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Licensing and Applications Branch



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**Licence Bulletin 200303**

To: Licensed Gas Marketers and Electricity Retailers

Re: Telephone Reaffirmation of Energy Contracts

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**This bulletin contains important information regarding compliance with your electricity retailer or gas marketer licence.**

The Licensing Branch has received a number of complaints about contract reaffirmations where the consumer was not aware that he or she was reaffirming a binding contract for the supply of energy. Reaffirmation is required under Section 88.9 of the Ontario Energy Board Act. This Bulletin provides guidance on reaffirmation practices.

The intent of reaffirmation of an energy contract is to ensure that the consumer understands and accepts contract arrangements to which he or she has previously agreed. Clear terms should be used and the consumer should not be confused by other information that may accompany the reaffirmation decision. Consumers should understand the implications of the new contract on any existing contracts.

In order to achieve this clear understanding and acceptance, retailers of electricity and gas marketers should ensure the following when reaffirming contracts.

1. The consumer must understand that they have previously signed a contract, and they are now being asked to reaffirm that contract. Achieving this understanding should include:
  - C reminding the consumer that they have signed and received a copy of the contract;
  - C reminding the consumer of the term and commodity price of the contract;
  - C ensuring the consumer understands they have an option not to reaffirm the contract;
  - C ensuring the person reaffirming the contract has authority to do so; and
  - C using language that makes it clear that reaffirmation will result in a legally binding contract.

Retailers and marketers should ensure that consumers acknowledge the information being presented to them and understand the decision they are being asked to make. If a consumer is not clear as to the purpose of the telephone call, then any subsequent reaffirmation is unlikely to meet the intent of the legislation.

2. A consumer's understanding of the decision should not be hindered by information unrelated to reaffirmation. Offers for other products and services should not distract from the reaffirmation decision.
3. Retailers and marketers should take "no" for an answer. It is inappropriate to continue to contact a consumer to seek reaffirmation once the consumer has clearly indicated that they are choosing not to reaffirm the contract.
4. If a consumer already has a contract in place with a retailer or marketer with more than six months before expiry, the consumer should be informed of the price and remaining term of the existing contract. The consumer should understand that they can remain under the terms of the existing contract or choose to reaffirm the new contract.

The recommendations in this Bulletin are not intended to provide a complete guide to the reaffirmation process that is required by the legislation. Electricity retailers and gas marketers must take whatever steps are necessary to reasonably ensure that their reaffirmation procedures comply with the legislation.

Retailers and marketers are also reminded that reaffirmation call recordings are subject to audit. Should the Licensing Branch continue to receive a substantial number of complaints of inadequate reaffirmation procedures, other action or remedies may be taken.

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Ontario Energy Board