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For immediate release

January 21, 2009

OEB Issues Order for Administrative Penalty to Universal Energy Corporation for Contraventions of the *Ontario Energy Board Act*

Toronto – Yesterday the Ontario Energy Board issued an [order](#) pursuant to section 112.5 of the *Ontario Energy Board Act, 1998* (the “Act”) that Universal Energy Corporation pay an administrative penalty in the amount of \$127,500.00. Contracts with consumers who were subject to non-compliant practices have been cancelled and those consumers have been reimbursed.

Universal has provided the Board with an assurance of voluntary compliance, under Section 112.7 of the Act. The actions that Universal have agreed to in the voluntary assurance are now mandatory and a failure to comply with these requirements would be a breach of their licence obligations. Universal has agreed to the following:

- Any low-volume consumer who was supplied electricity or natural gas during the period from March 2007 to May 2008 may request a review of their contract. If they are now found to have been subject to similar contraventions, they may request cancellation of their contract without penalty and be provided reimbursement.
- Universal has agreed to conduct quality assurance audits of its reaffirmation calls and to provide a report to the Board’s Compliance Office with the results of those audits.
- Universal will provide a quarterly report to the Board’s Compliance Office regarding any disciplinary action taken with reaffirmation agents as a result of its quality assurance audits.
- Universal will provide the Board’s Compliance Office with a copy of their reaffirmation scripts and all other materials used by reaffirmation agents for a period of 18 months.

The funds received by the Board will be used to support activities that are in the public interest.

The Board’s order is available at www.oeb.gov.on.ca.

A Notice of Intention to make an Order for an Administrative Penalty was issued against Universal on January 5, 2009. Universal was notified that the Ontario Energy Board, on its own motion, intended to make an Order under subsection 112.5 of the Act requiring

Universal to pay an administrative penalty for contravening certain enforceable provisions of the Act.

The Ontario Energy Board regulates the province's electricity and natural gas sectors in the public interest. It envisions a viable and efficient energy sector with informed consumers served by responsive regulation that is effective, fair and transparent.

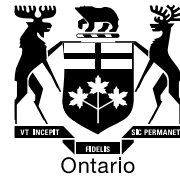
For more information on the Board, please visit our Web site at www.oeb.gov.on.ca or contact the Consumer Relations Centre at 416-314-2455 or toll-free at 1-877-632-2727.

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For more information please contact:

Eric Pelletier
Ontario Energy Board
(416) 440-7685

Ce document est aussi disponible en français.



EB-2009-0005

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF a Notice of Intention to Make
an Order for an Administrative Penalty against Universal
Energy Corporation

ORDER

Whereas pursuant to section 112.5 of the *Ontario Energy Board Act, 1998*, the Board issued a Notice of Intention to Make an Order ("Notice") for the payment of an Administrative Penalty in the amount of \$200,000 against Universal Energy Corporation ("Universal") on January 5, 2009;

And whereas Universal was informed that it had fifteen days after receiving the Notice to give notice to the Board requiring the Board to hold a hearing and Universal has decided not to request a hearing;

And whereas upon further review 3 of the 7 transactions that were identified in paragraph 3 of the Notice have been withdrawn;

And whereas Universal has offered to provide the Board with an Assurance of Voluntary Compliance, a copy of which is attached as Appendix A (the "Assurance");

And whereas Universal has agreed to pay a reduced amount of \$127,500;

NOW THEREFORE THE BOARD ORDERS THAT:

Pursuant to section 112.5 of the Act, the Board directs Universal to pay an administrative penalty in the amount of \$127,500 by cheque payable to the Ontario Energy Board on or before February 20, 2009.

DATED at Toronto, January 20, 2009.

Original signed by

Kirsten Walli
Board Secretary

**Assurance of Voluntary Compliance
Pursuant to s. 112.7 of the
Ontario Energy Board Act, 1998
Universal Energy Corporation**

**EB-2009-0005
January 20, 2009**

I. INTRODUCTION

By Notice of Intention to Make an Order (the “Notice”) under section 112.5 of the *Ontario Energy Board Act, 1998*, (the “Act”) for an administrative penalty issued January 5, 2009 the Board announced that it intended to make an order against Universal Energy Corporation (“Universal”) to pay an administrative penalty in the amount of \$200,000.

Pursuant to s. 112.2(4) Universal was advised that it could, within 15 days after receiving the Notice, give notice to the Board requiring the Board to hold a hearing.

While Universal has addressed many of the issues identified in the Notice and does not agree with all of the allegations contained in the Notice, Universal has agreed to pay a reduced amount of \$127,500 and the Board has accepted payment of this reduced amount on, inter alia, the following grounds:

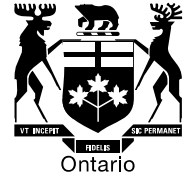
- a) Universal has agreed to enter into an Assurance of Voluntary Compliance on the terms contained herein;
- b) The vast majority of customer calls and transactions that were the subject of the Notice occurred during the period March – May 2007;
- c) The vast majority of the customer calls and transactions that were the subject of the Notice were caught by Universal’s Quality Assurance department and did not result in customer enrollments;
- d) 3 of the 7 transactions that were identified in paragraph 3 of the Notice have been withdrawn;
- e) In response to Board compliance staff’s request for remedial action, Universal voluntarily re-trained its customer service representatives, changed its customer scripts as necessary and submitted them to Board staff for review, and offered to contact and agree to cancel affected customers.

II. ASSURANCE OF VOLUNTARY COMPLIANCE

Universal commits to the following:

1. Any low-volume consumer (“consumer”) who was supplied electricity as a result of a reaffirmation call completed during the period covered by the Formal Review (March to May 2007) or the Retail Compliance Review (June 2008), in which one of the alleged misleading statements (as specified in paras. 1(a)-(c) and 2(a)-(e) of the Notice) was made, may request cancellation of his or her contract, in which case, the consumer’s contract will be cancelled without penalty, the consumer’s supply will be returned to the applicable utility’s regulated supply and the consumer reimbursed for 100% of the difference between the contract price and the applicable regulated electricity price for the period that Universal had supplied the consumer.
2. For a period of eighteen months, Universal commits to conducting quality assurance audits of all positive reaffirmation calls. These reviews will be conducted in the manner described by Universal in the filings with the Board in response to the Information Request dated August 19, 2008 (Retail Compliance Review), except that Universal will perform the review within a week of the reaffirmation calls. Universal commits to file a quarterly report to the Compliance Office that identifies the volume of positive reaffirmations conducted in the quarter and the results of the quality assurance program, including any remedial actions taken.
3. For a period of eighteen months, Universal commits to report in a quarterly report to the Compliance Office on any disciplinary action taken as the result of its quality assurance audits of all positive reaffirmation calls.
4. For a period of eighteen months, Universal commits to provide to the Board on a confidential basis a copy of all of its reaffirmation scripts and all prepared materials for use by reaffirmation agents (e.g. Q&As and rebuttal scripts), within 3 business days of such reaffirmation scripts and materials being implemented by Universal.

Dated: January 20, 2009



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

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

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

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

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

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

These three transactions are listed in Appendix B.

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

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

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

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

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

this request with the office of the Board Secretary.

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

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

Dated at Toronto, December 22, 2008

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

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

DVD 01

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

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

DVD 07

File Name:

Size:

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

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

DVD 14

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

APPENDIX B

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

Contract Number

1. 13125805
2. 13103134
3. 13128599

APPENDIX C

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

Contract Number

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