

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER

**NUMBER** A-10-15

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# IN THE MATTER OF the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

Planet Energy (B.C.) Corp.

Special Application for One-Time Gas Marketer Licence Amendment under the Customer Choice Program

**BEFORE:** L. F. Kelsey, Commissioner

C. A. Brown, Commissioner H. G. Harowitz, Commissioner K. A. Keilty, Commissioner

July 16, 2015

K. A. Keilty, Commissioner D. M. Morton, Commissioner

#### ORDER

#### **WHEREAS:**

- A. On August 5, 2014, Planet Energy (B.C.) Corp. (Planet Energy), applied to the British Columbia Utilities Commission (Commission) for renewal of its Gas Marketer Licence for the period November 1, 2014 to October 31, 2015 (Renewal Application);
- B. On October 30, 2014, by Order A-14-14, the Commission found the Renewal Application did not include certain materials, pursuant to Sections 8 and 9 of the Licence Requirements. The Commission determined that renewal of Planet Energy's Gas Marketer Licence was warranted, subject to certain conditions, including condition "3.a", which prohibits Planet Energy from marketing to new and existing customers and/or enrolling and renewing new and existing customers. In addition, the Commission determined: "ACN [Canada] Independent Business Owners and Planet Energy staff conduct marketing, on behalf of Planet Energy, and are therefore salespersons for Planet Energy, as both terms are defined by the Code of Conduct for Gas Marketers";
- C. On February 19, 2015, by Order A-1-15, the Commission approved Planet Energy's February 17, 2015 application for approval of the materials pursuant to Sections 8 and 9 of the Licence Requirements; removed condition "3.a" from the Gas Marketer Licence issued by Order A-14-14; and placed a new condition on the Gas Marketer Licence, prohibiting Planet Energy from engaging in gas marketing activities under the Customer Choice program on Vancouver Island and in the Resort Municipality of Whistler;
- D. On May 20, 2015, Planet Energy applied to the Commission for a special one-time licence amendment for the purpose of engaging in gas marketing activities under the Customer Choice program on Vancouver Island, the Sunshine Coast and in the Resort Municipality of Whistler for the period August 1, 2015 to

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October 31, 2015, in accordance with the Special Application Requirements established by Order A-5-14. The Application for amendment of its Licence to Market Natural Gas (Application) included the payment of the \$500 Application Fee, pursuant to Section 2 of the Special Application Requirements;

- E. According to the Application: "Planet Energy markets to customers via a third party multi-level marketing network company called ACN [Canada] (friend, family and acquaintances)" and "Planet Energy does not currently have salespeople operating in Vancouver Island/Whistler. Upon market availability, Planet Energy will continue to operate with and utilize ACN [Canada]. As stated by Planet Energy, most enrollments with Planet Energy are self-enrollments and do not have an associated sales representative... Planet Energy will not be hiring and or employing any sales people who are not affiliated with ACN [Canada], and as such, Planet Energy at this time cannot provide any further information [on salespersons] as no such individuals currently exist at this time"; and
- F. The Commission reviewed Planet Energy's Application and relying upon the information and representations made by Planet Energy finds that approval of the amendment of the Gas Marketer Licence is warranted, subject to certain conditions.

**NOW THEREFORE** pursuant to section 71.1(6) of the *Utilities Commission Act*, and for the reasons outlined in the Reasons for Decision attached as Appendix A, the British Columbia Utilities Commission orders as follows:

- 1. Directive 3 of Order A-1-15 which prohibited Planet Energy (B.C.) Limited (Planet Energy) from engaging in gas marketing activities on Vancouver Island and in the Resort Municipality of Whistler, is removed for the period August 1, 2015 to October 31, 2015.
- 2. The following condition is added to Planet Energy's Gas Marketer Licence issued by Order A-14-14 for the period August 1, 2015 to October 31, 2015:

"Planet Energy is prohibited from enrolling customers on Vancouver Island, the Sunshine Coast and in the Resort Municipality of Whistler except in cases where the enrolling customer is both an ACN Canada Independent Business Owner (representative) and is applying for service with Planet Energy on their own behalf."

**DATED** at the City of Vancouver, in the Province of British Columbia, this 17<sup>th</sup> day of July 2015.

BY ORDER

Original signed by:

D. M. Morton Commissioner

# An Application by Planet Energy (B.C.) Corp. for One-Time Gas Marketer Licence Amendment under the Customer Choice Program

#### **REASONS FOR DECISION**

On May 20, 2015, Planet Energy (B.C.) Corp. (Planet Energy), applied to the British Columbia Utilities Commission (Commission) for a special one-time licence amendment for the purpose of engaging in gas marketing activities under the Customer Choice program on Vancouver Island, the Sunshine Coast and in the Resort Municipality of Whistler for the period August 1, 2015 to October 31, 2015, in accordance with the Special Application Requirements established by Order A-5-14 (Application).

According to the Application: "Planet Energy (BC) Corp. markets to customers via a third party multi-level marketing network company called ACN [Canada] (friend, family and acquaintances). Sign-ups through ACN [Canada] are done via the internet." <sup>1</sup>

According to Section 5 of the Special Application Requirements, applicants must submit:

The following information for each salesperson\* operating on Vancouver Island/in Whistler on behalf of the applicant:

- First and Last Name
- Date of Birth or Social Insurance Number
- Years employed in gas marketing industry
- Length of time employed by or conducting marketing on behalf of the applicant
- Complaints ratio for past year (or as long as the salesperson has been employed, if less than one year) calculated as follows: Number of complaints by customers regarding the salesperson divided by number of enrollments submitted by salesperson
- Criminal record check completed? [y/n]
- References checked prior to hiring? [y/n]

\*For the purpose of this application, salesperson means a person who is employed by or otherwise conducts marketing on behalf of the applicant, or makes representations to consumers on behalf of the applicant for the purpose of effecting sales of Gas to Low-Volume Consumers.<sup>2</sup>

Regarding these requirements, in relation to salespeople, Planet Energy states in their Application:

Planet Energy does not currently have salespeople operating in Vancouver Island/Whistler. Upon market availability, Planet Energy will continue to operate with and utilize ACN [Canada]. As stated by Planet Energy, most enrollments with Planet Energy are self-enrollments and do not have an associated sales representative. However, upon market

<sup>&</sup>lt;sup>1</sup> Planet Energy (B.C.) Corp., Special Application for One-Time Licence Amendment (Application), p. 2.

<sup>&</sup>lt;sup>2</sup> Commission Order A-5-14, Appendix B, p. 1.

availability should any ACN [Canada] representatives wish to promote natural gas services within the new service territories, those representatives must complete the procedures as reviewed by commission staff. Planet Energy will not be hiring and or employing any sales people who are not affiliated with ACN [Canada], and as such, Planet Energy at this time cannot provide any further information [on salespersons] as no such individuals currently exist at this time.<sup>3</sup>

On October 30, 2014, by Order A-14-14, the Commission determined: "ACN [Canada] Independent Business Owners [or representatives] and Planet Energy staff conduct marketing, on behalf of Planet Energy, and are therefore salespersons for Planet Energy, as both terms are defined by the Code of Conduct for Gas Marketers."

#### **Commission determination**

The section of Order A-14-14 cited above means that if a person is employed or otherwise conducts marketing and/or third party verification on behalf of Planet Energy, or makes representations to consumers on behalf of Planet Energy for the purpose of effecting sales of gas to low volume consumers, he or she is a Planet Energy salesperson. As such, the fact that Planet Energy will not be hiring or employing any salespeople who are not affiliated with ACN Canada is irrelevant. The relevant consideration is whether the person is a salesperson as defined by the Code of Conduct for Gas Marketers, not whether he or she is or is affiliated with ACN Canada.

Planet Energy states they do not have any salespeople in the new service territories, and thus they have not submitted the information required under Section 5 of the Special Application Requirements. As such, the Commission determines that Planet Energy shall be prohibited from enrolling customers on Vancouver Island, the Sunshine Coast and in the Resort Municipality of Whistler except in cases where the enrolling customer is both an ACN Canada Independent Business Owner (representative) and is applying for service with Planet Energy on their own behalf.

<sup>&</sup>lt;sup>3</sup> Application, p. 2

<sup>&</sup>lt;sup>4</sup> Commission Order A-14-14, Reasons for Decision, p. 3.



LICENCE NO.: A-14-14
AMENDED BY: A-1-15 and

A-10-15

## GAS MARKETER LICENCE

### PLANET ENERGY (B.C.) CORP.

is granted a licence for the purpose of providing advice to, or acting on behalf of, a low volume consumer <sup>(1)</sup> purchasing gas directly in the Province of British Columbia subject to the terms and conditions contained in Commission Order A-14-14 and amended by Commission Orders A-1-15 and A-10-15, which are set out in the reverse of the Licence.

#### **BRITISH COLUMBIA UTILITIES COMMISSION**

Original signed by:

D. M. Morton, Commissioner

**ISSUED:** October 30, 2014

**EFFECTIVE:** November 1, 2014

**AMENDED:** February 19, 2015 and July 16, 2015

**EXPIRES:** October 31, 2015

(1) As described in the Rules for Gas Marketers

This Gas Marketer Licence is subject to the following conditions:

- a. Planet Energy must carry out the undertakings as provided in its Application for a Gas Marketer Licence and as set out in the Rules for Gas Marketers established by Order A-12-13.
- b. Planet Energy must comply with the Code of Conduct for Gas Marketers and Rate Schedule 36 of FortisBC Energy Inc. Planet Energy shall ensure that its employees, salespersons or other representatives of its products and services comply with the standards required of a Gas Marketer as set out in the Code of Conduct for Gas Marketers and Planet Energy shall be responsible for any non-compliance of its employees, salespersons or other representatives of its products and services.
- c. Planet Energy must maintain a \$250,000 performance security in full force and effect for the duration of the Licence.
- d. Planet Energy must file with the Commission, pursuant to item 10.0 of the Rules for Gas Marketers, the following information:
  - i. The most recent version of the documents submitted to satisfy Section 7, Financial Qualifications, of the Licence Requirements; and
  - ii. The most recent version of the documents submitted under Sections (8), (9), (10), (11) and (12) of the Licence Requirements for the Commission's comment and approval, as necessary, prior to commercial distribution and/or use.
- e. The Commission may, at any time and without prior notice to Planet Energy, amend or impose new terms and conditions on, suspend, or cancel the Gas Marketer Licence for reasons the Commission, in its sole discretion, considers sufficient.
- f. The Gas Marketer Licence and all copies of it shall remain the property of the Commission. Planet Energy will return these documents forthwith upon written request from the Commission.
- g. Planet Energy is prohibited from enrolling customers on Vancouver Island, the Sunshine Coast and in the Resort Municipality of Whistler except in cases where the enrolling customer is both an ACN Canada Independent Business Owner (representative) and is applying for service with Planet Energy on their own behalf.