consumer executes the contract, and in order to complete the sale, must occur within four business days of the Consumer executing the contract. The Consumer who signed the contract with a Gas Marketer must confirm their understanding of the key elements of the agreement through a TPV call.

The call must be completed before the Consumer's enrollment is submitted to the LDC. The digital file will be available for the Commission three days after the initial recording and retained by the Gas Marketer for the term of the Consumer's Agreement.

The TPV call should follow the standardized scripting set out below. The Commission will not allow additions or deviations from the standardized script at this time. If Gas Marketers wish to request an amendment to a technical detail, they can apply to the Commission."

- Article 33 of the Code of Conduct is revised to state:
"The Code shall be reviewed and modified if required at an annual meeting established by the Commission. Modifications to the Code are subject to the approval of the Commission."

3. The revised Code of Conduct is attached as Appendix B to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of June 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner

Attachments

**Standardized Third Party Verification Call Script
and Revised Code of Conduct for Gas Marketers**

REASONS FOR DECISION

1.0 BACKGROUND

The British Columbia Utilities Commission (Commission) Order C-6-06 granted a CPCN to Terasen Gas Inc. (Terasen Gas) for the Commodity Unbundling Project for Residential Customers (Customer Choice Program) effective November 1, 2007.

The Commission established an annual general meeting participated by gas marketers, Terasen Gas, and other interested parties to review the effectiveness of the Customer Choice Program. On April 23, 2009, the second Customer Choice Annual General Meeting (AGM) was held to discuss the concerns and suggestions of interested parties, and to review both the communication activities planned for 2009 and 2010, as well as system enhancements that have taken place since 2008. Commission staff requested Terasen Gas file a Report, the Customer Choice – 2009 Program Summary and Recommendations (the Application) summarizing the issues and items from the AGM with its recommendations.

At the 2009 AGM, the Commission proposed the use of standardized scripting as a result of reviewing a number of Third Party Verification (TPV) calls for disputed contracts since the inception of the TPV in 2007; some of which, although compliant to the letter, are not compliant with the spirit of the Code of Conduct for Gas Marketers (Code of Conduct). The Commission also suggested that the contract signing process and the TPV should be separate so that the customer has a full opportunity to review the contract before confirming their understanding of the key elements of the agreement.

Through the written review process of the Application, no party expressed issue with the proposal to standardize the TPV script although Just Energy asserted that gas marketers must be involved in the creation and content of the script. Therefore, the Commission determined that it would develop a draft script and provide all gas marketers an opportunity to comment at which time the Commission would issue final approval of a standardized script which is intended to address not only the topics canvassed in the script, but also the pace, tone, and clarity of the gas marketing representative conducting the TPV.

On March 17, 2010, the Commission issued a letter enclosing a draft standardized TPV script for comment to British Columbia Old Age Pensioners' Organization et al (BCOAPO), Terasen Gas, and gas marketers and received comments from BCOAPO, Terasen Gas, Access Gas Services Inc. (Access Gas), and a joint submission from the Marketer Group comprised of Summitt Energy BC LP (Summitt Energy), Just Energy (B.C.) Limited Partnership (Just Energy), and Superior Energy Management Gas LP (Superior Energy) (collectively, Program participants).

In the process of reviewing revisions to the TPV script, the Commission identified an item requiring additional clarity and on May 13, 2010, the Commission issued a letter with a recommendation and requested comments from Program participants.

The Commission considered all submissions received and these Reasons for Decision explain the decisions and considerations of the Commission with respect to the standardized TPV script.

2.0 ORDER A-3-10

Subsequent to the review of this Application, the Commission issued A-3-10 on February 22, 2010, which included determinations modifying the Code of Conduct.

Commission Order A-3-10 stated that: “it will develop a standardized TPV script which will be provided to Terasen Gas, gas marketers, and BCOAPO, as participants of this process, for comment and input. The Commission will issue final approval of a standardized script. The standardized script will address not only the topics canvassed in the script, but also the pace, tone, and clarity of the gas marketing representative conducting the TPV.”

Order A-3-10 also stated that the “TPV call must not occur until 24 hours after the customer executes the contract, and in order to complete the sale, must occur within four business days of the customer executing the contract. For convenience, the TPV call may be initiated by either the gas marketer or the customer within that window.”

The same Order also established the AGM for 2010 to occur on September 8, 2010. This timing allows sufficient time to obtain useful information on how the changes to the Program directed in the Decisions throughout A-3-10 are working. Article 33 of the Code of Conduct will be amended to provide more flexibility in scheduling of the annual review.

3.0 STANDARDIZED THIRD PARTY VERIFICATION CALL SCRIPT

The proposed script provided to Program participants on March 17, 2010 read:

Disclaimer:

Note: The gas marketer shall terminate the call if the customer objects to the call being recorded. For points that need confirmation from the customer, a Yes/No (Y/N) is indicated at the end of the question. Gas Marketers can use the term “agreement” or “contract,” as appropriate.

Script Preamble

A. Outbound

Good morning/afternoon/evening “CUSTOMER.” My name is “TPV AGENT’s NAME” and I am calling from “GAS MARKETER” to confirm the key points on the agreement that you recently signed with one of our agents.

This call is the final step before your enrollment with “GAS MARKETER” is completed. We will record this call and in the event of a dispute, this recording will be provided to the BC Utilities Commission for review.

B. Inbound

Thank you for calling “GAS MARKETER” to confirm the key points on the agreement that you recently signed with one of our agents.

This call is the final step before your enrollment with “GAS MARKETER” is completed. We will record this call and in the event of a dispute, this recording will be provided to the BC Utilities Commission for review.

1. Can you please confirm today’s date and time as well as the date and time you signed the agreement with our representative?
2. I understand your full name is ...Is this correct?
3. Are you the Terasen Gas account holder? Y/N
If no, are you authorized to enter into a contract/agreement for this residence/premise on behalf of the account holder? Y/N
4. Do you understand that “GAS MARKETER” is completely independent of Terasen Gas or the government? Y/N
5. Do you understand that “GAS MARKETER” will become your natural gas supplier? Y/N
6. Do you understand that entering into an agreement with our company is entirely voluntary and there is no obligation to switch your service from Terasen Gas or another gas marketer? Y/N
7. A Customer Choice Standard Information Booklet entitled “It’s Your Choice” which contains no logos or company information has been left with you by our salesperson for your review. Do you have a copy of this Booklet? Y/N
8. Do you have a copy of your signed contract/agreement? Y/N
9. Do you understand the product, price and term of the contract/agreement? Y/N
Please read out the term length and price(s) outlined on your contract/agreement.
10. Do you understand that by signing a contract/agreement with a rate fixed for the term of the contract/agreement, you may not save money? Y/N
11. Do you understand that you have 10 days to cancel this contract/agreement without any fees? Y/N
Do you understand that following expiration of the 10 day cancellation period there are limitations on and costs that may be associated with the cancellation of your contract/agreement? Y/N
12. You will receive a letter from Terasen Gas confirming your enrollment with “GAS MARKETER.”

Thank you for your time and if you have questions please contact us at the contact information provided on your contract/agreement.

4.0 COMMISSION DETERMINATIONS

The following determinations are made on the individual points of the script, and the final script is found in full in section 5.0 of these Reasons as well as article 32 in the Code of Conduct, attached as Appendix B to this Order.

4.1 *Script Preamble*

The script preamble is an important opportunity to advise the customer of the purpose of the verification call and ensure that the customer is aware of the importance of the script in the context of a disputed contract.

Terasen Gas suggested revising the preamble to state: “We record this call on behalf of the BC Utilities Commission. Should a disagreement regarding your contract arise in the future, the Commission will use the information gathered to rule on the matter.”

As Access Gas suggested, the Commission has provided the option of stating “one of our agents,” or specifically, the sales agent’s name. In the sentence which states: “This call is the final step before your enrollment with “GAS MARKETER is completed,” Access Gas suggested replacing the word *completed* with *processed* advising that the TPV does not actually complete the contract. The Commission has not made this change, while it recognizes that this is technically accurate, the customer’s involvement in the process is completed when the TPV call is successfully conducted.

The Marketer Group suggested changes to the wording of the preamble which removed reference to the Commission’s role in the dispute process and stated that the call would be reviewed by the Commission if requested. The Commission is of the view that removing reference to the dispute process does not adequately clarify that this call is a required step in the enrollment and dispute process rather than a courtesy call.

The Commission has considered the comments received from Program participants, and accepts Terasen Gas’s suggestion to clarify the Commission’s role in the adjudication process. The preamble is amended accordingly to emphasize that the verification call is an important part of the enrollment and dispute process.

The script preamble reads:

Script Preamble

Outbound

Good morning/afternoon/evening “CUSTOMER.” My name is “TPV AGENT’s NAME” and I am calling from “GAS MARKETER” to confirm the key points on the contract/agreement you recently signed with (Agent’s name *OR* one of our agents).

This call is the final step before your enrollment with “GAS MARKETER” is completed. We record this call on behalf of the BC Utilities Commission. The Commission will use the information gathered in this verification call to rule on any disagreement that may arise in the future.

Inbound

My name is (TPV AGENT's NAME). Thank you for calling "GAS MARKETER" to confirm the key points on the contract/agreement you recently signed with (Agent's name *OR* one of our agents).

This call is the final step before your enrollment with "GAS MARKETER" is completed. We record this call on behalf of the BC Utilities Commission. The Commission will use the information gathered in this verification call to rule on any disagreement that may arise in the future.

4.2 Confirmation that the Customer has been left with a copy of the contract/agreement

Access Gas noted the customer may not have the contract/agreement readily available at the time of the TPV call. Similarly, the Marketer Group suggested revising the wording to ask the customer if a copy of the contract/agreement was left with them as opposed to asking the customer to verify that they have a copy of the contract/agreement. The Marketer Group suggested that if the customer was not provided with a copy of the contract/agreement then the call should be terminated. Terasen Gas pointed out that if the customer was not left with a copy of the contract/agreement, then the enrollment request should be cancelled.

The Commission agrees to rephrase the question to address the possibility that the customer may not have a copy of the contract/agreement readily available at the time of the call. The Commission also notes that if the customer was left with a copy of the contract/agreement, they should be given the opportunity to retrieve their copy before proceeding with the verification call.

As Terasen Gas proposed in its comments, the order of questions has been changed and question 1 has now been replaced with obtaining confirmation that the customer has been left with a copy of the contract. The Commission is of the view that this question is necessary to determine immediately whether or not the call may proceed. It also provides the customer with an opportunity to obtain their contract/agreement for review while confirming the key elements of it. The Commission expects that if the customer answers "no" to whether they were left with a copy of the agreement/contract, the call will be terminated; if the customer answers "yes," they will be offered an opportunity to obtain their copy.

This question reads:

1. Have you been left with a copy of your signed contract/agreement?

If no – the call shall be terminated

If yes – would you like to get your copy of the contract/agreement for reference? Y/N
(Must be permitted)

4.3 Confirmation of date and time of TPV call and date and time the contract/agreement is signed

Access Gas commented that the question requires too much information from the customer and that it is confusing. The Marketer Group suggested that an introduction be incorporated explaining the requirement that the TPV call is only allowed 24 hours after signing the contract/agreement and within four business days of signing the contract/agreement. Terasen Gas recommended splitting the question into two parts for clarity.

Considering Terasen Gas's suggestion, the Commission has now split the question into two parts. The revised script also incorporates the Marketer Group's suggestion about the timing of the call. However, instead of advising the customer on the timing requirement of the call, the revised question confirms if the verification call is taking place after 24 hours and within four business days of the signing of the contract/agreement.

This question reads:

2. Has it been more than 24 hours since you signed your contract/agreement with (GAS MARKETER)?
Y/N

If yes – and within four business days since you signed this contract/agreement? Y/N

If no – to either question, the call shall be terminated

4.4 *Verification of Customer's name*

The Commission retains the original wording as originally proposed. There were no content changes received from Program participants related to this question.

This question reads:

3. I understand your full name is ... Is this correct?

4.5 *Confirmation that the Customer is the account holder or authorized to enter into a contract/agreement for the premise*

Access Gas suggested combining the next two questions into one which would confirm that the customer is authorized to enter into the contract/agreement. The Commission recognizes the efficiency of the question posed this way, however, finds it useful in adjudicating the dispute to know whether or not the customer is the account holder. Therefore, it is necessary to keep this question in two parts – where negative response is provided to the first.

This question reads:

4. Are you the Terasen Gas account holder? Y/N

If no – are you authorized to enter into a contract/agreement for this residence/premise on behalf of the account holder? Y/N

4.6 *Confirmation that the Customer understands the gas marketer is not affiliated with Terasen Gas or the government*

The Marketer Group suggested replacing "completely independent of Terasen Gas or the government" with "is not affiliated with Terasen Gas or the government." The Commission is of the view that using the words "completely independent of Terasen Gas or the government" provides emphasis and clarity as to the gas marketer's independence and will avoid any customer confusion as to the gas marketer's relationship with these entities.

This question reads:

5. Do you understand that "GAS MARKETER" is completely independent of Terasen Gas or the government? Y/N

4.7 Confirmation that the Customer understands that the marketer will supply only the natural gas commodity

BCOAPO, Access Gas, and the Marketer Group were unanimous in suggesting that Terasen Gas's role in the Customer Choice Program should be clarified so as not to confuse the customer, specifically in terms of billing and delivery. BCOAPO recommended an additional question to clarify that Terasen Gas will continue to deliver the gas, and the customer will continue to receive bills from Terasen Gas. The Marketer Group suggested adding this question, "Do you understand that you will continue receiving your natural gas bill from Terasen Gas and that GAS MARKETER's name and phone number will appear on your bill?" Access Gas suggested adding the following line to the existing question "and Terasen Gas will remain responsible for delivery, emergency service, and billing."

The Commission agrees with Program participants to add clarity to the role of Terasen Gas in the billing, emergency service and delivery of natural gas.

This question reads:

6. Do you understand that "GAS MARKETER" will become your natural gas supplier and Terasen Gas will remain responsible for invoicing, emergency service, and delivery? Y/N

4.8 Confirmation that the Customer understands that enrollment with the gas marketer is voluntary and there is no obligation to switch service from Terasen Gas or other gas marketers

Access Gas commented that this question is redundant and suggested removing the line "and there is no obligation to switch your services from Terasen Gas or another gas marketer." It was also of the view that the term "switch your service" is confusing since under the Essential Services Model (ESM) "the customer is not switching their gas hook-up, distribution, emergency service or billing provider."

The Commission accepts Access Gas's comments and has removed the second part of the question as it does not add value and may lead to confusion of the customer.

This question reads:

7. Do you understand that entering into a contract/agreement with our company is entirely voluntary? Y/N

4.9 Confirmation that the Customer has knowledge of the product, price, and term of the contract/agreement

There were two parts to this question as proposed: the first part asked of the customer's understanding of the

product, price, and term of the contract/agreement; and the second part requested the customer to read out the term length and price(s) outlined on their contract/agreement.

Access Gas commented that the question be revised to accommodate that the customer may not have a copy of the contract/agreement readily available. Access Gas suggested restating the question to “Can you confirm that the fixed rate on your contract/agreement is “PRICE” for a term of “TERM” years?”

The Marketer Group suggested including a question regarding the price of other energy products, if applicable, and suggested the following question, “Do you understand that the supply of your fixed price natural gas is a green energy product at the price of (\$gj/j) for a term of X years.” For gas marketers who do not offer the green energy product, the Marketer Group suggested the question to be, “Do you understand that ‘GAS MARKETER’ will supply your natural gas at a fixed price of (\$gj/j) for a term of X years?”

Terasen Gas is of the view that this question should be expanded to include an explanation of renewal provisions, specifically the evergreen provisions, for those contracts with evergreen clauses. It states this will “help alleviate disputes related to this process and will serve to reinforce the importance of keeping the contract for future reference.” While we agree with Terasen Gas’s comment on including an explanation on the renewal process, this is not specified on the TPV requirements of the current version of the Code of Conduct. This matter may be revisited during the next AGM.

Considering that the customer may not have a copy of the contract/agreement at the time of the TPV call, the Commission accepts Access Gas’s suggestion to rephrase the question as well as to delete the second part requesting the customer to read out the contract term length and prices. The Commission also recognizes, as the Marketer Group noted, that there are gas marketers offering energy products, and the price of these products add to the total cost of the contract rate. Gas marketers can apply with the Commission to request an amendment to their scripts if they are offering a green energy option/product and would like to confirm the customer’s understanding of the price of this product during the TPV call. The Commission does not allow any deviation or addition from the standardized script except for a technical detail; please refer to section 4.16 on *Additional Commission Determinations*.

This question reads:

8. Do you understand that we will be supplying your natural gas at a fixed rate of “PRICE” for a term of “TERM” years? Y/N

4.10 Confirmation that the Customer understands that they may not save money

Access Gas suggested the Commission modify the wording for clarity. Access Gas suggested the question be rephrased to state: “Do you understand that you may not save money with a fixed rate contract/agreement?” The Marketer Group requested to replace the phrase “may not save money” with “there is no guarantee of financial savings.”

Considering both parties suggestions, the Commission made minor changes to remove “for the term” from the proposed question; however the phrase “may not save money” is retained at the end of the question for clarity.

This question reads:

9. Do you understand that by signing a fixed rate contract/agreement, you may not save money? Y/N

4.11 Confirmation that the Customer has received a copy of the Customer Choice Standard Information Booklet

Access Gas commented that the question is too long and be rephrased to state: “Did you receive a copy of the Standard Information Booklet entitled ‘It’s Your Choice’?” Terasen Gas suggested removing the reference to “Standard Information Booklet” as this has no meaning to the customer. The Marketer Group suggested rephrasing the question to state: “Was a Customer Choice standard Information Booklet entitled ‘It’s Your Choice’ which contains no logos or company information left with you by our salesperson for your review?”

The Commission accepts Access Gas’s proposed scripting and adds in a sentence notifying the customer that the booklet is also available from the Terasen Gas and the Commission websites.

The Commission also notes that in the proposed TPV call script provided to Program participants for comments, there was no notification to the customer to review the booklet before the 10-day cancellation period expires. This notification is now included in the concluding statement.

This question reads:

10. Did you receive a copy of the Standard Information Booklet entitled “It’s Your Choice”? Y/N

This booklet is also available on the Terasen Gas and BC Utilities Commission websites.

4.12 Confirmation that the Customer understands they can cancel without fees under the 10-day cancellation period

There were two parts to this question as originally proposed. The second part is discussed in the next section.

Access Gas noted that it preferred the word “penalty” to “fees.” The Marketer Group suggested to revise the question to read: “Do you understand that you have 10 days from today’s date to cancel this contract/agreement without any fees?”

The Commission agrees with Access Gas and replaced the word “fees” with “penalty.” The Commission believes that the word “penalty” is more appropriate and captures the message that there will be no negative consequence for the customer in terminating the contract earlier than the contract end date as long as the cancellation occurs under the 10-day cancellation period.

While the Commission agrees with the Marketer Group’s suggestion to qualify when the 10-day cancellation starts, it is not accurate to state it starts from the date of the TPV call since it may be a day or two after the TPV call depending on when the gas marketer submits the customer’s enrollment to Terasen Gas. Until this date can be accurately defined, the Commission defers this suggestion for the next review.

This question reads:

11. Do you understand that you have 10 days to cancel this contract/agreement without penalty? Y/N

4.13 Confirmation that the Customer understands there will be costs, notice requirement, and that the contract can only be cancelled on its anniversary date after the 10-day cancellation period

BCOAPO suggested an expansion of the terms “limitations and costs” to “communicate the importance of the 10 day period, and the consequences of signing a long-term contract.” Access Gas commented that the question was too wordy and suggested to rephrase it to state: “Do you understand that after the 10 day cancellation period your contract/agreement may only be cancelled on an anniversary date and there may be a cost to do so?” Access Gas believes that this version clarifies the cancellation provisions as they relate to the Essential Services Model program rules.

Terasen Gas suggested incorporating a line recommending that customers review the terms and conditions related to early contract termination. This suggestion with modification is accepted and incorporated into the closing statement.

The Marketer Group wished to restate the question to read: “Do you understand that following the expiration of the 10 day cancellation period you will only be able to cancel on your anniversary date and costs may be associated with the cancellation of your contract/agreement?”

The Commission agrees with Terasen Gas, Access Gas, and the Marketer Group to clarify that after the 10-day cancellation period a contract/agreement may only be cancelled by the customer on the contract anniversary date. The Commission also incorporates the notice requirement and that the customer will be responsible for costs and notice required for early termination. The Commission replaced the word “may” with “will” to emphasize the customer’s responsibilities in providing notice and paying the costs relating to early contract termination.

This question reads:

12. Do you understand that following your 10-day cancellation period, you can only make a request to cancel your contract/agreement on its anniversary date and you will be responsible for costs and early notice that will be required? Y/N

4.14 Notification that the Confirmation letter will be sent by Terasen Gas

No comments were received from Program participants for this question.

This question reads:

13. You will receive a letter from Terasen Gas confirming your enrollment with “GAS MARKETER.”

4.15 Closing statement

The Commission accepts Terasen Gas's suggestion to remind the customer to review the terms and conditions of their contract/agreement. In addition, the Commission includes a notice to customer to review the "It's Your Choice" booklet. The Commission is of the view that by reminding the customer to review the terms and conditions of the contract/agreement and the booklet, the customer will be left with an impression that these documents are essential, not only at the time of the signing of the contract/agreement, but also for future reference.

The closing statement reads:

Thank you for your time and if you have questions please contact us at the contact information provided on your contract/agreement. We recommend that you review the terms and conditions of your contract/agreement and read the "It's Your Choice" booklet before your 10-day cancellation period expires.

4.16 Additional Commission Determinations

A) Deviations from the standardized TPV script

Access Gas and the Marketer Group inquired if the Commission would allow additions or deviations from the standardized TPV script.

The Commission will not allow additions or deviations from the standardized TPV script at this time. If gas marketers wish to request an amendment to a technical detail such as the cancellation fees or a green product offering, they can apply to the Commission.

B) Implementation of the standardized TPV script

The Marketer Group requested a three-month period from the issuance of the revised Code of Conduct to prepare their systems before the implementation of the standardized TPV call script.

The Commission determines that recent changes to the Code of Conduct, including the implementation of the TPV script, are effective 30 calendar days from the date of this Order. Previously, gas marketers were given 30 calendar days to carry out Code of Conduct changes involving modifications to their contracts or TPV scripts. The Commission believes this time frame is reasonable for gas marketers to prepare their systems for the standardized TPV script and to implement the recent modifications to the Code of Conduct.

C) Clarification on whether the TPV call should be completed by the same customer who executed the contract

This clarity has not been necessary in the past as many calls take place at the door with the person who executes the contract. The Commission determines that the customer who signed the contract/agreement with a gas marketer should confirm their understanding of the key elements of the contract/agreement in a TPV call.

Just Energy had no issues with the Commission's recommended change to the Code of Conduct. Superior Energy and Summitt Energy disagreed. Their joint submission stated that completion of the TPV call not be limited to the same person that signed the contract. They noted that section 32 of the Code of Conduct allows either the account holder or an authorized person to sign and verify a gas marketer contract for the premise. They argued that, "The person that signed the contract should have the ability to authorize their spouse to verify the contract and complete the execution of the contract."

Further, they noted that a natural gas contract, as would be the case with other types of household products, should not be limited to just one spouse and should be open to either spouse. Summit Energy and Superior Energy also believe that "both the Commission's proposal that only the person that signs the contract be required to TPV the contract and that the TPV not occur until 24 hours after the consumer signs the contract and must be four days after the contract is signed creates barriers in an open competitive market environment..."

The Commission understands the concerns raised by Superior Energy and Summitt Energy. However, the Commission views that the potential benefits outweigh the perceived disadvantages of requiring the customer who executed the contract confirm their understanding of the key elements of the agreement in the form of a TPV call. At the time of the TPV call, this customer would have received the information necessary to decide whether to proceed with his enrollment under the Customer Choice Program. The Commission expects that complaints and disputes arising from misinformation and misrepresentation of the Program will be reduced.

The Commission believes that it is up to the gas marketers to persuade the customers of the value proposition of their product offerings to remain competitive. Further, for convenience, the customer can also initiate the TPV call within the accepted timeframe.

Standardized Third Party Verification Call Script

5.0 ESTABLISHED STANDARDIZED TPV SCRIPT

Disclaimer: The gas marketer shall terminate the call if the customer objects to the call being recorded. For points that need confirmation from the customer, a Yes/No (Y/N) is indicated at the end of the question. Gas marketers can use the term "agreement" or "contract," as appropriate.

Script Preamble

Outbound

Good morning/afternoon/evening "CUSTOMER." My name is "TPV AGENT's NAME" and I am calling from "GAS MARKETER" to confirm the key points on the contract/agreement you recently signed with (Agent's name OR one of our agents).

This call is the final step before your enrollment with "GAS MARKETER" is completed. We record this call on behalf of the BC Utilities Commission. The Commission will use the information gathered in this verification call to rule on any disagreement that may arise in the future.

Inbound

My name is (TPV AGENT's NAME). Thank you for calling "GAS MARKETER" to confirm the key points on the contract/agreement you recently signed with (Agent's name *OR* one of our agents).

This call is the final step before your enrollment with "GAS MARKETER" is completed. We record this call on behalf of the BC Utilities Commission. The Commission will use the information gathered in this verification call to rule on any disagreement that may arise in the future.

1. Have you been left with a copy of your signed contract/agreement?

If no – the call shall be terminated

If yes – would you like to get your copy of the contract/agreement for reference? Y/N
(Must be permitted)

2. Has it been more than 24 hours since you signed your contract/agreement with (GAS MARKETER)? Y/N

If yes – and within four business days since you signed this contract/agreement? Y/N

If no – to either question, the call shall be terminated

3. I understand your full name is ... Is this correct?

4. Are you the Terasen Gas account holder? Y/N

If no – are you authorized to enter into a contract/agreement for this residence/premise on behalf of the account holder? Y/N

5. Do you understand that "GAS MARKETER" is completely independent of Terasen Gas or the government? Y/N

6. Do you understand that "GAS MARKETER" will become your natural gas supplier and Terasen Gas will remain responsible for invoicing, emergency service, and delivery? Y/N

7. Do you understand that entering into a contract/agreement with our company is entirely voluntary? Y/N

8. Do you understand that we will be supplying your natural gas at a fixed rate of "PRICE" for a term of "TERM" years? Y/N

9. Do you understand that by signing a fixed rate contract/agreement, you may not save money? Y/N

10. Did you receive a copy of the Standard Information Booklet entitled "It's Your Choice"? Y/N

This booklet is also available on the Terasen Gas and BC Utilities Commission websites.

11. Do you understand that you have 10 days to cancel this contract/agreement without penalty? Y/N

12. Do you understand that following your 10-day cancellation period, you can only make a request to cancel your contract/agreement on its anniversary date and you will be responsible for costs and early notice that will be required? Y/N
13. You will receive a letter from Terasen Gas confirming your enrollment with "GAS MARKETER."

Thank you for your time and if you have questions please contact us at the contact information provided on your contract/agreement. We recommend that you review the terms and conditions of your contract/agreement and read the "It's Your Choice" booklet before your 10-day cancellation period expires.

CODE OF CONDUCT

For

GAS MARKETERS

engaged in the

COMMODITY UNBUNDLING SERVICE
IN THE PROVINCE OF BRITISH COLUMBIA

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CODE OF CONDUCT
for GAS MARKETERS
engaged in the
COMMODITY UNBUNDLING SERVICE
IN THE PROVINCE OF BRITISH COLUMBIA

Introduction

Marketing of natural gas under the Commodity Unbundling Service takes place usually, though not exclusively, in a Consumer's place of business or home, by personal contact, or via telephone or internet marketing. Marketing of Gas under the Commodity Unbundling Service involves several parties including Gas Marketers, utilities and the Consumer of the Gas. The relationship between the various parties must be based on fair and ethical principles.

Scope

The purpose of this Code is to foster and uphold a sense of responsibility towards the Consumer and towards the general public by all those engaged in the Marketing of Gas to Low Volume Consumers participating in the Commodity Unbundling Service in the Province of British Columbia.

The Code applies to all practices used in the Marketing of Gas under the Commodity Unbundling Service for both residential and commercial Consumers. Where the practices are different between residential and commercial Consumers, it is noted.

The Code is to be applied in spirit as well as to the letter, bearing in mind the varying degrees of knowledge, experience and discriminatory ability of Consumers.

Basic Principles

All Marketing of Gas under the Commodity Unbundling Service will conform to the principles of fair competition as generally accepted in business, with particular regard to:

- the terms of the offer and the methods and form of the contact with the Consumer;
- the methods of presentation and the information on the supply; and
- the fulfilment of any obligation arising from the offer of purchase of Gas under the Commodity Unbundling Service.

Marketing of Gas under the Commodity Unbundling Service will be carried out in conformity with the laws of Canada and its provinces, where applicable.

Gas Marketers shall voluntarily assume responsibility towards the Consumer with respect to fair sales methods, accurate and truthful dissemination of information, and product value, and shall make every reasonable effort to ensure Consumer satisfaction.

Gas Marketers shall ensure that their Salespersons are fully informed as to the characteristics of the gas supplies and/or services offered to enable them to give the Consumer all necessary information to make informed decisions.

DEFINITIONS

For the purpose of this Code:

- **Act** means the Utilities Commission Act of British Columbia as amended from time to time.
- **Cancellation Period** is period within which the Consumer can cancel the Customer Agreement with no penalty incurred, being 10 calendar days from the date the enrollment is received by the Utility from the Gas Marketer. This will generally coincide with the date of the Terasen Gas confirmation letter to the Consumer.
- **Code** means this Code of Conduct for Gas Marketers.
- **Commission** means the British Columbia Utilities Commission.
- **Commodity Unbundling Service** is defined as the series of transactions involving the sale of gas by a Gas Marketer to a Gas utility for resale to a Low Volume Consumer arranged by Gas Marketer at a price agreed to between the Gas Marketer and the Low Volume Consumer.
- **Consumer** refers to any person or entity to which Gas Marketers direct or may direct their Gas Marketing activities under the Commodity Unbundling Service and includes both Consumers contracted with Gas Marketers or Consumers being supplied by a utility. Consumers include Residential and Commercial as defined by the local utility offering the Commodity Unbundling Service.
- **Consumer's Agreement(s)** means all written agreements and contracts between a Gas Marketer and a Consumer for the Marketing of Gas.
- **Consumer Information** means information relating to a specific Consumer obtained by a Gas Marketer or its Salesperson in the process of selling or offering to sell Gas to the Consumer, and includes information obtained without the consent of the Consumer.
- **Day(s)** means a calendar day(s) unless otherwise indicated.
- **End User** is an entity or person who utilizes Gas either as fuel or a raw material.
- **Enrollment** is the act of submitting the Consumer's Agreement to the LDC once it has been signed and verified by Third Party Verification in accordance with this Code.

- **Gas** means natural gas, substitute natural gas, synthetic gas, manufactured gas, propane -air gas or any mixture of any of them.
- **Gas Marketer** means an entity licensed by the Commission to engage in Gas Marketing to Low Volume Consumers under the Commodity Unbundling Service.
- **License** means a license issued under the Act by the Commission for the Marketing of Gas by a Gas Marketer to a Low Volume Consumer.
- **Licensed** means a person or entity holding a current valid License .
- **Local Distribution Company (LDC; Utility)** is a person/company enfranchised to distribute Gas within a defined territory.
- **Low Volume Consumer** – as defined by the Commission pursuant to section 71.1 of the Act. A “low-volume consumer” is defined as a person who, for the applicable period, either:
 - has, or is expected to have, a normalized annual consumption at one premise of less than 2,000 gigajoules of Gas per year; or
 - has chosen the Commodity Unbundling Service supply option, whatever the person’s annual consumption of Gas.
- **Marketing** for the purpose of this Code, means any activities intended to solicit a Consumer or potential Consumer to contract with a Gas Marketer, including providing for a Consumer’s consideration an Offer, and is characterized by door-to-door selling, internet, telemarketing, direct mail selling activities, and any other means by which a Gas Marketer or its Salesperson interacts directly with a Gas Consumer or potential Gas Consumer.
- **Offer** means a proposal to enter into an agreement made to an existing or prospective Consumer for the sale of Gas.
- **Premise** means the building or portion of a building that is provided with Gas through a single meter.
- **Renewal** is the replacement of an existing contract with a further contract with the same Gas Marketer which will have a new term; may have a different price than the Consumer’s previous contract; and may also include revisions as a result of changes in law, the Code of Conduct or Rules for Gas Marketers.
- **Regulation** means a regulation made under the Act.
- **Salesperson** means a person who is employed by or otherwise conducts Marketing and/or Third Party Verification on behalf of a licensed Gas Marketer, or makes representations to Consumers on behalf of a Gas Marketer for the purpose of effecting sales of Gas to Low-Volume Consumers.
- **Third Party** with respect to Confidentiality of Consumer’s Agreements, means a person other than the Gas Marketer, and includes other Gas Marketers, affiliates, Consumers and other persons.
- **Third Party Verification (TPV)** is a digitally recorded telephone call between the Gas Marketer and the Residential Consumer to confirm the Consumer’s understanding of the Offer, Consumer’s Agreements, Confirmation Letter and Cancellation Rights.

THE TERMS OF THE CONSUMER'S AGREEMENTS AND THE OFFER

Accuracy

Article 1

The terms of any Offer and Consumer's Agreements shall be clear, so that the Consumer shall know the nature of the product and the benefits, the commitment and risks involved in agreeing to contract for Gas with the Gas Marketer. In particular, but without limiting the generality of the foregoing, any Offer and Consumer's Agreements will be accurate and truthful as to any representation made as to price, delivery arrangements, payment terms and conditions, quality and value of services, and quantity and performance and warranty conditions.

Price and Other Terms

Article 2

Whether an Offer is on cash or any other basis, the Offer and Consumer's Agreements shall clearly state the price and payment terms and any other financial provisions, including any deposit requirement, allocation of cost savings and/or services, and the nature and amount of any additional charges. The Offer and Consumer's Agreements shall clearly state agreement renewal provisions including default rollover provisions.

The Gas supply price must be a fixed price for 12 month intervals expressed in Canadian dollars per gigajoule. This price shall only apply to the sale of Gas and shall not include provision of other services.

If any other term or condition is subject to re-determination, indexation or arbitration, the Offer shall so state.

All Offers shall contain clear statements as to the quantities of Gas to be purchased, intended start-up and delivery dates, and the term of the agreement. The term shall not be less than one year or more than five years in length.

The Consumer's Agreements shall accurately and fully reflect the terms and conditions of the Offer as accepted by the Consumer.

No Offer shall require a sign-up fee to be taken in order to initiate a purchase of natural Gas arrangement under the Commodity Unbundling Service.

Obligations and Liabilities

Article 3

The Offer and Consumer's Agreements shall state the respective obligations, liabilities and risks of the Gas Marketer and Consumer in clear and understandable terms so that the Consumer may be sufficiently informed to understand them prior to executing Consumer's Agreements.

The Gas Marketer shall confirm with the Consumer that the Consumer has the signing authority to enter into the Consumer Agreement.

Protection

Article 4

This Code shall be interpreted in accordance with all applicable federal and provincial Consumer protection and business practice legislation.

Guarantees

Article 5

Offers and Consumer's Agreements may contain the words "guarantee", "guaranteed", "warranty" or "warranted", or words having the same or similar meanings, only if the terms of the guarantee as well as the remedial action open to the Consumer are clearly and succinctly set out in the Offer and Consumer's Agreements. Any such guarantee shall in no way diminish the rights which a purchaser would otherwise enjoy under Canadian or applicable provincial laws. The name and address of the guarantor shall be clearly and fully stated.

PRESENTATION OF THE OFFER

Identity of the Gas Marketer

Article 6

The name, permanent address, main British Columbia office address and the telephone number, fax number, e-mail and website addresses of the Gas Marketer shall be clearly and fully disclosed in any Marketing document or other Marketing literature distributed to the Consumer, including the Consumer's Agreements, so as to enable the Consumer to remain in touch directly with the Gas Marketer. Marketing documents and other literature containing only an accommodation address or a post office box number are not acceptable.

Article 7

All Salespersons shall immediately, truthfully and fully identify themselves and provide proof of licensing and bonding, to prospective Consumers. They shall also truthfully and fully indicate the purpose of their approach to the Consumers, identify the Gas Marketer with whom they are associated and indicate that they are Marketing Gas under the Commodity Unbundling Service.

Article 8

Neither a Gas Marketer nor any Salesperson shall mislead or otherwise create any confusion in the mind of a Consumer about the identity of the represented Gas Marketer, its promotion campaigns or trade mark, or those of competitors and/or LDCs.

Specifically, a Gas Marketer or any Salesperson when marketing a supply contract to a Consumer shall state that they are not representing the Consumer's local distribution company.

Integrity

Article 9

Salespersons shall in good faith assist Consumers to evaluate the nature of the transactions. Marketing efforts shall be organized and carried out so as not to:

- create confusion in the mind of the Consumer;
- mislead the Consumer or misrepresent any aspect of the Offer or Consumer's Agreements;
- abuse the trust of the Consumer;
- unduly pressure or harass the Consumer to enter into transactions; and
- exploit the lack of experience and knowledge of the Consumer.

Clarity

Article 10

Gas Marketers and Salespersons shall ensure that all terms of any Offer or Consumer's Agreements are communicated to the Consumer in writing in a clear, complete, accurate and understandable manner. Print which by its size or other visual characteristics is likely to negatively affect the legibility or clarity of any Offer or Consumer's Agreements, shall not be used.

Truthful Presentation

Article 11

The characteristics of any transaction shall include:

- price, deposit, credit and rebate terms;
- terms of payment and frequency;
- the beginning and end dates of the agreement;
- identity of and accessibility to the Gas Marketer;
- process for making a complaint to or enquiry of the Gas Marketer;
- delivery terms and conditions, during-and after-sales services;
- sources and reliability of supplies;
- terms of guarantee and warranty;
- liabilities and obligations of the Gas Marketer and Consumer;
- benefits/risks to Consumer;
- awards, bonuses, prizes, discounts and other incentives with respect to the Offer and Consumer's Agreements;
- Consumer's entitlement to receive a copy of this Code from the Gas Marketer;
- Consumer's entitlement to receive a copy of the Customer Choice Standard Information Booklet from the Gas Marketer;
- reasons for which the agreement may be terminated by the Gas Marketer;
- for Commercial Consumers, that the agreement is made with respect to the Consumer's Premise and terminates in the event the Consumer moves;
- for Residential Consumers, that the agreement is made with respect to the Consumer at the Consumer's Premise and in the event the Residential Consumer moves, the Consumer's Agreements will apply to the Consumer at their new Premise, provided that the new Premise is served with natural gas and that it is in an eligible service territory of the Utility providing the Commodity Unbundling Service;
- for Commercial Consumers, cancellation rights of the Consumer including a mandatory 10 day Cancellation Period; a Gas Marketer must not submit a Consumer enrollment to the LDC for processing until the 10 day Cancellation Period has expired. For Commercial Consumers, a 10 day Cancellation Period will not apply in the case of a single Commercial Consumer whose aggregate annual volume exceeds 2,000 gigajoules per year at one or more premises and who has provided written consent to the gas marketer to waive the 10 day Cancellation Period;
- for Residential Consumers, all cancellation provisions, for the purposes of the Commodity Unbundling Service;

- rights under the Consumer's Agreements with respect to assignments, transfers and sales to another Gas Marketer;
- any deposit, exit, late fees or any other charges payable to the Gas Marketer, if applicable;
- any other information required to be provided to the Consumer by Canadian or applicable provincial law; and
- all other terms of the Offer and Consumer's Agreements shall be presented completely, accurately and truthfully.

Telephone, Door to Door and Internet Marketing

Article 12

Telephone and Door to Door Marketing

When conducting telephone or door to door Marketing, the Gas Marketer shall comply with applicable laws. All telephone and door to door contacts must be made Monday to Friday between the hours of 9 a.m. and 9:30 p.m. or on Saturday and Sunday between the hours of 10:00 a.m. and 6:00 p.m. local time. Salespersons must immediately, truthfully and fully identify themselves to the prospective Consumers. They shall also immediately, truthfully and fully indicate the purpose of their approach to the Consumers, identify the Gas Marketer with whom they are associated and indicate that they are selling Gas under the Commodity Unbundling Service.

For telephone marketing, in the event that a recorded message constitutes a portion, or all of the sales process, the caller must first personally obtain the consent of the recipient to play a recorded offer. The Gas Marketer shall forward a written agreement to sign-up for service by telephone marketing and obtain from the Consumer a signed agreement in return. The Gas Marketer shall direct the LDC to switch the Consumer's Gas supply only once the Gas Marketer is in possession of the signed agreement from the Consumer.

Internet Marketing

The Gas Marketer shall forward a written agreement to sign-up for service by Internet marketing and obtain from the Consumer a signed agreement in return or obtain an electronic signature which complies with the B.C. Electronic Transactions Act. The Gas Marketer shall direct the LDC to switch the Consumer's Gas supply only once the Gas Marketer is in possession of the signed agreement from the Consumer. Electronic signatures which comply with the B.C. Electronic Transactions Act shall be accepted for Consumers committing to new agreements and for the renewal of existing agreements.

Complaints and Dispute Resolutions

Article 13

Should any Consumer complain that a Gas Marketer or Salesperson has engaged in any improper course of conduct pertaining to Marketing under the Commodity Unbundling Service, the Gas Marketer shall promptly investigate the complaint and take all appropriate and necessary steps in the circumstances to redress any and all wrongs disclosed by such investigation.

All Consumer's Agreements will include a provision that all disputes between the Gas Marketer and a Consumer arising out of the contract will be referred to and resolved by arbitration administered by the Commission or other body appointed by the Commission for purpose of resolving such disputes and conducted according to the Commission's rules for the resolution of such disputes. The Gas Marketer shall pay a dispute resolution fee for each dispute referred to the Commission as determined by the Commission, except for a dispute where the Commission determines that the Consumer will be solely responsible for the dispute resolution fee.

All evidence in a dispute must be uploaded in the GEM system by the end of the ninth day following the initial logging of the dispute in GEM. This includes evidence provided by customers and by Gas Marketers. No evidence will be accepted for a dispute if received after the ninth day outstanding in GEM. If information is to be considered after this deadline, the party must submit a request for reconsideration in accordance with BCUC procedures.

Minimum evidence to be filed by a Gas Marketer includes the Consumer's Agreement, Notice of Appointment of Marketer, and Third Party Verification Recording for Consumer's Agreements signed after July 1, 2007.

SALESPERSON OPERATIONS

Respect of Privacy

Article 14

Marketing shall not be intrusive, aggressive, or harassing in nature. Marketing activity (excluding online Marketing) shall be limited to between Monday to Friday between the hours of 9:00 a.m. and 9:30 p.m. or on Saturday and Sunday between the hours of 10:00 a.m. and 6:00 p.m. local time. The right of a Consumer to refuse further discussion shall be respected. Posted signs restricting and/or prohibiting marketing and soliciting must be respected.

Honesty, Fairness and Veracity

Article 15

A Salesperson shall not abuse the trust of individual Consumers or exploit their lack of experience or knowledge, nor play on ignorance or on fear, thereby exerting undue pressure on Consumers. All Offers must, therefore, be clear and honest.

A Salesperson shall not make any statement or take any measure which, directly or by implication, omission, ambiguity or exaggeration, is likely to mislead a Consumer with regard to the benefits of the Program, terms of the Offer, Consumer's Agreements or any other matter.

The Gas Marketer may not request that the Consumer provide their Terasen Gas account information, including their bill, until the Consumer expresses intent to enter into the Consumer Agreement.

A Salesperson shall, to the best of his or her knowledge and ability, give complete, accurate and clear answers to a Consumer's questions concerning the Offer or any other matter.

Article 16

A Salesperson shall ensure that the Consumers clearly and thoroughly understand the information given. The demonstration or explanation of the transaction under the Commodity Unbundling Service shall, as far as possible, be adapted to the needs and enquiries of the Consumers.

A Salesperson shall give sufficient time for Consumers to read the entire contract form thoughtfully and without interruption or harassment. Where a language or comprehension issue is likely to impede the Consumer's ability to fully understand the offer and the transactions, the Salesperson shall not execute the Consumer Agreement(s) and/or the Third Party Verification.

A Salesperson shall not make any verbal representations regarding agreements, rights or obligation unless those representations are contained in the Consumer's Agreements.

Gas Marketers shall ensure that their Salespersons are generally knowledgeable in the natural gas business, fully informed as to the characteristics of gas supplies and/or services offered and the Consumer's Agreement utilized by the Marketer, to enable them to give the Consumer all necessary information to make informed decisions.

A Salesperson shall ensure that the Consumer has been provided with a copy of the Customer Choice Standard Information Booklet and shall advise the Consumer to fully review the information contained within before the expiration of the 10 day cancellation period. A Salesperson shall provide a copy of the Customer Choice Standard Information Booklet to a potential Consumer, when requested, even if that Consumer decides not to enter into a Consumer Agreement with that Salesperson at that time.

Testimonials and Endorsements

Article 17

A Salesperson shall not refer to any testimonial, endorsement, or customer experience which is:

- not authorized by the person quoted, if in a private capacity;
- not genuine or unrelated to the experience of the person giving it;
- obsolete or otherwise no longer applicable;
- taken out of context; or

- used in any way likely to mislead the Consumer.

Comparisons and Fair Competition

Article 18

A Salesperson shall refrain from using comparisons, statistics, and visual material which might mislead and/or which are incompatible with the principles of fair competition. Points of comparison shall be fairly selected and shall be based on facts which can be substantiated. All comparisons, statistics, and visual material must be clearly and accurately labelled.

All comparisons, statistics, and visual material that are provided to a Consumer must be actual data obtained from the LDC and based only on actual data for British Columbia.

All statements or promises made in any promotional material must be complete and in accordance with actual conditions, situations and circumstances existing at the time the promotion is made. Any data referred to must be competent and reliable and support the specific claim for which it is cited. Illustrations of historical data based on past records of more than five years are not permitted, and no projections of future pricing may be presented to the Consumer.

Article 19

A Salesperson shall not discredit any competing company, firm or individual, or any supplies or services provided by such parties, directly or by implication. Accurate, complete and truthful comparisons, however, are acceptable. When price comparisons are used, they must be factual, complete and verifiable.

Article 20

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

Article 21

A Salesperson shall not take unfair advantage of the goodwill attached to the trade name or symbol of another Gas Marketer or product.

A Salesperson shall clearly indicate that the Offer is not being made by a regulated Gas distributor, and not seek to mislead or otherwise create any confusion in the mind of a Consumer about the identity of the Gas Marketer, or about the trademarks of the regulated distributor or of competitors.

Article 22

A Gas Marketer shall not engage in any false or misleading advertising or publish any material which may have the effect of misleading potential Consumers.

CONSUMER INFORMATION

Information to be maintained by a Gas Marketer

Article 23

A Gas Marketer shall have a current telephone number listed in British Columbia which may be reached by the general public without charge and shall provide it to every Consumer.

A Gas Marketer shall maintain on file and provide such information to the Commission upon request:

- A list of all Salespersons and sub-contractors who act for that Gas Marketer;
- A list of Consumers;
- A log of cancellation requests, including confirmation numbers provided to Consumers and the name or identification number of the representative who accepted the request for cancellation;
- The Notices of Appointment of Marketer signed by its Consumers;
- Copies of the Gas Marketer's supply contract with each Consumer containing the Consumer's written signature; and
- Copies of the Commercial Consumer's written consent waiving the 10 day Cancellation Period.

In addition, the LDC has a right to audit any Notices of Appointment of Marketers and the Gas Marketer's supply contract with each Consumer by providing prior written notice of five business days to a Gas Marketer.

Request for Historical Gas Consumption Information

Article 24

Prior to submitting a request to the LDC for a Consumer's historical gas consumption data, a Gas Marketer must obtain the Consumer's signature on a consent form and provide a copy of this signed consent form to the LDC.

Confidentiality of Consumer Information

Article 25

A Gas Marketer must comply with the Personal Information Protection Act requirements of British Columbia.

A Gas Marketer shall not disclose Consumer information without the consent of the Consumer in writing, except where the Consumer information is required to be disclosed for the following purposes:

- For billing, collections or Gas supply management purposes (i.e. consumption information);

- For law enforcement purposes;
- For the purpose of complying with a legal requirement or an order of a regulatory body exercising jurisdiction over the Gas Marketer or the Consumer;
- For the processing of past due accounts of the Consumer which have been passed to a debt collection agency; or
- In the event that a Gas Marketer assigns, sells or transfers its list of Consumers and its existing agreements with Consumers to another licensed Gas Marketer.

Consumer information may be disclosed where the information has been sufficiently aggregated such that an individual's information cannot reasonably be identified.

A Gas Marketer shall inform Consumers that information may be released to a Third Party without the Consumer's consent for the purposes listed above.

A Gas Marketer shall not use Consumer information for one purpose from a Consumer for any other purpose without the written consent of the Consumer.

AGREEMENTS AND CONTRACTS

Agreement Specifications

Article 26

The Consumer's Agreements, in accompaniment with the Notice of Appointment of Marketer, will be clearly designated as an "Agreement" or a "Contract". The terms "Application" or "Enrollment" do not accurately reflect the agreement made between the Marketer and the Consumer. There should be no confusion in the mind of the customer that this is a binding contract and not an application or enrollment.

The Consumer's right to cancel without penalty must be referred to as the "Ten Day Cancellation" provision and must be clearly stated in the Consumer's Agreement, prominently situated above the Consumer's signature line. Instructions must be included on how the Consumer can exercise this option.

The first page of the agreement between the Gas Marketer and a Consumer must accurately summarize and clearly state the essential elements of the Offer including:

- Price (Canadian \$ per gigajoule);
- Term (length in years, start and end dates);
- Renewal provisions (type, frequency, dates) including default rollover provisions;
- Cancellation provisions;
- Penalties and terms for early termination of the contract, including minimum contract term, and the requirement that the Consumer's Agreements may only be terminated on their anniversary date; and

- Conditions which may affect the price or term of the Offer.

The Consumer's Agreements must also include a fill-in date (beside the customer's signature) for the customer to complete at the time the contract or agreement is signed.

The minimum contract term is one year with a maximum contract term of no more than five years and the dates for commencement of service and termination of service must coincide with program entry dates.

A Consumer may enter into an Agreement with any Gas Marketer, or a combination of Gas Marketers, for a maximum period of five years of gas flow.

Agreement Renewals

Article 27

The Consumer's Agreements should clearly set out the contract renewal provisions including those for default rollover.

- The renewal date shall be such that it coincides with a LDC program entry date. Notice periods for contract renewal should require the Gas Marketer to give notice to the Consumer no less than 90 days prior to the applicable renewal date.
- The Consumer shall have 30 days after receipt of written notice from the Gas Marketer to select renewal terms or cancel the contract.
- Where no instructions are received by Terasen Gas from the current Gas Marketer of record prior to the cut-off date for the applicable renewal date, and where a valid enrollment for the same Consumer is not received by Terasen Gas from another Marketer, the Consumer's Agreement will be evergreened, with the same fixed price for a 12 month period.
- The timing of notices need to align with notice periods on entry dates to permit a Consumer to change Gas Marketers upon expiry or cancellation of an existing agreement.

If the Consumer has cancelled its agreement and wishes to return to Utility supply, the Gas Marketer must notify the LDC within two business days of receiving notice from the Consumer.

Cancellation of Agreements

Article 28

A Gas Marketer shall accept a Consumer's request for cancellation when within the 10 day Cancellation Period, and under the terms of the contract without engaging in further sales or marketing activity under that Consumer's Agreement.

A Gas Marketer shall accept a Consumer's request for cancellation when within the Cancellation Period without making the process onerous on the Consumer. The Consumer must be able to exercise their rights under the Cancellation Period by telephone, facsimile, email, or mail.

When exercising a Cancellation Provision to cancel the Consumer's Agreement at the anniversary date of the Consumer's Agreement, the Consumer may provide written notice to the Gas Marketer at any time prior to the 60 days before the anniversary date of the Consumer's Agreement.

Transfer of Agreements

Article 29

A Gas Marketer shall not assign, sell or otherwise transfer the Consumer's Agreements to another person who is not a licensed Gas Marketer.

Within 30 days of assignment, sale or transfer of the administration of an agreement to another licensed Gas Marketer, the affected Consumer must be notified of the new Gas Marketer's address for service, telephone number and the Consumer complaints process, if these have changed.

The assignment, sale or transfer of a Gas Marketer's Consumer's Agreements to another Gas Marketer shall be approved in advance by the Commission.

Responsibility for Code Observance

Article 30

The primary responsibility for the observance of this Code and associated Commission Orders rests with the Gas Marketer. Failure to comply with, or breach of, the Code and/or associated Commission Orders, may result in fines or the suspension or revocation of the Gas Marketer's license for a period to be determined by the Commission. A breach of this Code may occur in the course of inducing a person to enter into an Offer or Consumer's Agreements, even in the absence of a contract.

Gas Marketers shall ensure that their Salespersons adhere to the standards required of a Gas Marketer as set out in the Code of Conduct for Gas Marketers, and shall be accountable for the behaviour and performance of their Salespersons.

Article 31

The Utility shall refrain from conducting business with anyone who is not licensed in the province of British Columbia and does not strictly adhere to this Code.

Third Party Verification

Article 32

Third Party Verification (TPV) is the form of a digitally recorded telephone call either initiated as an outbound call from the Gas Marketer to the Consumer or as an inbound call from the Consumer.

The TPV call must not occur until 24 hours after the Consumer executes the contract, and in order to complete the sale, must occur within four business days of the Consumer executing the contract. The Consumer who signed the contract with a Gas Marketer must confirm their understanding of the key elements of the agreement through a TPV call.

The call must be completed before the Consumer's enrollment is submitted to the LDC. The digital file will be available for the Commission three days after the initial recording and retained by the Gas Marketer for the term of the Consumer's Agreement.

The TPV call should follow the standardized scripting set out below. The Commission will not allow additions or deviations from the standardized script at this time. If Gas Marketers wish to request an amendment to a technical detail, they can apply to the Commission.

Disclaimer: The gas marketer shall terminate the call if the customer objects to the call being recorded. For points that need confirmation from the customer, a Yes/No (Y/N) is indicated at the end of the question. Gas marketers can use the term "agreement" or "contract," as appropriate.

Script Preamble

Outbound

Good morning/afternoon/evening "CUSTOMER." My name is "TPV AGENT's NAME" and I am calling from "GAS MARKETER" to confirm the key points on the contract/agreement you recently signed with (Agent's name *OR* one of our agents).

This call is the final step before your enrollment with "GAS MARKETER" is completed. We record this call on behalf of the BC Utilities Commission. The Commission will use the information gathered in this verification call to rule on any disagreement that may arise in the future.

Inbound

My name is (TPV AGENT's NAME). Thank you for calling "GAS MARKETER" to confirm the key points on the contract/agreement you recently signed with (Agent's name *OR* one of our agents).

This call is the final step before your enrollment with "GAS MARKETER" is completed. We record this call on behalf of the BC Utilities Commission. The Commission will use the information gathered in this verification call to rule on any disagreement that may arise in the future.

14. Have you been left with a copy of your signed contract/agreement?

If no – the call shall be terminated

If yes – would you like to get your copy of the contract/agreement for reference? Y/N
(Must be permitted)

15. Has it been more than 24 hours since you signed your contract/agreement with (GAS MARKETER)? Y/N
If yes – and within four business days since you signed this contract/agreement? Y/N
If no – to either question, the call shall be terminated
16. I understand your full name is ... Is this correct?
17. Are you the Terasen Gas account holder? Y/N

If no – Are you authorized to enter into a contract/agreement for this residence/premise on behalf of the account holder? Y/N
18. Do you understand that “GAS MARKETER” is completely independent of Terasen Gas or the government? Y/N
19. Do you understand that “GAS MARKETER” will become your natural gas supplier and Terasen Gas will remain responsible for invoicing, emergency service, and delivery? Y/N
20. Do you understand that entering into a contract/agreement with our company is entirely voluntary? Y/N
21. Do you understand that we will be supplying your natural gas at a fixed rate of “PRICE” for a term of “TERM” years? Y/N
22. Do you understand that by signing a fixed rate contract/agreement, you may not save money? Y/N
23. Did you receive a copy of the Standard Information Booklet entitled “It’s Your Choice”? Y/N

This booklet is also available on the Terasen Gas and BC Utilities Commission websites.
24. Do you understand that you have 10 days to cancel this contract/agreement without penalty? Y/N
25. Do you understand that following your 10-day cancellation period, you can only make a request to cancel your contract/agreement on its anniversary date and you will be responsible for costs and early notice that will be required? Y/N
26. You will receive a letter from Terasen Gas confirming your enrollment with “GAS MARKETER.”

Thank you for your time and if you have questions please contact us at the contact information provided on your contract/agreement. We recommend that you review the terms and conditions of your contract/agreement and read the “It’s Your Choice” booklet before your 10-day cancellation period expires.

Modification to the Code

Article 33

The Code shall be reviewed and modified if required at an annual meeting established by the Commission. Modifications to the Code are subject to the approval of the Commission.