

[REDACTED]

[REDACTED] has made a number of good recommendations for improvements based on field and office observations; [REDACTED]

[REDACTED]

[REDACTED]

- **Exhibit VI-14** [REDACTED]

**Exhibit VI-14**

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

17. Observations and other potential areas for improvement based on NorthStar’s review of field and office operations are provided in **Exhibit VI-15**. Differences in the operations among the offices were noted, but are not specified below.

**Exhibit VI-15  
NorthStar Observations - Field and Office Activities**

Category	Observations from NorthStar and/or IC Comments
Field Shadowing	<ul style="list-style-type: none"> <li>• All ICs indicated that they were not affiliated with utility, government or consumer group.</li> <li>• Few ICs routinely handed out the brochures.</li> <li>• Many ICs were uncomfortable in presenting their script to the customer or in handling objections.<sup>106</sup> Additional observation of their actions by experienced personnel with recommendations for improvement would be useful.</li> <li>• ICs seemed confused about what the job entailed.</li> <li>• [REDACTED]</li> <li>• ICs struggled with the difference between “financial savings” and the discount provided for the first three months.</li> </ul>

<sup>105</sup> Data Response 266

<sup>106</sup> This may be due in part to the presence of NorthStar.

## CUB Attachment A (Public)

Category	Observations from NorthStar and/or IC Comments
	<ul style="list-style-type: none"> <li>• ICs firmly believe that customer will save with the JustGreen RateFlex product, and it comes across in their presentation.</li> <li>• ICs are sometimes challenged when customers ask more complicated technical questions and may answer incorrectly or incompletely.</li> <li>• Some customers asked to review the contract without signing up.</li> </ul> <div style="background-color: black; width: 100%; height: 40px; margin: 5px 0;"></div> <ul style="list-style-type: none"> <li>• Insufficient opportunity to have others shadow ICs and offer marketing suggestions.</li> <li>• When short-staffed, ICs may occasionally begin marketing with very little or no field shadowing and only classroom training.</li> <li>• NorthStar did not observe any field shadowing by Regional Distributors. Depending on the office, ICs indicate that there is shadowing by the QAFS and the CC but not as much by the Regional Distributor. Some ICs do not recall ever seeing their Regional Distributor in the field.</li> </ul>
Compliance Coaching	<ul style="list-style-type: none"> <li>• NorthStar observed no compliance coaching in the field, but was informed by several ICs that they had received coaching.</li> <li>• NorthStar did not see the QAFS in the field although many ICs said he had shadowed them.</li> <li>• ICs indicated that information provided to them says that deals were “accepted or rejected”, but did not indicate the actual cause of the rejection.</li> </ul>
Morning Meeting/Role-Play	<ul style="list-style-type: none"> <li>• Time in the office appears to be inefficient. CCs do not identify areas to market and get permits the day before to minimize IC time sitting around in the office.</li> <li>• JE Illinois spent considerable time discussing the characterization of the JE variable rate which is not to exceed NYMEX plus 20 cents and how best to articulate this to the customer.</li> </ul>
Permits/licenses Review	<ul style="list-style-type: none"> <li>• ICs had the correct permits, even when checked by police.</li> <li>• Interviews indicated problems with the permit process.</li> </ul>
Compensation	<ul style="list-style-type: none"> <li>• ICs complained about insufficient explanation of why a contract was denied or cancelled - little learning opportunity.</li> </ul>
Green Energy Option	<div style="background-color: black; width: 100%; height: 40px; margin: 5px 0;"></div> <div style="background-color: black; width: 100%; height: 40px; margin: 5px 0;"></div>
General Issues/Work Environment	<ul style="list-style-type: none"> <li>• Several ICs mentioned that JE seems like a “boys club” and not supportive of women’s issues/concerns.</li> <li>• Some ICs didn’t understand how to handle certain challenges associated with JE Illinois’ door-to-door sales approach (e.g., where to get water or use the restroom).</li> <li>• Hours away from home are a big issue. ICs suggested getting to work later since a lot of time is wasted and try to complete the day earlier.</li> <li>• Some ICs commented that Regional Distributor is very helpful for the first few days or weeks and then doesn’t pay attention to them unless they are a top sales person.</li> </ul> <div style="background-color: black; width: 100%; height: 40px; margin: 5px 0;"></div>

Source: NorthStar Observations

### E. Recommendations

1. Modify the script and sales presentation to ensure that customers are informed that they are currently signing up for JE Illinois’ program and switching suppliers. (Refers to Finding No. 1)
2. Reinforce the importance of accurately characterizing the JustGreen RateFlex product, particularly with respect to the rate and possible savings. (Refers to Findings No. 3 through 5)
3. Change the TPV scripting regarding “financial savings” when verifying the sales contract to eliminate any potential misunderstanding of savings resulting from the JustGreen RateFlex product. The recommended language change is provided in Chapter VII: Verification Processes. (Refers to Findings No. 3 through 5)
4. Change language in the sales script and the Customer Agreement regarding the Just Green option to ensure customers are informed that participation is optional. (Refers to Finding No. 9)
  - Modify the current sales script as follows, or in a substantially similar manner:

**Exhibit VI-16  
Recommended Sales Script Change**

Current script wording (DR 72)	
Recommended revised script wording	

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- Change the acknowledgement form to show a zero participation option first rather than last.
  - Currently, the green energy option on the JustGreen RateFlex acknowledgement form allows the customer or IC to check one of the following:

**Exhibit VI-17  
Current JustGreen Language in Customer Agreement**

JustGreen % Offset Gas	JustGreen Gas Price (\$/therm)	My Price (\$/therm)
100%	\$0.20	Variable Rate + \$0.20
60%	\$0.12	Variable Rate + \$0.12
0%	\$0.00	Variable Rate

- To clarify that the JustGreen option on the RateFlex program is optional, we recommend that the acknowledgement form show the following:

**Exhibit VI-18  
Recommended JustGreen Language in Customer Agreement**

<b>JustGreen % Offset Gas OPTIONAL</b>	<b>JustGreen Gas Price (\$/therm)</b>	<b>My Price (\$/therm)</b>
0% (no participation)	\$0.00	Variable Rate
60%	\$0.12	Variable Rate + \$0.12
100%	\$0.20	Variable Rate +\$0.20

- Hire at least one (and preferably one per office) non-commissioned (salaried), experienced employee to act as field mentor/trainer/coach to new or struggling ICs. This position should spend about 80 percent of their time in the field and report to the new Illinois Sales Manager position recommended by NorthStar. (Refers to Findings No. 10, 11 and 15)
  - The new position would be responsible solely for mentoring new and existing ICs and ensuring that ICs are shadowed for other than compliance-only reasons. Ideally the candidate for the new position should have relevant sales experience, a good compliance history, and a detailed understanding of the JE Illinois product, operating environment, Code of Compliance, and regulations.
  - The recommended position should ensure that new recruits have a person to call if they have questions or need suggestions on process and communication skills during their first couple of days in the field. While this may be considered “coddling” by some, it could also lead to retaining smart, capable individuals after an initial period.
  - ICs should feel free to call this person during or after a sale, or any time they have questions on the program. A recently hired Loop IC called the Regional Distributor when the customer had questions on the program she could not answer. The Regional Distributor responded to the customer and the sale was made. This is an appropriate way to handle the situation and is a function that could be provided by the new position.
  - This position could have a positive impact on reducing IC turnover which would allow for additional experience for ICs before being promoted to [REDACTED]
- Ensure that all ICs are observed in the field by experienced personnel during their first couple of days marketing to customers. This observation should be conducted within the first day or so, and repeated during the first few weeks and as necessary. This is not intended to supplant the role of the [REDACTED] in IC monitoring and development, and should provide the added benefit of showing the IC that JE is invested in their future. (Refers to Findings No. 10 and 11)
- Establish a positive incentive for compliance. (Refers to Finding No. 12) Consider the following:

- Establish compliance allegations and history as a prerequisite, along with sales, for qualification for Company-paid incentive trips or allow ICs to participate if sales are close to target, but only if compliance is strong.
  - Financial incentives for ICs with strong/perfect compliance over a specific period of time.
  - Team financial incentives if the regional office achieves a compliance objective over a specific period of time.
8. Develop a more formal process for responding to and implementing the QAFS's recommendations. A Best Practices Group consisting of the [REDACTED] could meet periodically to review and make recommendations that could impact each office's recruiting, training, field work and compliance efforts. The results/recommendations of this group should be implemented in a formal training program to ICs. (Refers to Finding No. 16)
9. Address the following items discussed in Finding No. 17.
- Encourage a Regional Distributor presence in the field.
  - Ensure all required permits are obtained before allowing ICs to market in the field. Although NorthStar observed that ICs had proper permits, a number of ICs reported marketing in areas without proper permits.
  - As a control, either the regional offices or home office should review the name and signature of the individual signing the contract to identify potential falsified and disputed signature issues or instances where an unauthorized individual has signed the customer up for the program (e.g., roommate or non-spouse family member).
    - JE could compare the signatures on the Acknowledgement Form and the Customer Agreement to each other and to the IC's signature, as an initial check.
    - For residential accounts, the Customer Agreement requires the customer to indicate whether they are the account holder or the spouse. If the account holder box is checked, JE could also check the name of the signatory to confirm the name matches the account holder's name as it appears on the customer's gas bill. The account holder's name and service address are written on the Customer Agreement by the IC using the customer's gas bill.
  - Develop a language-skills test to be administered before ICs market in Spanish.
  - ICs should leave brochures with customers unless the customer declines.

## F. Other Considerations



11. Develop a list of best practices and ideas for an improved work environment that would benefit all offices. This could be performed by the NorthStar recommended Best Practice Group. (Refers to Finding No. 14). Suggestions include:

- Bunny hopping (two ICs working the same side of the street but alternating houses) and other techniques to improve morale and minimize isolation.
- Increased accountability of the CC for the team.
- Improved communication in the field regarding the locations of personnel.
- Better planning and office organization to minimize wait times and shorten the office portion of the day (potentially reducing total job time).
- ICs could be brought into the office for training or they could opt out of selling for the day during extremely adverse weather conditions. It is unclear whether a significant number of sales are made when the customer does not want to let the air/heat out of the house.

12. Rotate personnel in the QAFS position at least every 2 years, similar to the manner in which an external auditor may be rotated. Over time, it is possible for the QAFS to lose his/her independence or objectivity (perceived or actual) as he spends much of his time with the same personnel in the sales offices (e.g., Regional Distributors and CCs who may have a longer tenure with JE) or JE management employees spending time in Illinois.

## CHAPTER VII: VERIFICATION PROCESSES

### A. Background

As a result of the CO, JE Illinois is required to confirm all in-person sales using an independent TPV without the JE Illinois salesperson being present. The original AGSL required all AGSs to obtain verifiable authorization from a customer before the customer is switched from another supplier. In the proceeding investigating JE Illinois' sales and marketing practices, consumer groups maintained that JE Illinois' verification procedure allowed both the verifier and the contractor to "lead" the customer, and that verification scripts included additional marketing efforts and contained long compound questions that asked the customer to agree to multiple items with a single assent.<sup>107</sup>

The Amended AGSL required all AGSs to use an appropriately qualified, independent TPV for all in-person sales. The independent third party cannot be owned, managed, controlled, or directed by the AGS or its marketing agent; cannot have any financial incentive to confirm provider change requests for the AGS or its marketing agent; and must operate in a location physically separate from the AGS or its marketing agent. TPVs may not market the alternative gas supplier's services by providing additional information. All TPVs shall be conducted in the same language that was used in the underlying sales transaction and shall be recorded in their entirety.

All TPV methods shall elicit, at a minimum, the following information:

- the identity of the customer
- confirmation that the person on the call is authorized to make the provider change
- confirmation that the person on the call wants to make the provider change
- the names of the providers affected by the change
- the service address of the service to be switched
- the price of the service to be provided and the material terms and conditions of the service being offered, including whether any early termination fees apply.

In its final order in Docket No. 08-175, the Commission established additional requirements for JE Illinois, concluding that:

"Absent the constant presence of a supervisor or the video recording of every sales contact, the verification is the only available real-time confirmation of a lawful sale. Yet there were important flaws in the verification process in place during the relevant time frame. For example, the verifier did not confirm the customer's understanding that the contractor was unaffiliated with the local gas utility. Also, the presence of the sales agent during the verification call sometimes enabled the agent to influence the conduct of the verification. Respondent presently verifies certain sales without the agent's presence, and the Commission will expand that practice to cover all verifications."

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<sup>107</sup> CG IB at 32, Order

The following remedial measures were also established:

- Verification calls must be performed without the salesperson being present. The salesperson shall leave the customer's premises before the customer and verifier begin discussing the sale. The salesperson shall not return to the customer's premises, or otherwise initiate contact with the customer, before the following day.
- The verification script should include audible confirmation from the customer that the sales agent is not present before the verification portion of the call begins.
- Each verification question should request verification of a single fact and there should be a sufficient pause for an answer to each question before another question is asked.
- All substantive revisions to third party verification scripts must be submitted to Staff within 48 hours.

### JE TPV Processes

JE currently uses [REDACTED]

[REDACTED]

[REDACTED]

The verification process is initiated when an IC completes a sale [REDACTED]

[REDACTED] he IC then leaves the premise and [REDACTED]

Sales are either reaffirmed or denied, or the verification may be incomplete/disconnected. Sales are not reaffirmed for a variety of reasons:

- The customer changes his/her mind or no longer wishes to enroll.
- The call is disconnected.

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<sup>108</sup> Data Responses 15 and 245

<sup>109</sup> Interview 17

- The customer does not appear to understand the verification questions due to a language constraint.
- The customer is not the account holder or spouse.
- The customer is under 18 or over 70 years of age.
- The customer cannot confirm the requested TPV information, appears unclear on the parameters of the program, disagrees with the terms and conditions, or asks too many questions.

In the event of potential IC misconduct, the verification is denied and the sale does not go through. The TPV is to classify the call accordingly, and log salesperson feedback.

JE is responsible for developing and providing TPV scripts to each of the TPV vendors. The scripts [REDACTED] and are provided to the ICC staff.

[REDACTED]

[REDACTED]

[REDACTED]

**Exhibit VII-1** provides information on denied enrollments.

[REDACTED]

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<sup>110</sup> Interview 17

<sup>111</sup> Data Response 155

<sup>112</sup> Data Response 162

<sup>113</sup> Interview 9 – follow up email (Francis Murray to Dawn Francis dated 9/7/11).

[REDACTED]

Interview 9

<sup>116</sup> Data Response 157

[REDACTED]

[REDACTED]

[REDACTED]

In May 2011, JE Illinois began marketing its JustGreen RateFlex Product, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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<sup>117</sup> Data Response 157

<sup>118</sup> NorthStar also began its audit during this same period





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**Other Verification Processes**

JE Illinois uses signed customer agreements and acknowledgement forms to document and verify a customer’s door-to-door enrollment in its program. Historically, JE Illinois’ contracts consisted of two documents:

- Customer Agreement – The customer agreement includes the relevant customer information, the customer signature, the price and term of the agreement, the cancellation policy, JE Illinois contact information, and the termination fee.
- General Terms and Conditions – The general terms and conditions contain detailed definitions, ICC and utility contact information, charging process, limitations of liability, and dispute processes.

The RateFlex contract package consists of three documents that cover much of the same information as the previous program contracts but provide a clearer list of disclosures and overall larger fonts. The documents included are:

- Acknowledgement Form – The acknowledgement form is a document signed by the customer that discloses the following elements:
  - JE contact information
  - Certification that age of enrollee is between 18 and 70
  - Certification that terms and conditions have been fully explained
  - No guarantee of savings
  - First 3 billing cycles are billed at 5 percent below utility rate and thereafter a variable rate not to exceed NYMEX plus 0.20 \$/therm.
  - Representative identified himself and was wearing a JE badge

- JE's natural gas price does not include delivery, transportation, taxes and other utility charges
  - Cancellation policy and early termination fee
  - Cancellation procedure
  - Representative provided a signed copy of the Customer Agreement and General Terms and Conditions
- The Customer Agreement – The customer agreement includes relevant customer information and a signed statement by the customer accepting the price and terms, and authorizing JE as their supplier of natural gas.
  - General Terms and Conditions – The general terms and conditions contain detailed definitions, ICC and utility contact information, charging process, limitations of liability, and dispute processes.<sup>120</sup>

Customers receive a welcome letter within 20 business days of enrollment outlining the terms and conditions of the agreement. [REDACTED]

## B. Compliance Requirements

### Third Party Verification

JE Illinois is subject to the following third party verification requirements:

- An appropriately qualified, independent third party verifier must be used for all in-person sales. The independent third party must (i) not be owned, managed, controlled, or directed by the alternative gas supplier or the alternative gas supplier's marketing agent; (ii) not have any financial incentive to confirm provider change requests for the alternative gas supplier or the alternative gas supplier's marketing agent; and (iii) operate in a location physically separate from the alternative gas supplier or the alternative gas supplier's marketing agent. (CO, p.52 (CD I.C.1.b.i), AGSL 19-115c2)
- The script for verification calls must include a confirmation that the call is made in the language understood by the customer. (CO, p. 51)
- Verification calls must be performed without the salesperson being present. The salesperson shall leave the customer's premises before the customer and the verifier begin discussing the sale. (CO, p. 51)
- Each verification question should request verification of a single fact and there should be a sufficient pause for an answer to each question before another question is asked. (CO, p. 51)

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<sup>120</sup> Data Response 72

<sup>121</sup> The TPV verification number matches the physical contract number.

- The verification script should include audible confirmation from the customer that the sales agent is not present before the verification portion of the call begins. (CO, p. 51)
- All third-party verification methods shall elicit, at a minimum, the following information: (CO, p. 52 (CD II.C.1.b.iv), AGSL 19-115c2)
  - the identity of the customer;
  - confirmation that the person on the call is authorized to make the provider change;
  - confirmation that the person on the call wants to make the provider change;
  - the names of the providers affected by the change;
  - the service address of the service to be switched; and
  - the price of the service to be provided and the material terms and conditions of the service being offered, including whether any early termination fees apply.
- Third-party verifiers may not market JE's services by providing additional information. (CO, p. 52 (CD II.C.1.b.v), AGSL 19-115c2)
- All substantive revisions to third party verification scripts must be submitted to Staff within 48 hours. (CO, p. 51)
- All third-party verifications shall be conducted in the same language that was used in the underlying sales transaction and shall be recorded in their entirety (CO, p. 52 (CD II.C.1.b.vi), AGSL 19-115c2)
- Automated third-party verification systems and 3-way conference calls may be used for verification purposes so long as the other requirements are satisfied. (CO, p. 52 (CD II.C.1.b.ii), AGSL 19-115c2)
- JE initiating a 3-way conference call or a call through an automated verification system must drop off the call once the 3-way connection has been established. (CO, p. 52 (CD II.C.1.b.iii), AGSL 19-115c2)
- Automated systems must provide customers with an option to speak with a live person at any time during the call. (CO, p. 52 (CD II.C.1.b.viii), AGSL 19-115c2)

### Letters of Agency

The AGSL permits the use of letters of agency for customer initiating electronic or written requests to change natural gas suppliers. A letter of agency is a customer signed authorization to switch providers of a service such as telephone or natural gas and is not sufficient to enroll a customer through door-to-door solicitations. [REDACTED]

[REDACTED]

## Contracts

- In any agreement that contains an early termination clause, such agreement shall disclose the amount of the early termination fee, provided that any early termination fee or penalty shall not exceed \$50 total, regardless of whether or not the agreement is a multiyear agreement. (CO, p. 52 (CD II.D.1), AGSL 19-115g5)
- In any agreement that contains an early termination clause, such agreement shall provide the customer the opportunity to terminate the agreement without any termination fee or penalty within 10 business days after the date of the first bill issued to the customer for products or services provided by JE. The agreement shall disclose the opportunity and provide a toll free phone number that the customer may call in order to terminate the agreement. (CO, p. 52 (CD II.D.2), AGSL 19-115g5)
- JE shall clearly and conspicuously disclose, on all contracts for natural gas supply service, the contract terms and conditions of service, which shall include, but not be limited to the following: (CO, p. 52 (CD II.D.3))
  - Where the solicitation occurs in person, including through door-to-door solicitation, the salesperson's name.
  - That JE is an alternative gas supplier that has no affiliation with the consumer's public utility, with the government, or with any consumer group.
  - The duration of the proposed supply contract.
  - Any administrative fees charged by JE.
  - The rate that the consumer will be charged for the supply of natural gas.
  - In at least 12-point bold font, the amount of the early termination fee, provided that any early termination fee or penalty shall not exceed \$50 total, regardless of whether or not the agreement is a multiyear agreement.
  - In at least 12-point bold font, the procedure by which a consumer can cancel his or her contract after the switch, provided that during solicitation, JE must disclose that consumer has the contractual and/or statutory right to cancel without any early termination fee within ten business days after the date of the first bill issued to the customer for products or services provided by the JE.
  - JE's contact information, including the address, phone number, and website.
  - Contact information for the ICC, including the toll-free number for consumer complaints and website.

## Welcome Letter

- Within 20 days from the date that JE receives notice from the utility that a customer will be switched, JE shall provide all customers with a letter of introduction, written in the same language as the customer's contract, in which JE shall: (CO, p. 52 (CD II.F))
  - Disclose that the consumer will continue to receive bills only from his or her public utility and will continue to be charged by the utility for natural gas distribution in addition to the charges by JE for natural gas supply.

- Disclose the duration of the proposed supply contract.
- Disclose any administrative fees charged by JE.
- Disclose the rate that the consumer will be charged for the supply of natural gas.
- Disclose the amount of the early termination fee, provided that any early termination fee or penalty shall not exceed \$50 total, regardless of whether or not the agreement is a multi-year agreement.
- Not make promises or guarantees of savings which cannot be substantiated.
- Disclose the procedure by which a consumer can cancel his or her contract after the switch, provided that during solicitation, JE must disclose that consumer has the contractual and/or statutory right to cancel without any early termination fee within ten business days after the date of the first bill issued to the customer for products or services provided by the JE.
- Not use vague or technical terms that prevent the consumer from obtaining a meaningful understanding of when they will be billed for gas in excess of their use and when billing fluctuations will occur.

### C. Compliance Findings

1. JE Illinois' selection of TPV contractors is in compliance with the AGSL and the CO.

- [REDACTED] are not owned, managed, or controlled by JE or its marketing agents.

[REDACTED]

[REDACTED]

[REDACTED]

- The TPV contractors do not receive financial incentives for enrolling customers.

[REDACTED]

- The TPV contractors do not operate in the same physical location as JE or JE Illinois.

[REDACTED]

[REDACTED]

124 Data Response 254

[REDACTED]

3. The TPV Fixed Price and Rate Capper verification scripts reviewed by NorthStar comply with the AGSL and CO requirements.
- The scripts require audible confirmation from the customer that the sales agent is not present before the verification portion of the call begins.
  - Each verification question requests verification of a single fact.
  - Scripts contain required disclosures as shown in **Exhibit VII-3** which provides a tabular representation of the content and evaluation of the following Fixed Price and Rate Capper scripts in effect on March 17, 2011.

**Exhibit VII-3  
TPV Script Content and Evaluation**

	<b>Fixed Price v. 3.0</b>	<b>Fixed Price v. 5.0</b>	<b>Fixed Price v. 5.0 Spanish</b>	<b>Rate Capper v. 3.0</b>
<b>JE Requirements:</b>				
Confirmation that the salesperson is not present	Yes	Yes	Yes	Yes
Customer identity	Yes	Yes	Yes	Yes
Legally authorized to enter agreement/make supplier change	Yes	Yes	Yes	Yes
Permission to change suppliers	Yes	Yes	Yes	Yes
Name of provider affected by the change	Yes	Yes	Yes	Yes
Service address	Yes	Yes	Yes	Yes
Price, fees, and term of contract	Yes	Yes	Yes	Yes
Verification of current gas provider	Yes	Yes	Yes	Yes
Cancellation policy and termination fees	Yes	Yes	Yes	Yes
Verification conducted in same language as signed contract	Yes	Yes	Yes	Yes
Confirmation that the call is made in the language understood by the customer	Yes	Yes	Yes	Yes
Script does not market JE	Yes	Yes	Yes	Yes
Age between 18 and 70	Yes	Yes	Yes	Yes
JE has no utility affiliation	Yes	Yes	Yes	Yes
Will receive consolidated bill	Yes	Yes	Yes	Yes
[REDACTED]	Yes	Yes	Yes	Yes

Source: Data Responses 15

<sup>128</sup> [REDACTED]  
Data Response 254

4. The JustGreen RateFlex TPV scripts reviewed by NorthStar disclose, but do not specifically confirm, the term of the agreement. The scripts also no longer require the customer to provide their service address; this information is obtained from the IC during the first part of the call.

- The JustGreen RateFlex scripts comply with other AGSL and CO requirements.
- NorthStar reviewed the following JustGreen RateFlex scripts:

**Exhibit VII-4  
Typical Verification Scripts**

No.	Date	Product	Version
1	May 18, 2011	Variable Rate (DR 124)	1.0
2	June 3, 2011	Variable Rate Spanish (DR 124)	2.1
3	June 8, 2011	Variable Rate (DR 124)	1.1
4	July 7, 2011	Variable Rate (DR 131)	2.1
5	July 18, 2011	Variable Rate (DR 131)	2.1

Source: Data Responses 15, 124, and 131

- **Exhibit VII-5** provides a tabular representation of the content and evaluation of the scripts.

**Exhibit VII-5  
TPV Script Content and Evaluation**

Content	Script Number [1]				
	1	2	3	4	5
<b>JE Requirements:</b>					
Confirmation that the salesperson is not present	Yes	Yes	Yes	Yes	Yes
Customer identity	Yes	Yes	Yes	Yes	Yes
Legally authorized to enter agreement/make supplier change	Yes	Yes	Yes	Yes	Yes
Permission to change suppliers	Yes	Yes	Yes	Yes	Yes
Name of provider affected by the change	Yes	Yes	Yes	Yes	Yes
Service address	[2]	[2]	[2]	[2]	[2]
Price and fees	Yes	Yes	Yes	Yes	Yes
Term of the contract	Yes see below	Yes see below	Yes see below	Yes see below	Yes see below
Verification of current gas provider	Yes	Yes	Yes	Yes	Yes
Cancellation policy and termination fees	Yes	Yes	Yes	Yes	Yes
Verification conducted in same language as signed contract	Yes	Yes	Yes	Yes	Yes
Confirmation that the call is made in the language understood by the customer	Yes	Yes	Yes	Yes	Yes
Script does not market JE	Yes	Yes	Yes	Yes	Yes
[REDACTED]	Yes	Yes	Yes	Yes	Yes
JE has no utility affiliation	Yes	Yes	Yes	Yes	Yes
Will receive consolidated bill	Yes	Yes	Yes	Yes	Yes
[REDACTED]	Yes	Yes	Yes	Yes	Yes

Note 1: See Exhibit VII-4 for script identification.

Note 2: [REDACTED]

Source: Data Responses 124 and 131

- With the exception of Question 14.1 in the RateFlex scripts, each question requested verification of a single fact and there was a sufficient pause for an answer to each question before another question was asked. (CO, p. 51)

- Question 14.1 asks: [REDACTED]

- NorthStar is of the opinion that this is technically two facts and the term confirmation is lost. No other question requests confirmation of the term of the agreement from the customer – four or five years.

[REDACTED]

- The scripts require audible confirmation from the customer that the sales agent is not present before the verification portion of the call begins.

5. [REDACTED] prior to the implementation of a small commercial customer script.

- [REDACTED]
- [REDACTED] accounts were signed prior to that time, and an alternative script was used for verification.
- One of NorthStar’s sample TPV calls was a small commercial customer with a JustGreen RateFlex contract date of May 31, 2011. In the absence of an appropriate script, the TPV utilized the Fixed Rate Commercial TPV script.
- According to JE “a sample of these verification calls reflects that the consumers confirmed their authority to make the changes. The original script captures the information necessary for a commercial account.”

<sup>129</sup> Some June calls did not include the term

<sup>130</sup> Data Responses 124 and 131

<sup>131</sup> Data Response 322

6. NorthStar listened to a sample of 206 TPV calls from the period March through August 2011. The verification calls complied with the following AGSL and CO requirements:

- The third-party verifiers did not market JE's services. (CO, p. 52 (CD II.C.1.b.v), AGSL 19-115c2)
- All calls were conducted in the same language that was used in the underlying sales transaction or the TPV denied the verification. (CO, p. 52 (CD II.C.1.b.vi), AGSL 19-115c2) Of 206 TPV calls reviewed by NorthStar, four were appropriately denied by the TPV due to language barrier when the customer requested to have the TPV call conducted in a different language.<sup>132</sup>
- All calls were recorded in their entirety. (CO, p. 52 (CD II.C.1.b.vi), AGSL 19-115c2)
- All calls were performed without the salesperson being present, and the TPV vendor confirmed the IC had left before conducting the verification. (CO, p. 51)

7. JE Illinois' Rate Capper, Fixed Price, Fixed Price Re-contract and JustGreen RateFlex contracts (as defined to include both the Customer Agreement and Acknowledgement Form) are in compliance with other requirements of the CO and the AGSL.

- Four standard offer contracts were reviewed. The products covered under these contracts include:
  - Fixed Rate /Price Protection Program
  - Fixed Rate /Price Protection Program Re-contract
  - Rate Capper
  - Rate Flex
- A description of the type of contract is shown in **Exhibit VII-6**.

**Exhibit VII-6  
Contracts Reviewed**

No.	Product	Version
1	Rate Capper	ILMTM.G.ENG.SVC2.1995.089 V2 May 03 10
2	Fixed Price	IL SVC G CODEIL.G.ENG.SVC16 V1 NOV 25 10
3	Fixed Price – Re-contract	IL SVC-R G CODEIL.G.ENG.SVCR10 V4 MAR 01 11
4	Rate Flex	IL SVC ENG RF G CODEIL.SVC.G.ENG.RF.VAR1 V6 MAY 09 11

Source: Data Responses 26 and 72

- **Exhibit VII-7** provides the results of NorthStar's review.

<sup>132</sup> NorthStar Review of TPV calls: March – August 2011

**Exhibit VII-7  
Contract Evaluation**

Contract Number (Exhibit VI-5)	Document			
	1	2	3	4
	CA = Customer Agreement GTC = General Terms and Conditions AF = Acknowledgement Form			
Contains an early termination clause	CA GTC	CA GTC	GTC	AF GTC
Cancellation procedures are in at least 12-pt bold font	CA	CA	AF	AF
Early termination fees do not exceed \$50.00	CA GTC	CA GTC	GTC	AF GTC
Early termination fee is printed in at least 12-pt bold font	CA	CA	AF	AF
Includes the opportunity to cancel without penalty within 10 business days of first bill.	CA GTC	CA GTC	GTC	AF GTC
Contract includes a toll free number to cancel contract	CA	CA	CA	AF CA
<b>Discloses all terms and conditions including:</b>				
Salesperson's name	CA	CA	CA	AF CA
JE is an alternative gas supplier and not affiliated with the public utility, government, or any consumer group	CA	CA	AF	AF
Length of contract commitment	CA	CA	CA	CA
Administrative fees	CA	CA	CA	AF CA
Price and rates	CA	CA	CA	AF CA
JE contact information, including address phone number and website	CA	CA	CA	AF CA
ICC contact information including the toll-free number for consumer complaints and website	GTC	GTC	GTC	GTC

Source: Data Responses 26 and 72

- The Fixed Price Re-Contract Customer Agreement did not include the required 12-point font disclosures or that JE is an alternative natural gas supplier and not affiliated with any utility, government agency or consumer group, but the Acknowledgement Form did.
  - The JustGreen RateFlex Customer Agreement does not contain the required 12-point font disclosures, but the signed Acknowledgement Form does.
8. JE Illinois' welcome letters are in compliance with the CO and the AGSL. JE Illinois provides welcome letters in English and Spanish.
- Fourteen welcome letters in English and three in Spanish were reviewed, and are listed in **Exhibit VII-8**. The welcome letters spanned all of the products offered.

**Exhibit VII-8  
Welcome Letters Reviewed**

No.	Product	Identifier
1	2011 Rate Flex / Just Green	
2	2011 Rate Flex	

No.	Product	Identifier
3	2011 Fixed Price / Just Green	20110512_5859469
4	2011 Fixed Price / Just Green / Budget Billing	20110412_5767679
5	2011 Fixed Price / Just Green / Budget Billing	20110510_5848061
6	2011 Fixed Price / Budget Billing	20110412_5769743
7	2011 Fixed Price / Budget Billing	20110542_5884049
8	2010 Fixed Price	20100504_4893532
9	2010 Fixed Price / Budget Billing	20100510_4904245
10	2010 Fixed Price / Just Green	20100513_4904981
11	2010 Fixed Price / Just Green / Budget Billing	20100510_4904254
12	2010 Fixed Price / Just Green / Budget Billing	20101214_5275489
13	2010 Rate Capper / Just Green	20100810_5056309
14	2010 Rate Capper / Just Green (Spanish)	20100218_4695531
15	2010 Rate Capper / Just Green	20100914_5116253
16	2009 Fixed Price (Spanish)	
17	2009 Fixed Price / Budget Billing (Spanish)	

Source: Data Response 142

- All letters reviewed contain the required disclosures.
9. JE Illinois currently sends welcome letters within the required 20 day period.
- JE Illinois’ performance, as shown in **Exhibit VII-9**, has steadily improved since 2009. In the first half of 2011, [REDACTED] percent of welcome letters were sent within 20 days.
  - The performance statistics are evaluated from May 22, 2009 thru June 30, 2011. May 22, 2009 is one week after the CD was issued and the data implied that at this point JE Illinois was implementing the CD.

**Exhibit VII-9  
Welcome Letter Processing Performance**

	2009	2010	2011
No Letter Sent	[REDACTED]	[REDACTED]	[REDACTED]
Average Time	[REDACTED]	[REDACTED]	[REDACTED]
Occurrences greater than 20 days	[REDACTED]	[REDACTED]	[REDACTED]
Total Enrollments	[REDACTED]	[REDACTED]	[REDACTED]
No Letter	[REDACTED]	[REDACTED]	[REDACTED]
Occurrences greater than 20 days	[REDACTED]	[REDACTED]	[REDACTED]

Source Data Response 83, May 22, 2009 through June 30, 2011

10. JE Illinois does not prevent a customer from having the services of its local gas utility nor does JE Illinois charge for access to the services of its local gas utility.
- JE Illinois provides information on how to contact the utility on its contracts.<sup>133</sup>
  - JE Illinois utilizes consolidated billing with the utility.<sup>134</sup>
  - JE Illinois charges only for its services on the bills.<sup>135</sup>

<sup>133</sup> Data Response 80

<sup>134</sup> Interview 9

## D. Management Assessment

11. JE Illinois performs an additional quality control check in its more recent TPV scripts by including the following additional questions:

- [REDACTED]
- [REDACTED]
- [REDACTED]

12. The TPV language developed to obtain permission to change suppliers could be clearer in a number of scripts.

- The Fixed Price and Rate Capper Scripts use the following language:

[REDACTED]

■

[REDACTED]

- The JustGreen Rate Flex scripts contain the following language, which is better but could still be improved.

[REDACTED]

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<sup>135</sup> Data Response 80

<sup>136</sup> Script 1 – Question 13, Scripts 3, 4, 8, and 9 - Question 14

<sup>137</sup> Script 2 – Question 14



13. NorthStar’s review of TPV calls identified opportunities for improvements in the training of the TPV CSRs and JE Illinois ICs.

- **Exhibit VII-10** provides details of the TPV calls NorthStar reviewed.

**Exhibit VII-10  
TPV Call Review**

<b>Language</b>	[REDACTED]
[REDACTED]	[REDACTED]
<b>New Business or Other</b>	[REDACTED]
<b>Product Type</b>	[REDACTED]

Source: NorthStar Analysis – Review of TPV calls

- [REDACTED] **Exhibit VII-11** provides NorthStar analysis and JE’s response where provided.<sup>141</sup>

**Exhibit VII-11  
TPV Call Review Results**

FPRC Code/Date	TPV Assessment	NorthStar Assessment	JE Comments
<b>FPRC Coaching</b>			
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

<sup>138</sup> Script 5 – Questions and 14 and 15 (part 3), Script 6 – Questions 14 and 15, Script 7 – Questions 14 and 15

<sup>139</sup> Logging of IC feedback is a JE internal policy and not a regulatory requirement.

<sup>140</sup> Interview 17

<sup>141</sup> JE was inadvertently not provided some of the calls.

FPRC Code/Date	TPV Assessment	NorthStar Assessment	JE Comments
<b>Other</b>			
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: NorthStar Analysis

[REDACTED]

- On four of the calls, the IC “coached” the customer on how to answer the TPV questions (e.g., “we are an alternative gas supplier? Yes” or they instruct the customer to just answer yes to the questions).<sup>142</sup> [REDACTED]

[REDACTED]

- In some of the calls (11 of the 180 English calls), the IC or customer had trouble understanding or hearing the TPV. When this was due to the accent of [REDACTED] [REDACTED] TPV background noise was a problem on the recordings [REDACTED]. Also, some ICs mentioned that they disconnect if they reach certain TPV vendors/CSRs as the CSRs are either hard to understand or slow in conducting the verification.

<sup>142</sup> The IC does not remain on the premises. The coaching occurs in between the IC and customer portions of the TPV call.

[REDACTED]

- On three calls, the IC was heard to explain the reason JE cannot guarantee financial savings as not knowing the weather or the customer’s usage. While this is true, it ignores the variable rate portion of the equation and is potentially misleading. NorthStar would prefer to have the IC explain both usage and the variability of the rate to the customer. JE does not consider this misrepresentation.<sup>144</sup>

### E. Recommendations

- Modify script language regarding savings and clarify the customer’s elected contract term. (Refers to discussion in Chapter VI: Door-to-Door Sales and Findings No. 4 and 13.)
  - Modify the current TPV script as follows, or in a substantially similar manner:

**Exhibit VII-12  
Recommended TPV Script Change**

Question	Current Language	Recommended Language
[REDACTED]	[REDACTED]	[REDACTED]

Note 1: NorthStar has not analyzed the proposed script changes from a legal standpoint. NorthStar believes it is important that the customer understands their rate can go up and down and may or may not go below the utility rate.

Source: Data Response 131 and NorthStar Analysis

[REDACTED]

2. Add additional dialogue to all TPV scripts to more clearly seek permission to switch suppliers from the customer’s current supplier to JE Illinois. (Refers to Finding No. 12) Sample language is provided:

[REDACTED]

[REDACTED]

3. Provide additional training and coaching to the TPV CSRs. [REDACTED] These cases should then be investigated by CCR. (Refers to Finding No. 13)

4. As discussed previously in Chapter VI, coach ICs to address both usage and the rate when explaining to customers why they cannot guarantee savings. (Refers to Finding No. 13)

### F. Other Considerations

5. Modify the current RateFlex script to provide further clarification for the customer as well as to make the process flow better. (Refers to finding No. 13) Suggested edits are provided in **Exhibit VII-13**.

**Exhibit VII-13  
Suggested TPV Script Changes**

Question Number	Question	Suggestion
1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]

Source: NorthStar Analysis

6. Address accent and noise issues with the TPV vendors. (Refers to Finding No. 9)

## CHAPTER VIII: CALL CENTER OPERATIONS

### A. Background

Illinois customer calls are handled by JE's call center located in Ontario, Canada.

CSRs must be trained in a specific state before they are allowed to take calls for that state.

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Interview 58  
<sup>147</sup> Interview 58

[REDACTED]

[REDACTED]

**Complaint Tracking**

[REDACTED]

[REDACTED]

**Cancellations**

[REDACTED]

JE is required by the CO to forward requests for cancellation to the utilities within two business days (CO, p. 52). Customers may request service cancellation by mail, fax or calling the customer service center. Upon receiving a request to cancel, the following activities occur:

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<sup>148</sup> [REDACTED]

<sup>150</sup> Data Response 12  
<sup>150</sup> Customer calls March – August 2011  
<sup>151</sup> Data Response 79

- Customer service representative accesses account records [REDACTED]
- The contract state is updated to “Cancelled”.
- [REDACTED]
- [REDACTED]
- The utility responds with “Accept or Reject”. “Rejects” occur due to incorrect account information and are manually reviewed by JE. “Accepts” provide an effective cancellation date and JE flow-end.<sup>153</sup>

### Dropped Customers

JE Illinois receives notification from the three utilities: Nicor, Peoples, and NorthShore, when JE Illinois is dropped as a customer’s gas supplier. These customers have had their service cancelled with JE Illinois but did not cancel directly with JE Illinois. There are four reasons why the utility would make this notification:

- Customer cancelled JE through the utility
- Customer enrolled with a different alternative gas supplier
- Customer has an account change (e.g., name change)
- Customer moved.

In Illinois, if a customer moves within an LDC’s service territory, they are assigned a new account number. This automatically causes a customer to be dropped from JE Illinois’ program. The customer must contact JE to provide the new account number, or JE may contact the customer to update the account information and transfer the program.

[REDACTED]

[REDACTED]

[REDACTED]

<sup>152</sup> [REDACTED]

<sup>153</sup> Interview 9

<sup>154</sup> Data Response 125

<sup>155</sup> Data Responses 179, 198 and 273: [REDACTED]

<sup>156</sup> JE Verification Response

- [REDACTED]

[REDACTED]

[REDACTED]

### Quality Assurance and Monitoring

Call center activities are monitored [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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<sup>157</sup> Data Response 95  
<sup>158</sup> Data Response 318  
<sup>159</sup> Interview 8  
<sup>160</sup> Data Response 172  
<sup>161</sup> JE Verification Response  
<sup>162</sup> Interview 13, JE Verification Response

## B. Compliance Requirements

### Call Center

- Within sixty (60) days of the Effective Date, JE shall implement and thereafter maintain a customer call center where customers can reach a representative and receive current information. (CO, p. 52 (CD II.G.1), AGSL 19-115b5)
- The JE average answer time for calls placed to the call center shall not exceed 60 seconds where a representative or automated system is ready to render assistance and/or accept information to process calls. (CO, p. 52 (CD II.G.1.b), AGSL 19-115b5)
- The JE abandon rate for calls placed to the call center shall not exceed 10 percent. (CO, p. 52 (CD II.G.1.c, AGSL 19-115b5))
- JE shall maintain records of the call center's telephone answer time performance and abandon call rate. These records shall be kept for a minimum of 2 years and shall be made available to the ICC personnel upon request. At a minimum, these records shall contain the following information in monthly increments: total number of calls received; number of calls answered; average answer time; number of abandoned calls; and abandon call rate. (CO, p. 52 (CD II.G.1.c), AGSL 19-115b5)
- On or before March 1 of every year, each entity shall file a report with the Chief Clerk of the Commission for the preceding calendar year on its answer time and abandon call rate for its call center. A copy of the report shall be sent to the Manager of the Consumer Services Division or its successor. (AGSL 19-115b5)

### Cancellations

- Customer requests for service cancellations must be forwarded to the utility for cancellation within two business days of JE Illinois receiving the request from the customer, and without any barriers beyond normal legal retention efforts. (CO, p. 52)
- Cancellations should be done at the customer service level, not escalated or referred to some other department, such as CCR, although customer complaints associated with cancellations may be separately escalated or referred. (CO, p. 52)
- JE Illinois must file with the Director of the Commission's CSD a quarterly report on cancellations that includes a tracking of all cancellation requests, the level at which the call was taken, and the resolution of the request by level. (CO, p. 52)

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<sup>163</sup> Interview 8

### **Cancellation Fees**

JE Illinois' first retail contracts were executed in [REDACTED]. Before February 2008, JE Illinois calculated exit fees using a forecast rate of consumption for the remainder of the contract term multiplied by a fixed rate per therm. According to the agreement in effect at the time, the "[c]ustomer agrees to pay those damages as liquidated damages calculated as follows: 10 cents/therm times the remaining years, or part thereof, of the Term times Customer's annual gas usage in therms."<sup>164</sup>

Subsequent contracts stipulated a term of five years and an early termination fee of \$75 per year. Exit fees for this group could be as much as \$375 for JE Illinois customers that enrolled in 2008 and cancelled in 2009. The CD and Amended AGSL (April 2009), stipulated that any customer that signed a contract on or after May 2009 is entitled to cancel the contract without paying any penalties greater than \$50, regardless of the term remaining in the contract.<sup>165</sup> Customers who signed contracts before January 1, 2009, were still subject to the exit fees stipulated in the contract.

### **Consumer Education**

- At least once every 6 months, each alternative gas supplier shall provide written information to customers explaining how to contact the call center. (AGSL 19-115b5)
- In any service area where customers are able to choose their natural gas supplier, the Commission shall require gas utilities and alternative gas suppliers to inform customers of how they may contact the Commission in order to obtain information about the customer choice program. (AGSL 19-125b)

## **C. Compliance Findings**

### **Call Center**

1. JE complies with the following CO and AGSL call center requirements in all material respects.
  - JE Illinois calls are handled by its call center in [REDACTED]. The call center has been operating since [REDACTED].
  - Pursuant to 220 ILCS 5/19-115 (b)(5), JE filed its report on the performance of its call center with the Chief Clerk of the Commission for the preceding calendar year on its call center performance on March 1, 2010 and February 28, 2011.<sup>166</sup>

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<sup>164</sup> CO, pp. 40-41

<sup>165</sup> CD B1

<sup>166</sup> Call center filings provided by ICC Staff

- The abandon rate for the call center did not exceed 10 percent in any month for Illinois calls. The monthly average ranged from 1 to 3 percent over the two-year period.
  - JE exceeded the average speed of answer (ASA) target of 60 seconds in only one of 24 months. In September 2009, the ASA was 65 seconds.<sup>167</sup>
  - The Illinois ASA and abandon rate standards are built into JE’s Illinois call center staffing forecasts.<sup>168</sup>
2. JE generally forwards Illinois customer requests for cancellation to the utilities within two business days from customer request, as required by the CO. JE missed the two business day requirement on a limited number of occasions. The reasons for the missed requirement are operational and not attributable to obstructive behavior patterns.
- From January 2009 through May 2011, JE processed [REDACTED] Illinois customer cancellations. Approximately [REDACTED] percent of these cancellations occurred [REDACTED]
  - For the remaining accounts, JE’s performance in forwarding cancellations to the utilities has consistently improved since 2009, as shown in **Exhibit VIII-1**. In 2011, [REDACTED] were outside the two-day window specified in the CO.

**Exhibit VIII-1  
Cancellation Performance**

	2009	2010	Jan May 2011
Total Cancellations	[REDACTED]	[REDACTED]	[REDACTED]
In Compliance (within 2 business days)	[REDACTED]	[REDACTED]	[REDACTED]
Greater than 2 business days	[REDACTED]	[REDACTED]	[REDACTED]
<b>Percent in Compliance (within 2 business days)</b>	[REDACTED]	[REDACTED]	[REDACTED]

- There are two situations that prevent the cancellation from occurring within two business days:

- [REDACTED]

[REDACTED] In all cases, contracts were cancelled prior to taking effect.

<sup>167</sup> Call center filings provided by ICC Staff

<sup>168</sup> Interview 54

- [REDACTED]
3. Cancellations are completed at the CSR-level as required by the CO.
    - Quarterly cancellation reports indicate that almost all cancellations are executed [REDACTED]
    - From January through March 2011, [REDACTED] cancellations were escalated, and in 2010, [REDACTED] cancellations were escalated to and handled by CCR. [REDACTED]
  4. As required, JE files quarterly cancellation reports with the CSD; beginning with the quarter immediately following the CO dated April 13, 2010.
    - Four reports were filed between April 2010 and March 2011.
    - The reports provided the required information.
  5. JE Illinois inadvertently assessed early termination fees on a limited number of contract renewals; however, charges were subsequently reversed or customers were refunded the money.
    - [REDACTED] a customer who signed a contract after January 1, 2009 and cancelled within the 10 business day grace period was erroneously charged the \$50 termination fee.<sup>172</sup>
    - [REDACTED] When the customer cancelled the new enrollment prior to the expiration of the old contract, a \$50 termination fee was inadvertently charged.
    - JE discovered this issue in June 2011. According to JE, it has rectified the situation.<sup>173</sup>
    - All the customers in question have either been reimbursed the termination fee or the termination fee was waived prior to billing.<sup>174</sup>
  6. JE Illinois is in compliance with AGSL 19-115b5. JE Illinois' customer call center contact information is provided on every bill, every month.

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<sup>170</sup> Data Response 183

<sup>171</sup> Data Response 185

<sup>172</sup> The first occurrence was December 2009

<sup>173</sup> JE Verification Response - due to the timing, NorthStar has not verified that the issue has been rectified

<sup>174</sup> Data Response 186

- In Illinois, natural gas bills are processed by the regulated natural gas utilities in order that the customer receives only one bill that includes all natural gas related charges. Bills include transmission, distribution, taxes and gas supply. Gas supply charges represent either the utility costs or the alternative gas supply costs. JE Illinois is permitted four lines on the utility bill. JE Illinois utilizes one of those lines to provide the customer call center telephone number.<sup>175</sup>
  - JE Illinois has bill template designs with each of the three utilities in its service territory. The bill template includes the call center contact information.
  - A sample of customer bills found JE Illinois' contact information to be printed on the bill and the information provided was correct.<sup>176</sup>
7. JE Illinois is in compliance with AGSL 19-125b. It provides the ICC website and telephone number on its standard contracts with customers.<sup>177</sup>
  8. NorthStar listened to a sample of 92 outbound calls to dropped customers. None of the calls violated the AGSL, CD or CO.<sup>178</sup>

### D. Management Assessment

9. JE Illinois has made a number of improvements in the processing of customer complaint calls in response to regulatory requirements. Proper call handling is critical to ensure IC-related complaints are identified and can be investigated.

[REDACTED]

[REDACTED]

[REDACTED]

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<sup>175</sup> Interview 9

<sup>176</sup> Data Response 80

<sup>177</sup> Data Responses 26

<sup>178</sup> Data Responses 199, 274, 288

<sup>179</sup> Data Response 4

<sup>180</sup> NorthStar assessment based on call review



10. Overall, NorthStar found the probing, handling, and classification of calls and allegations to be appropriate; however, the following items were noted:

- NorthStar listened to a sample of 259 Illinois customer calls (complaints and inquiries) from the period March through July 2011 (one recording was missing). The majority of the calls were inbound calls; however, the sample included some outbound retention calls.<sup>181</sup> NorthStar reviewed the call handling and the call classification (i.e., inquiry versus complaint and nature of the complaint). **Exhibit VIII-2** provides the results of NorthStar’s review. Counts presented below are not additive as one call may fall into multiple categories.

**Exhibit VIII-2  
NorthStar Call Review Results**

Category	Count
<b>Call Classification</b>	
Classified as a compliant – should have been an inquiry	
Classified as an IC-related complaint – should have been a general complaint	
Classified as a general complaint – should have been an IC-related complaint	
Classified as an inquiry – should have been a general complaint	
Classified as an inquiry – should have been an IC-related complaint	
General (non-IC-related) complaints – errors between categories (e.g., budget billing versus collections)	
<b>Call Handling</b>	
Inadequate probing (possible IC misconduct mentioned, not probed)	
CSR sales or retention efforts	
<b>Documentation</b>	
Comments/Narrative inadequate or inaccurate	
<b>Other</b>	
Call Record Missing	
Handling of Authorization	

Note: Counts are not additive, as one call may have had multiple issues.

Source: NorthStar Analysis

- In some cases the call was correctly classified by the CSR, but the call review group  erroneously changed the classification based on their review of the call narrative. In other cases the call review group appropriately changed the classification and provided CSR coaching.
- NorthStar’s review identified some issues with the CSRs’ sales/retention efforts.
  - Four of the sales/retention efforts were misleading or misrepresentative when discussing gas prices or the new JustGreen RateFlex program. Three outbound

<sup>181</sup> 

sales calls did not provide definitive affirmation that the customer wished to stay with JE.

- Details of the nine calls where NorthStar questioned the CSR’s sales or retention efforts are provided in **Exhibit VIII-3**.

**Exhibit VIII-3  
CSR Sales – Conduct Questioned**

Category	Number of Calls	Discussion
Price/Savings	4	[REDACTED]
Outbound Call - unclear customer wished to remain with JE	3	[REDACTED]
Inadequate attention to customer issue	1	[REDACTED]
Other	1	[REDACTED]

[REDACTED]

[REDACTED]

- JE Illinois is meeting the ASA and abandon rate requirements, and having state-specific ICs may improve customer service.

[REDACTED] Nicor Gas bills monthly, but only reads the meter bi-monthly; every other month is an estimated read. Peoples Gas and North Shore Gas typically read meters monthly. [REDACTED]

- CSRs may not clearly explain to the customer that the customer will no longer receive gas supply from the LDC. The statement “you will still remain with [LDC]” is potentially misleading, if the CSR does not make the distinction that the customer will remain with the LDC only for delivery purposes.

- [REDACTED] This is a training issue. The processes are different and the CSR may not have understood how to process the request before the renewal was reflected in the system. NorthStar discussed this with JE Illinois and has been informed that it will be addressed.
- On occasion, CSRs have missed customer comments indicating a potential IC-related issue and did not probe or classify the call accordingly.
- In other instances, the CSRs were so focused on probing and capturing IC-related complaints they assumed complaints where none were actually being raised by the customer.<sup>182</sup>
- In one or two instances a CSR was so focused on retention and explaining the features and benefits of the program that they failed to initially address the customers underlying concern. The customer's issue was eventually addressed.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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<sup>182</sup> Note: They don't make the customer irate, they just "project" a concern onto the call that would not necessarily have been raised by the customer.

### E. Recommendations

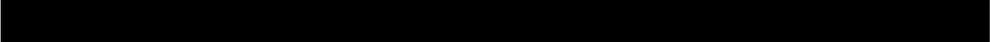
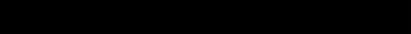
1. Conduct a cost-benefit analysis of the potential elimination of the termination fee.   (Refers to Findings No. 5 and 10)



Exhibit VIII-4 provides the details 

**Exhibit VIII-4  
Early Termination Fees**

	2009	2010	Jan – May 2011	Total
Customers Charged \$50				
Customers Charged \$75				
Customers Charged \$150				
Customers Charged \$225				
Customers Charged \$300				
Customers Charged \$375				
Total Customers Charged Fee				

Source: Data Response 81

- The analysis should consider the following:



- The potential lost revenue from customers for whom the termination fee currently acts as a deterrent.
  - Wholesale issues associated with the elimination of exit fees from retail contracts.
2. Reinforce listening and appropriate probing with the CSRs. (Refers to Finding No. 10)
  3. Address appropriate sales/retention techniques and the Code of Compliance with the CSRs. (Refers to Finding No. 10)
  4. Reiterate the need to address the customer’s issue before trying to preempt a future cancellation. (Refers to Finding No. 10)
  5. Address misleading, misrepresentative or potentially confusing statements regarding prices and savings by the CSRs. (Refers to Finding No. 10)
  6. When explaining that the customer will “remain” with the LDC, the CSR should clarify that it is only for delivery purposes and that the customer will be switching suppliers. (Refers to Finding No. 10)

## F. Other Considerations

7. Include IC-related complaint probing as a category in the QA matrix and call monitoring. (Refers to Finding No. 10)
8. Address issues with budget billing. (Refers to Finding No. 10)



- During the period of our review, some of JE’s exiting customers were incorrectly removed from the budget billing program due to a system error. This caused the customer to be assessed a large true-up charge which prompted the customer to contact the call center and complain. The true-up represents the difference between what the customer should have paid based on their usage and the amount they have actually paid based on their budget billing amount.
  - Based on the calls reviewed by NorthStar, JE may have also have had problems in the determination of the budget billing monthly payment amount, which contributed to high true-ups and complaint call volumes. JE was working to correct the problems at the time of the audit.
  - Designed properly, a budget billing program will levelize payments, but also minimize the true-up amount on an annual or program basis.
9. Modify complaint categories by merging redundant classifications and adding classifications to improve management information on the new program. (Refers to Finding No. 10)
  10. Provide additional training on the estimated read process and how it should be used during the customer call. (Refers to Finding No. 10)

## CHAPTER IX: COMPLAINTS AND CONDUCT

### A. Background

Complaints are received by JE from a variety of sources:

- Customers may contact JE directly by phone, mail, email, or fax (internal complaints).
- Complaints may be forwarded to JE by the LDCs.
- Complaints may be received by external parties (e.g., CUB, the BBB, the ICC, the Attorney General’s Office, or other parties) and forwarded to JE.
- JE may contact customers in response to a notification from the LDC that the customer has been switched to another alternative gas supplier or back to the LDC. [REDACTED]
- JE also receives “complaints” and allegations of potential misconduct from its [REDACTED]

From May 2010 to April 2011, JE Illinois received [REDACTED] complaints.<sup>183</sup> [REDACTED]  
[REDACTED] Complaint calls, customer inquiries, and other correspondence are processed by JE’s call center.

JE uses [REDACTED] complaint classifications as shown in **Exhibit IX-1**. [REDACTED]  
[REDACTED]

**Exhibit IX-1**  
**Primary Complaint Categories – JE Illinois**

IC/Sales-Related Complaint Categories	Non-Sales-related Complaint Categories
[REDACTED]	[REDACTED]

<sup>183</sup> [REDACTED]

IC/Sales-Related Complaint Categories	Non-Sales-related Complaint Categories
<p>[REDACTED]</p>	<p>[REDACTED]</p>

Note: Not all complaint categories are provided above. More frequent complaint categories (in 2011) are highlighted in bold. The IC/sales-related classifications mirror the Illinois compliance requirements.

Source: Data Response 74 and review of customer calls (Data Responses 109, 205, 218).

IC/sales-related complaints constituted about [REDACTED] percent of JE’s internal Illinois call volume during the period from November 2010 to July 2011, as shown in **Exhibit IX-2**. During the period NorthStar reviewed (March – August 2011), the relative volume of IC-related complaints was slightly higher, at [REDACTED] percent of the total call volume.<sup>184</sup>



Source: Data Requests 79, 205 and 218

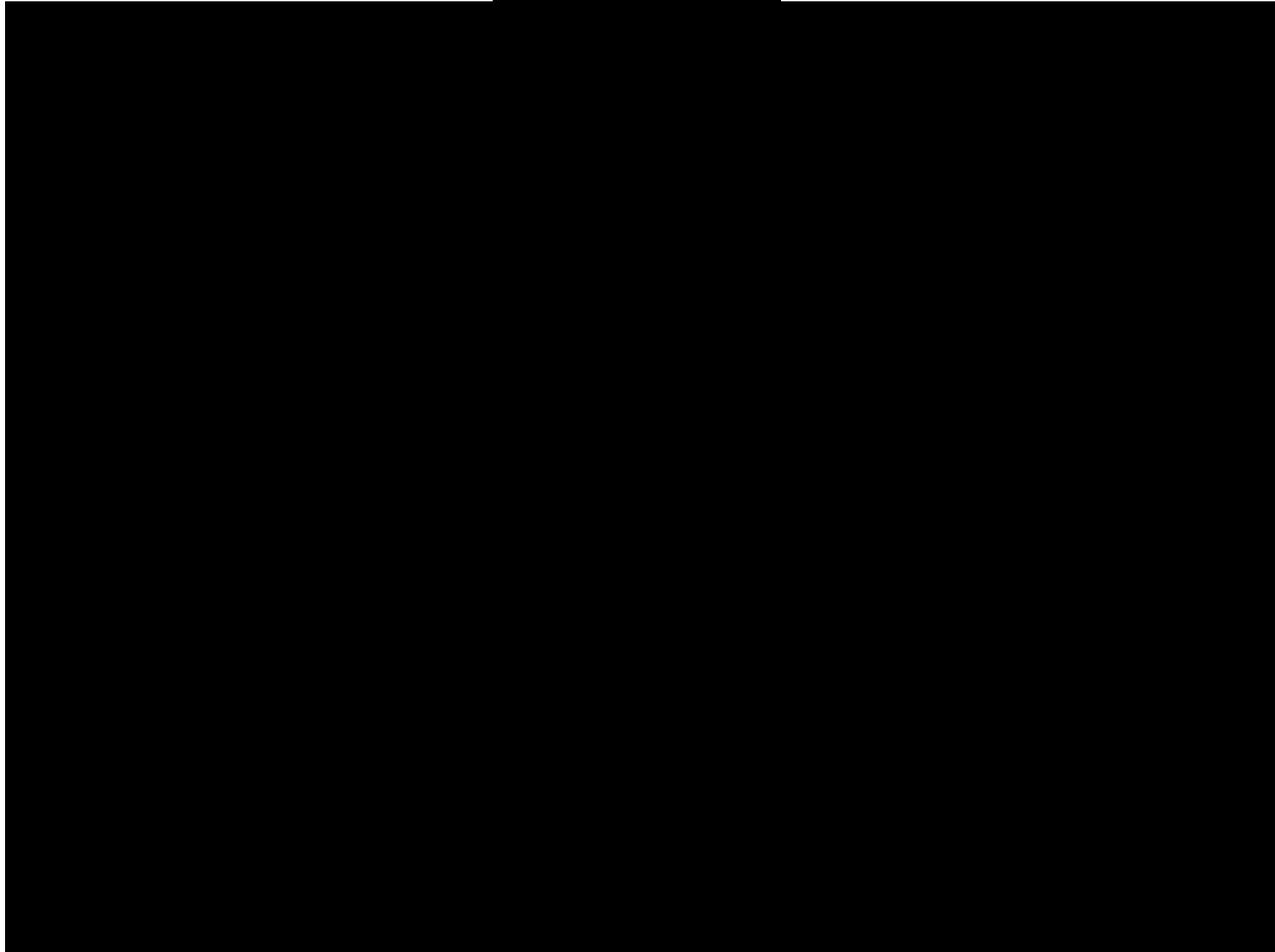
[REDACTED]

<sup>184</sup> [REDACTED]



Source: Data Response 10

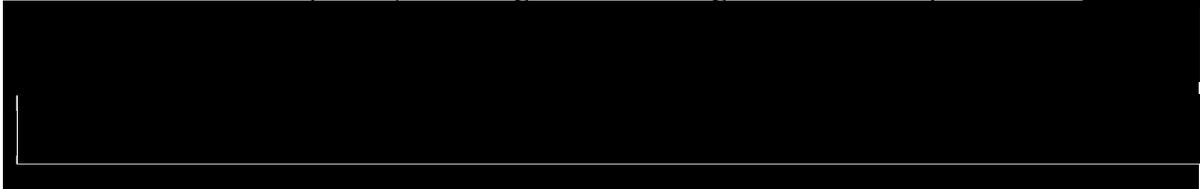
The majority of the IC-related complaints fall into the [redacted] as shown in **Exhibit IX-4**.



Source: March-August Calls

### **IC-related Complaint Investigation**

CCR investigates all sales-related complaints logged by the call center, complaints received from external parties, and allegations resulting from the TPV process.<sup>185</sup>



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<sup>185</sup> [Redacted]  
<sup>186</sup> [Redacted]

[REDACTED]

[REDACTED]

[REDACTED] s shown in

Exhibit IX-5.

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]						
[REDACTED]						
[REDACTED]						
[REDACTED]						
[REDACTED]						

| [REDACTED] |
|------------|------------|------------|------------|------------|------------|------------|
| [REDACTED] |
| [REDACTED] |
| [REDACTED] |
| [REDACTED] |
| [REDACTED] |

<sup>187</sup> JE Verification Response

<sup>188</sup> Data Response 45

<sup>190</sup> Data Response 233

**Consequences**

In accordance with the Illinois compliance matrix,

[REDACTED]

Exhibit IX-6 provides

**Exhibit IX-6  
Current IL Compliance Matrix**

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

In 2010, [REDACTED] terminated in Illinois due to contravention of the compliance matrix.

### **Audit Notes**

NorthStar's review of the complaint investigation process has been somewhat hampered by inconsistent data and inaccuracies in the historical records.

- Responses to data requests for complaint and allegation numbers do not tie out. Depending on how queries are run, the results may differ, causing difficulties for NorthStar in performing the audit.<sup>193</sup>
- Although the erroneous classification of uninvestigated complaints as verified has been addressed, certain data fields are not populated (discussed later in this chapter).
- Incident dates may not be accurate as the system defaults to the complaint date, and must be overridden. Incident dates (if accurate) provide an indication as to when ICs are marketing, and if they are marketing after they should be terminated.
- During the conversion to [REDACTED] case validities may have changed (e.g., from indeterminable to verified). This affects at least a portion of the compliance records in 2009.

## **B. Compliance Requirements**

In accordance with section 19-115b (3) of the AGSL, JE Illinois must also comply with the following complaint procedures established by the Commission.

- Within sixty (60) days of the Effective Date, JE shall implement and thereafter maintain a customer complaint system which: (CO, p. 52 (CD II.G.2))
  - a. Tracks all complaints and direct customer inquiries.
  - b. Responds to direct customer inquiries and complaints within 5 business days, at least 95% of the time.
  - c. Records the resolution to each complaint or direct customer inquiry.
- JE is required to notify the Commission of every complaint it receives within 24 hours of receiving any complaint. This notification shall include complaints lodged directly with JE, complaints referred to JE by utilities, and complaints referred to JE by third parties such as (but not limited to) CUB and the AG. (CO, p. 48)
- JE shall with respect to all future complaints specify in its written notification of the nature of the complaint, the agency, utility, or individual who reported the complaint,

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[REDACTED]

and the relief requested by Complainant. Such written notification is required to be filed with the Director of the Commission's CSD. (CO, p. 48)

- JE shall also provide the Commission's CSD monthly reports on the status of pending complaints, including resolutions and a summary of the status of any unresolved complaints. (CO, p. 48)

### C. Compliance Findings

1. As required by the CO, JE has developed and maintained a complaint tracking system and associated procedures [REDACTED]. A list of all complaints and their resolution is sent to the ICC on a monthly basis. JE also notifies the ICC of every complaint it receives within 24 hours of receiving any complaint.<sup>194</sup> (CO, p. 48)

### D. Management Assessment

2. JE has developed systems and processes for investigating allegations of IC misconduct and assigning consequences.
  - JE Illinois maintains a Code of Compliance and an associated compliance matrix which specifies the consequences associated with failure to comply with the Code of Compliance. The Code of Compliance was introduced in 2006, and has been updated at least annually.<sup>195</sup>

[REDACTED] he specialist is supported by other investigators.

[REDACTED]

[REDACTED]

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<sup>194</sup> [REDACTED]

<sup>195</sup> Data Response 223

<sup>196</sup> Data Response 18 and JE Verification Response

<sup>197</sup> NorthStar attendance at bi-weekly calls

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. As discussed in Chapter IV, the Code of Compliance is provided to all ICs as part of orientation training before they are allowed to market in the field.

- NorthStar directly observed JE Illinois orientation training sessions. The Code of Compliance was provided as part of the orientation packet and key elements were discussed.
- ICs interviewed by NorthStar indicated they received and were familiar with the Code of Compliance and the associated consequences.
- NorthStar also conducted a survey of the ICs in all three Illinois offices. Overwhelmingly the ICs felt that classroom and field training were sufficient in helping them understand the importance of compliance and sales ethics in the door-to-door function.<sup>200</sup>
- NorthStar surveyed eleven former ICs who left JE Illinois during 2010 and 2011. All recalled receiving orientation training and five recalled receiving compliance training. Eight of the eleven were aware of the consequences associated with the compliance matrix and five recalled having been provided with the compliance matrix.<sup>201</sup> The compliance matrix outlines the consequences associated with failure to adhere to the Code of Compliance.

4. By its very nature, the CCR investigation process, although thorough, is subjective.

[REDACTED]

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<sup>198</sup> Data Response 169

<sup>199</sup> Data Response 171

<sup>200</sup> NorthStar IC survey - 32 ICs completed the survey

<sup>201</sup> Phone interviews with former ICs

[REDACTED] As with most modes of sale, given that the customer interaction occurs at the door and is not recorded, it is very difficult to confirm misrepresentation or other types of inappropriate conduct specified in the Illinois Code of Compliance.

- Due to the challenges associated with verifying allegations of misconduct resulting from door-to-door interactions, [REDACTED] percent of allegations are verified. A significant number of allegations whether verified or not can be an indication of conduct problems. Similarly, a small number of serious allegations is also problematic.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- Allegations are generally deemed to be refuted in one of two cases:

[REDACTED]

[REDACTED]

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<sup>203</sup> [REDACTED] Interview 99

[REDACTED]

[REDACTED]

- NorthStar reviewed the calls and associated investigation results on a sample basis (46 investigations). In three instances (6.5 percent), NorthStar disagreed with CCR’s assessment. In two other instances, NorthStar may have drawn a different conclusion, but understood JE’s assessment.<sup>205</sup> In some cases, CCR investigated the actual allegation (based on the category assigned), but failed to address other underlying issues raised during the customer complaint call [REDACTED]<sup>206</sup>

5. Consequences associated with contravention of the Illinois Code of Compliance have changed over time.

[REDACTED]

**Exhibit IX-7 (following) shows** [REDACTED]

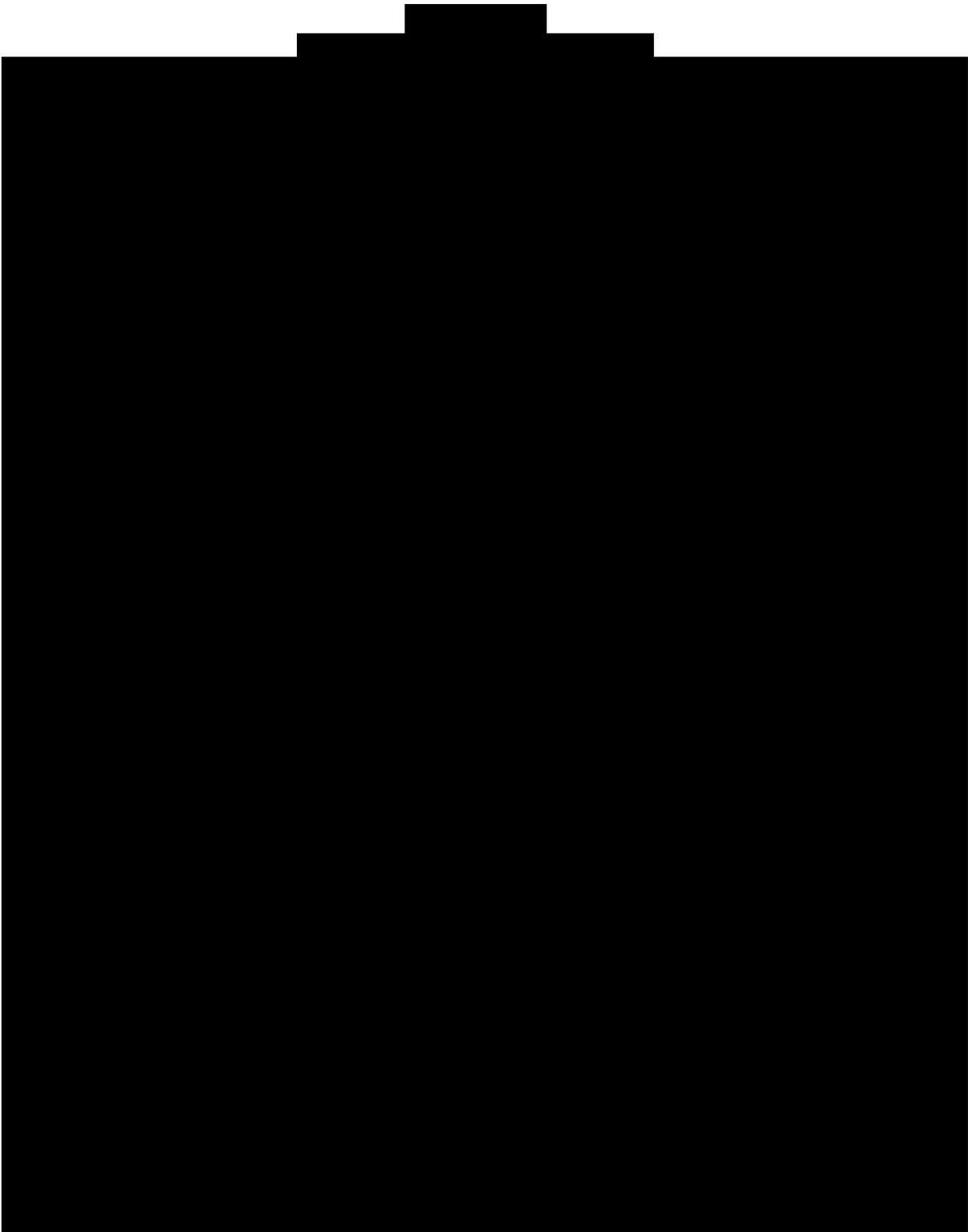
[REDACTED]

[REDACTED]

<sup>204</sup> TPV call review, review of allegation results, Interview 99

<sup>205</sup> Data Responses 292, 307, 308 and 309

<sup>206</sup> Data Response 304 and Interview 99



Source: Data Response 223, verified by JE in Data Response 281.

6. During the two-year period from July 2009 through June 2011, CCR recommended that [REDACTED] ICs be terminated per the Illinois compliance matrix. One of these was overridden by the EVP of Regulatory and Legal Affairs and continues to market in Illinois, which, in NorthStar’s opinion, is a contravention of JE Illinois’ compliance matrix.<sup>208</sup>

- Information provided to NorthStar would indicate this individual should have been terminated in 2009 and 2011; however, JE Illinois claims there are reporting problems with the 2009 information [REDACTED] and his only scheduled termination was in 2011.

- Exhibit IX-8 provides verified complaint details for this IC.

**Exhibit IX-8  
Verified Allegations Only**

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

- JE has failed to provide NorthStar with a formal reason for its failure to terminate an IC who had reached the three strike termination threshold, except to say the IC was eligible for termination but it was overturned by management (EVP, Regulatory and Legal Affairs) at the request of the Assistant RGM, US Midwest Region.<sup>211</sup>

[REDACTED]

<sup>208</sup> Data Response 230

<sup>209</sup> Data Response 230 and Interview 99, JE Verification Response

<sup>211</sup> Data Response 237 and Data Response 301 (pending), Interview 99

7. At least [REDACTED] ICs were not terminated on a timely basis as a result of an error in late 2010 which caused CCR to halt the assessment of penalties to ICs. NorthStar believes the number is larger. The Illinois contracts for the [REDACTED] ICs were subsequently terminated.<sup>213</sup>

- Due to the problems with the CCR data and [REDACTED], NorthStar was not able to evaluate the compliance history of all ICs. However, a random sample of a small number of ICs indicated delays in [REDACTED] percent of the cases, indicating the problem is likely more pervasive.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- To test the CCR process, NorthStar selected a random sample of 20 ICs with a combined total of [REDACTED] or more verified complaints during 2009 and 2010 combined. Based on the data provided, [REDACTED]

[REDACTED]

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<sup>213</sup> Data Response 237

<sup>214</sup> Regional Distributors continued to receive email notification of investigation results.

[REDACTED] Exhibit IX-9 provides the results of NorthStar's analysis:

**Exhibit IX-9  
Verified Allegations Only**

Category	Count	Percent
[REDACTED]	[REDACTED]	[REDACTED]

- One other IC was reported to have been granted a temporary reprieve as a result of the data error by JE.<sup>215</sup>
8. At times there have been substantial delays in the CCR investigation process. Timely investigation is critical to ensure corrective action or termination occurs promptly.

- As discussed above, [REDACTED]

- [REDACTED]

- [REDACTED]

- **Exhibit VII-10** provides turnaround times for the six-month period from November 2010 to May 2011 [REDACTED]

<sup>215</sup> Data Response 237

<sup>216</sup> Data Response 289, Interview 99

<sup>217</sup> [REDACTED]

**Exhibit VII-10  
CCR Investigation Turnaround Times  
Complaint Date to Consequences Implemented - Days**

Month	Median	Minimum	Maximum
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: Data Response 170.

- According to JE, in May, 2011, the average duration between the opening and closing of a case was [REDACTED] days. In mid-October, 2011, the average was [REDACTED] days.<sup>218</sup>
9. Although JE has established processes for monitoring and addressing potential compliance issues, and there is evidence of a commitment to compliance at the mid-levels levels of the organization, an adequate compliance culture at the top levels of the organization is not evident.
- JE has established some very good compliance-related activities [REDACTED] but the accountability at a management level is lacking.
  - JE Illinois has modified its compliance matrix over time, [REDACTED]
- Senior levels of management are unable to consistently articulate specific compliance targets or the definition of any such ratios.
    - Most JE corporate employees understood the importance of compliance and talked in strong terms regarding the subject. They also attest to the existence of a compliance metric(s); however, they had very limited knowledge on the specific definition of the compliance metric/ratio or how it is actually used.
    - Almost all senior management queried displayed a different understanding of the measure, limited knowledge of actual data for Illinois, nor could they quote the actual ratio or the trend at either a total company level, a Midwest level, or for the state of Illinois.

<sup>219</sup> [REDACTED] Data Response 46 and IC compliance histories  
<sup>220</sup> Data Response 382



[REDACTED]

Exhibit IX-11 provides details

Exhibit XIII-11

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED] This sends a negative message to the other Illinois ICs regarding JE Illinois' commitment to compliance and the seriousness of compliance. [REDACTED]

[REDACTED]

[REDACTED] (Data Response 208 and supplements, NorthStar introduction to proposed Regional Distributor and Assistant Regional Distributor, conversation with Director Residential Sales)

<sup>226</sup> Data Response 237

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- JE has not provided NorthStar with the specific metrics upon which the QAFS' achievement of individual goals from a performance evaluation/compensation standpoint will be determined.<sup>231</sup>

### E. Recommendations

1. Ensure that CCR addresses any, and all, issues raised during a customer complaint call or TPV call and not just the assigned allegation type. (Refers to Finding No. 4).
  2. Adhere to the Illinois compliance matrix.<sup>232</sup> If any independent contractor [REDACTED] is recommended for termination in accordance with the Illinois compliance matrix, terminate them. Do not move them or pardon them, except in accordance with an approved review process, as suggested below. (Refers to Finding No. 6)
- NorthStar believes a forum for ICs and Regional Distributors to challenge the results of misconduct investigation is appropriate and a critical element of the control process. However, unless the investigation results are changed and documented, consequences must be assessed in accordance with the compliance matrix and the CD requirements.
    - As an example, an IC was recently assessed consequences for an allegation of misrepresentation related to the term of the contract [REDACTED]. The IC had signed a customer up under the JustGreen RateFlex program for a four-year term.
    - [REDACTED]

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<sup>231</sup> [REDACTED] Data Response 250

<sup>232</sup> Note: this recommendation is not intended to preclude JE Illinois from working with the ICC staff and Attorney General's office to modify the compliance matrix if it so chooses.



- The Regional Distributor appropriately raised this issue with CCR. NorthStar assumes the investigation results were changed.
  - If the results of CCRs investigation into an allegation are reviewed and changed, this information should be documented in the case and the IC's file.
3. Investigate cases and assess consequences on a timely basis. ICs with conduct issues should not be allowed to continue to market in Illinois as a result of delays in the investigation process. (Refers to Findings No. 7 and 8)
- System issues and managerial changes to the matrix should not result in the failure to assess consequences in a timely manner or the “grandfathering” of ICs.
  - While there are exceptions to this, based on NorthStar’s review of compliance records, the ICs that are terminated for verified complaints frequently exhibit a pattern of behavior: a high number of allegations are registered in a relatively short timeframe.
  - If cases are not investigated and consequences are not assessed in a timely manner, the IC continues to market unchecked and complaints may continue. In the case of an IC that simply needs additional coaching, a delay in the investigation may result in the IC hitting a termination threshold before this training can take place.
4. Establish and adhere to targets for CCR investigation case closures and response/signature by the Regional Distributor and IC, and report performance against the targets. (Refers to Finding No. 9) Targets should address:
- Duration from the complaint date to the date the investigation is completed and the IC and Regional Distributor are notified (e.g., █ percent of all investigations completed and Regional Distributor notified within █ business days, all cases completed within █ business days).
  - Duration from the date the Regional Distributor is notified of the results of an allegation and consequences are assessed to the date the IC acknowledges the results (no more than █ business days).
  - Different CCR performance targets could be established depending on the type of allegation/investigation requirements and whether customer input is required, as is the case with disputed signature allegations.

5. Develop formal processes/procedures and carefully screen all current and former [REDACTED] collectively sales personnel) to assess compliance history prior to allowing them to market in Illinois. Compliance should be a strong consideration in hiring decisions. Specifically, no sales personnel should be allowed to market in Illinois if they have been terminated in another state for compliance reasons or if their compliance history would have been sufficient to warrant termination had they been operating in Illinois. (Refers to Finding No. 9)
6. Create more direct accountability for compliance throughout the organization. (Refers to Finding No. 9)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

7. Increase the visible focus on compliance in the Illinois sales offices. (Refers to Finding No. 10)

[REDACTED]

[REDACTED]



## **F. Other Considerations**

8. Develop individual performance evaluation goals for the QAFS that are tied to performance of the compliance function (e.g., all shadowing activities completed relative to target, observed the required number of orientation training sessions and reported on the results to Internal Audit). (Refers to Finding No. 11)

**APPENDIX A - ACRONYMS**

AARP	American Association of Retired Persons
ACC	Assistant Crew Coordinator
AG	Attorney General
AGS	Alternative Gas Supplier(s)
AGSL	Alternative Gas Supplier Law
ASA	Average Speed of Answer
BBB	Better Business Bureau
BOD	Board of Directors
CC	Crew Coordinator
CCR	Corporate and Consumer Relations
CD	Consent Decree
CO	Commission Order
COO	Chief Operating Officer
CSD	Consumer Services Division
CSIS	Customer Service Information System
CSR	Customer Service Representative
CUB	Consumer Utility Board
DNM	Do Not Market
EBITDA	Earnings before interest depreciation, taxes and amortization
EVP	Executive Vice President
FPRC	Fixed Price Reservation Code (TPV verification code)
IC	Independent Contractor
ICA	Independent Contractor Agreement
ICC	Illinois Commerce Commission
JE	Just Energy Group, Inc
KPI	Key Performance Indicator
LDC	Local distribution companies
MBO	Management by objectives
NYMEX	New York Mercantile Exchange
QA	Quality Assurance
QAFS	Quality Assurance Field Specialist
RCE	Residential customer equivalent
RFO	Request for Offers
RGM	Regional General Manager
SVP/RGM	Senior Vice President/Regional General Manager
TPV	Third party verification or third party verifier
USESC	U.S. Energy Savings Corporation