

Suite 410, 900 Howe Street Vancouver, BC Canada V6Z 2N3 bcuc.com **P:** 604.660.4700 **TF:** 1.800.663.1385

ORDER NUMBER G-96-25

IN THE MATTER OF the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Access Gas Services Inc.
B.L. Reconsideration of L-18-24

BEFORE:

E. B. Lockhart, Panel Chair E. A. Brown, Commissioner

on April 14, 2025

ORDER

WHEREAS:

- A. On June 29, 2024, B.L. filed with the British Columbia Utilities Commission (BCUC) an application for reconsideration of Letter L-18-24 (Reconsideration Application) in accordance with Part V of the BCUC's Rules of Practice and Procedure;
- B. By Letter L-18-24, the BCUC found a gas supply agreement (Agreement) between B.L. and Access Gas Services Inc. to be valid and binding (Access Gas);
- C. In the Reconsideration Application, B.L. submits that the BCUC erred in law in reaching its decision in Letter L-18-24 and seeks to be reimbursed the difference between the cost of gas from FortisBC Energy Inc. and Access Gas from August 2022 to February 2024;
- D. By Order G-271-24 dated October 24, 2024, the BCUC issued a regulatory timetable for review of the Reconsideration Application, which included one round of BCUC information requests, a submission from Access Gas, and a reply submission from B.L.;
- E. By Order G-339-24 dated December 16, 2024, the BCUC issued a further regulatory timetable, which included, among other things, a second round of BCUC information requests, and final and reply comments from Access Gas and B.L., respectively; and
- F. The BCUC has reviewed the evidence and submissions filed in the proceeding and makes the following determinations.

Final Order 1 of 2

NOW THEREFORE for the reasons outlined in the decision accompanying this order and pursuant to sections 99 and 71.1 of the *Utilities Commission Act*, the BCUC orders as follows:

- 1. The Agreement between B.L. and Access Gas is declared to be wholly unenforceable.
- 2. Access Gas is directed to reimburse B.L., by May 15, 2025, the difference between its fixed natural gas rates incurred under the Agreement and the amounts that B.L. would have been charged by FEI's variable natural gas rates under the applicable FEI rate schedule during the period of August 1, 2022 to February 14, 2024.
- 3. Access Gas is directed to submit a compliance filing to the BCUC by April 30, 2025, detailing the calculation of the amount to be reimbursed pursuant to Directive 2.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of April 2025.

BY ORDER

Electronically signed by Blair Lockhart

E. B. Lockhart Commissioner

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Access Gas Services Inc. B.L. Reconsideration of L-18-24

DECISION

1.0 Introduction

On June 29, 2024, B.L. filed an application with the British Columbia Utilities Commission (BCUC) for reconsideration of Letter L-18-24 (Reconsideration Application), concerning the validity of a gas supply agreement between B.L. and Access Gas Services Inc. (Access Gas), dated June 21, 2022 and purporting to come into effect on August 1, 2022 (Agreement).

B.L. originally filed a complaint (Complaint) with the BCUC on February 14, 2024, in which he asserted that the person who stated he had B.L.'s power of attorney (POA) was not so authorized, and therefore the Agreement was invalid. The BCUC issued Letter L-18-24 on June 26, 2024, setting out its findings regarding the Complaint. In Letter L-18-24, the BCUC found that, although B.L. submitted that the signatory, B.L.'s son (Signatory), was not authorized to sign the Agreement on his behalf, the Signatory made representations to Access Gas that they possessed such authority. Further, the BCUC noted that the Signatory confirmed their understanding of the key points of the Agreement, including the term and rate, that they may or may not save money by entering into the Agreement, and the cancellation provisions. Additionally, the BCUC recognized B.L.'s acknowledgement that payments for gas supply under the Agreement were made for approximately 16 months through automatic withdrawal from his bank account. For these reasons, the BCUC found the Agreement to be valid and binding. Despite B.L.'s assertion that he was unaware of these payments, the BCUC did not find this to be sufficient basis to hold Access Gas responsible for the amount paid since August 2022.

In the Reconsideration Application, B.L. asserts that the BCUC erred in law in reaching its decision in Letter L-18-24 and seeks to be reimbursed the difference between the cost of gas from FortisBC Energy Inc. (FEI) and Access Gas from August 2022 to February 2024. B.L. submits that the Signatory was a teenager at the time of signing and lacked authority to legally bind B.L. to the Agreement, since he did not possess a Power of Attorney (POA). Further, B.L. contends that Access Gas failed to explain what a POA was to the Signatory, or to ask the Signatory for documentation verifying the POA.

By Order G-271-24 dated October 24, 2024, the BCUC established a public hearing to review the Reconsideration Application. The regulatory timetable included one round of information requests (IRs) to B.L., submissions from Access Gas, and reply submissions from B.L. By Order G-339-24, dated December 16, 2024, the BCUC established a further regulatory timetable, which included a second round of IRs and submission of final and reply comments from Access Gas and B.L., respectively.

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2.0 BCUC Rules and Legislative Framework

Section 99(1) of the *Utilities Commission Act* (UCA) provides that the BCUC may reconsider a decision, an order, a rule or a regulation of the BCUC and may confirm, vary or rescind the decision, order, rule or regulation.

Rule 26.05 of the BCUC's Rules of Practice and Procedure¹ provides that an application for reconsideration must contain a concise statement of the grounds for reconsideration, which must include one or more of the following:

- (a) the BCUC has made an error of fact, law, or jurisdiction which has a material bearing on the decision;
- (b) facts material to the decision that existed prior to the issuance of the decision were not placed in evidence in the original proceeding and could not have been discovered by reasonable diligence at the time of the original proceeding;
- (c) new fact(s) have arisen since the issuance of the decision which have material bearing on the decision;
- (d) a change in circumstances material to the decision has occurred since the issuance of the decision; or
- (e) where there is otherwise just cause.

Section 71.1(10) of the UCA provides that the BCUC may make rules respecting gas marketers. In Order A-12-13, the BCUC accordingly issued the Rules for Gas Marketers. Rule 8 requires that "[a]II Gas Marketers must comply with the [Rules for Gas Marketers] and the Code of Conduct for Gas Marketers approved by the Commission and as may be amended by the Commission from time to time".

Article 3 of the Code of Conduct for Gas Marketers (Code)² provides, in part, that: "The Gas Marketer shall confirm with the Consumer that the Consumer has the signing authority to enter into the Consumer Agreement." The Code defines "Consumer" as "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".

Section 71.1(3) of the UCA provides, in part, that a "gas marketer must comply with the commission rules issued under subsection (10)". Sections 71.1(5)(a) and 71.1(5.1) of the UCA provide that:

- (5) If a person is not in compliance with subsection (1), (3) or (4), the commission may do one or more of the following:
- (a) declare an energy supply contract between the person and a low-volume consumer unenforceable, either wholly or to the extent the commission considers proper, in which event the contract is enforceable to the extent specified;

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¹ Attached to BCUC Order G-296-24.

² Attached to Order A-12-15. The Code has subsequently been updated by Order A-1-25, dated April 7, 2025, but these reasons refer to the version of the Code attached to Order A-12-15, which was in effect when the Signatory signed the Agreement in 2022.

...

(5.1) If the commission, under subsection (5) (a), declares an energy supply contract to be unenforceable, either wholly or in part, the commission may also order the person to pay to the low-volume consumer some or all of the money paid under the contract by the low-volume consumer.

3.0 Position of the Parties

Access Gas

Access Gas submits that it complied with Article 3 of the Code by confirming the Signatory's authority to enter into the Agreement.³ Access Gas states that the Signatory signed a Spousal/POA Addendum (Addendum), in which he explicitly assumed personal liability for any losses arising from a lack of authority to act on behalf of the account holder. Additionally, Access Gas notes that the Signatory verbally confirmed his authority during a Third-Party Verification (TPV) call conducted after the Agreement was signed.⁴ Based on these actions, Access Gas contends that it took sufficient steps to confirm the Signatory's authority. Access Gas further argues that the Code does not require the inspection of POA documentation, likening this to the absence of any requirement to inspect a marriage license of a purported spouse.⁵

Access Gas submits that the Agreement is enforceable under principles of contract and agency law, citing implied authority, ostensible authority, and ratification. Access Gas contends that the Signatory's actions, such as representing authority verbally and in writing, being an adult residing in the household, and sharing the same last name as the account holder, created a reasonable basis for establishing implied authority. Further, Access Gas argues that if through prior words or actions, led the signatory to believe he had authority to act on behalf, this would establish ostensible authority. Additionally, Access Gas asserts that accepting gas services for approximately two years. Access Gas states that received a Confirmation of Enrolment letter (Enrolment Letter) from FEI on June 27, 2022, informing him of the Agreement, and despite this notification, did dispute or cancel the Agreement. Access Gas contends that this amounts to ratification and estops from now disputing the Agreement's validity.

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In its IR responses, Access Gas provided a copy of the

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³ Exhibit B-3-1, p. 1.

⁴ Exhibit B-3-1, p. 1.

⁵ Exhibit B-3-1, p. 1.

⁶ Exhibit B-3-1, pp. 2–3.

⁷ Exhibit B-5, pp. 5–6.

⁸ Exhibit B-5, p. 1.

⁹ Exhibit B-5, p. 3.

B.L.

B.L. asserts that Access Gas failed to adequately verify the Signatory's authority and contends that Access Gas should have contacted him directly and requested formal POA documentation. B.L. submits that the Signatory did not understand the concept of POA and Access Gas would have required signed documents to support a claim that there was a POA. ¹⁰

B.L. further asserts that he was unaware of the Agreement until February 2024, when another gas marketer informed him that he was not paying FEI for gas services but was instead paying Access Gas. B.L. asserts that he believed the automatic bank withdrawals were being made to FEI, as FEI's name appeared prominently on the bills, and FEI was listed as the withdrawer on his bank statements.¹¹

B.L. also states that

4.0 Panel Determination

For the reasons discussed below, the Panel finds that Access Gas failed to comply with Article 3 of the Code because it failed to confirm that the person signing the Consumer Agreement on behalf of the Consumer had the signing authority to enter into the Consumer Agreement. Accordingly, the Panel declares the Agreement to be wholly unenforceable and directs Access Gas to reimburse B.L. for the difference between its fixed natural gas rates incurred under the Agreement and the amounts that B.L. would have been charged by FEI's variable natural gas rates under the applicable FEI rate schedule during the period of August 1, 2022 to February 14, 2024.

The first issue in this reconsideration is whether B.L. has established any of the grounds for reconsideration set out in Rule 26.05. The Panel finds that the evidence establishes that there is just cause for reconsideration pursuant to Rule 26.05(e). Therefore, the Panel considers it unnecessary to address B.L.'s assertion in the Reconsideration Application that the BCUC made an error in law in Letter L-18-24.

The Panel finds that Access Gas breached Article 3 of the Code, which requires gas marketers to confirm with the consumer that the consumer has signing authority to enter into an agreement. In this case, Access Gas relied on the Signatory's verbal confirmation and the Addendum to establish authority. However, the Panel considers these actions (being solely the representations of the Signatory) were insufficient to meet the standard required under Article 3.

In order to comply with Article 3 of the Code, Access Gas was required to make reasonable efforts to ensure that the Signatory had the authority to enter into the Agreement. ¹³ In this case, Access Gas did not take adequate steps to confirm the existence of the POA, on which the Signatory purported to rely. The Panel finds that Access Gas should have requested a copy of the POA to ensure the Signatory had proper authority. As noted by B.L., a POA is a formal written instrument, and given that the Signatory in this case purported to have such an

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¹⁰ Exhibit B-4, p. 2.

¹¹ Exhibit B-4, p. 1.

¹² Exhibit B-6, p. 1.

¹³ Although the BCUC is not bound by precedent, pursuant to section 75 of the UCA, the Panel notes that this is consistent with the BCUC's previous decision in <u>Letter L-13-19</u>.

instrument, the Panel considers that Access Gas' reliance solely on verbal confirmations and the signed Addendum did not satisfy the requirement to make reasonable efforts to confirm authority. Therefore, the Panel finds that Access Gas failed to comply with Article 3 of the Code by not taking adequate steps to confirm the Signatory's signing authority.

Given this breach of the Code, the Panel may declare the Agreement to be unenforceable, wholly or in part, pursuant to section 71.1(5)(a) of the UCA. In this regard, the Panel has considered the evidence regarding when B.L. gained knowledge of the Agreement, and whether there was any implied consent or ratification of the Agreement which might suggest that a declaration of unenforceability is appropriate.

	paying monthly invoices, and
accepting gas services for approximately two years. Access Gas further state	
FEI, dated June 27, 2022, notified of the Agreement. However, B.L. state	tes that
and that the automatic bank withdrawals were payments	s to FEI.
The Panel is not persuaded that B.L. knew of, or should reasonably have kn	own of, the Agreement before
February 2024. FEI's name appeared prominently on B.L.'s bills, and FEI wa	s listed as the withdrawer on his bank
statements. Further, there is no evidence that B.L. received the	. In particular, the Panel notes
that	
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Therefore, the Panel declares the Agreement to be wholly unenforceable p	oursuant to section 71.1(5)(a) of the
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UCA, and directs Access Gas to reimburse B.L., by May, 15, 2025, the difference in a world by Agreement and the agreemen	•
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¹⁴ Exhibit B-5, p. 3.

E. A. Brown Commissioner

Electronically signed by Elizabeth A. (Lisa) Brown

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