



**LETTER L-83-10**

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**VIA EMAIL**

October 1, 2010

[chad.painchaud@directenergy.com](mailto:chad.painchaud@directenergy.com)

Chad Painchaud  
Manager, Compliance  
Government & Regulatory Affairs  
Suite 1000, 111-5<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 3Y6

Dear Mr. Painchaud:

Re: Direct Energy (B.C.) Limited  
Application for a Licence to Market Natural Gas – Consumer Agreement

The Commission is in receipt of Direct Energy (B.C.) Limited's (Direct Energy) application dated August 26, 2010 for renewal of its licence to market natural gas.

In reviewing Direct Energy's application, the Commission noted that its consumer agreement template is not in compliance with the Code of Conduct for Gas Marketers (Code of Conduct), as follows:

- a. The first page of the consumer agreement does not contain complete cancellation provisions, including minimum contract term; nor does it contain the requirement that the agreement may only be terminated on its anniversary date (Article 26).
- b. The consumer's right to cancel without penalty must be referred to as the "Ten-Day Cancellation" provision (Article 26).
- c. The consumer agreement must also include a fill-in date (beside the customer's signature) for the customer to complete at the time the contract is signed (Article 26).
- d. The renewal section does not clarify that the contract will be automatically renewed with the same fixed price as the current contract for a 12-month period (Article 27).

The Commission notes that in Direct Energy's application, it reported a cumulative total of 25,887 customers under the Customer Choice Program; of this number 1,290 customers enrolled within the past 12 months. However, in its application for a licence in the previous year, Direct Energy reported a cumulative total of 13,319 enrolled customers as of 2009. Please advise if these figures are accurate.

Please provide your response, as well as a copy of your revised consumer agreement on or before October 15, 2010.

Yours truly,

Erica M. Hamilton

/jt