



LETTER No. L-54-10

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VIA EMAIL

Michael.Stedman@activeenergy.ca

July 7, 2010

Mr. Michael Stedman
Vice President
Active Renewable Marketing Ltd.
390 Brant Street, Suite 402
Burlington, Ontario L7R 4J

Dear Mr. Stedman:

Re: Active Renewable Marketing Ltd.

Allegations of Forgery/Unauthorized Signatures – Code of Conduct for Gas Marketers

On April 13, 2010, the Commission issued letter L-36-10 to address complaints and disputes involving allegations of forgery and/or unauthorized signatures filed against Active Renewable Marketing Ltd. (Active). In response to the letter, Active filed a report enumerating all the complaints and disputes it received from January 1, 2010 to April 6, 2010. Active's management also appeared before the Commission on May 12, 2010 to discuss the report, specifically the steps it took to investigate the complaints.

The Commission reviewed Active's report titled Active Renewable – Complaint and Resolution Report dated May 3, 2010 and noted that two of its sales agents garnered more than 50 percent of the complaints/disputes identified by Active. These two sales agents received warning letters and were retrained; however, continued to receive complaints related to forgery and/or unauthorized signatures. This suggests that either Active's training is not effective in improving the sales agents' compliance with the Code of Conduct for Gas Marketers (Code of Conduct) or Active's compliance regime is not adequate or is not strictly enforced to deter non-compliant sales practices.

Further, during the May 12 meeting, Commission staff noted its concern with respect to some shortcomings in Active's compliance regime. It was agreed at the meeting that Active needed to strengthen its policies and procedures to improve compliance with the Code of Conduct. Subsequent to this meeting, Active filed a document dated May 27, 2010 outlining a number of potential improvements to its policies and procedures, specifically addressed to commercial customers.

The Commission notes that Active has complied with the requirements of L-36-10. The Commission has reviewed the changes being proposed and makes the following recommendations.

1. Annual mandatory training—The Commission recommends that mandatory training for all agents be implemented twice a year (July and January). Subsequent to the training, all sales agents should be required to pass an exam demonstrating their knowledge of sales practices which are compliant with

the Code of Conduct. Accordingly, it is recommended that the following be submitted to the Commission for filing: 1) a copy of Active's exam questions as well as the exam results for each individual sales agent; and 2) a copy of a signed declaration from each agent confirming completion of the training.

2. Improved agreement and due diligence guidelines—In addition to Active's proposed changes, we suggest that Active establish a clear guideline for its sales agents to ensure due diligence is consistently observed when determining if an employee has authorization to execute an agreement.
3. Process change for complaints involving forgery and/or unauthorized signatures—Active should advise the Commission as soon as a complaint related to forgery and/or unauthorized signatures is received. Each stage of Active's complaint investigation should be provided in its entirety by copy to the Commission.

We expect that the proposed measures and our recommendations, as well as Active's strict enforcement of the same will positively result in reducing complaints and improve compliance with the Code of Conduct.

A draft of Active's revised Consumer agreement and a copy of its due diligence guidelines should be filed with the Commission on or before August 7, 2010.

The Commission will closely monitor Active's compliance with the Code of Conduct, and will consider the level and nature of complaints received in reviewing its licence renewal application should it file. The Commission will require full disclosure of information on Active's complaint statistics, the nature of complaints received, and the actions it took to address such complaints as part of Active's renewal process.

Yours truly,

Erica M. Hamilton

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