

November 2006

Fair Trading Act

Natural Gas Marketing Licence

Definition:

1(1)(k) "marketing of gas business" means the business

- (i) of soliciting, negotiating, concluding or performing the whole or any part of a marketing contract on behalf of a consumer, or
- (ii) of soliciting a person in any manner for the purpose of having that person enter into a marketing contract or of negotiating, concluding or performing the whole or any part of a marketing contract;

Licensing Requirements:

PLEASE NOTE: Failure to provide complete information will delay processing of your application and may result in a refund of your fees and closure of your file.

To get a licence for a natural gas business you must provide the following:

1. Completed [application](#) form.
2. Completed [Statutory Declaration](#), where independent contractors are utilized.
3. Security in the amount of \$250,000*: You may get this security in one of two ways:
 - [General Surety Bond](#)
 - [Cash Security Agreement](#) accompanied by
 - an [Irrevocable Letter of Credit](#), or
 - cash (including payment by bank draft, money order, certified cheque – all of these are payable to the Minister of Finance), or
 - a term deposit or other similar instrument in the name of the Minister of Finance, c/o Alberta Government Services, 3rd Floor, 10155 – 102 Street, Edmonton, Alberta, T5J 4L4, in trust for (name of licensee).

*Note: The amount of security given is a minimum security requirement. The amount could increase at the discretion of the Director of Fair Trading. When setting the security amount, the Director can consider the following: the department's previous history with the business and its partners or directors, the business's financial history, and criminal convictions.

4. A licensing fee of \$1000. Your cheque should be made payable to the Minister of Finance. If you are applying in person, you can also pay this fee using Visa, MasterCard or cash. This fee is for a one-year licence. Licences take effect the date they are issued.

The department will send you a notice and the appropriate form(s) before your licence needs to be renewed. Licence holders must notify Alberta Government Services in writing if their business licence address changes.

5. A copy of the sales contract(s) and marketing materials

Contract Requirements:

Marketers must give consumers a copy of the signed contract including the completed and signed disclosure statement. Section 9 of the Natural Gas Marketing (*Fair Trading Act*) Regulation outlines what must be included in all natural gas marketing contracts.

For Internet marketing contracts, the marketers must enable the consumer to view and obtains a form of the Internet marketing contract. Section 11 of the regulation outlines what must be included in all Internet marketing contracts.

Section 9 – Duties relating to documentation – Marketing Contract

9(1) A marketer

- (a) must ensure that each marketing contract the marketer enters into with a consumer
 - (i.) is in writing,
 - (ii.) includes
 - A. the consumer's name, address and telephone number, and
 - B. the marketer's name, address, telephone number and, if available, fax number and e-mail address.
 - (iii.) sets out the expiry date of the marketing contract,
 - (iv.) sets out a specified or ascertainable date on which the supply of retail gas services is to begin,
 - (v.) shows any charges for gas and any charges for any other retail gas services provided for under the marketing contract
 - (vi.) provides that the consumer has the right to inspect any marketing contracts, including an Internet marketing contract, the marketer has entered into with the consumer;
 - (vii.) provides that the renewal of the marketing contract is effective only if the consumer consents in writing or electronic form to the renewal within 6 months before the date of renewal;
 - (viii.) has on its first page under the name of the marketer the following statement that is in at least 12-point bold type and set out in a box:

The company that wants you to enter into this marketing contract is an independent gas marketing company, whose rates are not regulated by any provincial or municipal government or agency. This company is not affiliated with the Government of Alberta.

(ix.) has on its first page

A. the disclosure statement set out in Schedule 1, or

B. a statement that is in at least 12-point bold type and set out in a box on the first page of the marketing contract stating where in the marketing contract the disclosure statement is located.

(x.) provides that the marketing contract is not valid unless the disclosure statement referred to in subclause (ix) has been correctly completed by the marketer and then signed by the consumer before the consumer enters into the marketing contract,

(xi.) provides that the consumer may cancel the marketing contract without cost or penalty within 10 days after a copy of the marketing contract, signed by the consumer, is provided to the consumer,

(xii.) provides that the consumer may cancel the marketing contract without cost or penalty if a marketing contract, including an Internet marketing contract, presently exists for the same property except where the existing marketing contract is to expire on or before the commencement of the new marketing contract,

(xiii.) provides that the consumer may cancel the marketing contract without cost or penalty within one year from the date the marketing contract is entered into if the marketer

A. does not set out in the marketing contract a specified or ascertainable date on which the supply of gas or any other retail gas services is to begin,

B. does not begin the supply of retail gas services within 30 days of the date referred to in subclause (iv) or an amended date agreed on in writing by the consumer and the marketer, or

C. was not license under Part 1 at the time the marketing contract was entered into

and

(xiv.) provides that the marketer must not notify a gas distributor that the marketer has been appointed as the agent of the consumer unless the 10-day period referred to in subclause (xi) has expired and the consumer had not cancelled the marketing contract within that period,

and

(b) must provide each consumer with whom the marketer enters into a marketing contract with a copy of the marketing contract including the disclosure statement referred to in clause (a)(ix), completed by the marketer and then signed by the consumer.

(2) If, after the 30-day period referred to in subsection (1)(a)(xiii)(B) has expired, the consumer expressly authorizes the supply of retail gas services to begin, the consumer may not cancel the marketing contract pursuant to subsection (1)(a)(xiii)(B)

Section 11 - Duties relating to documentation – Internet Marketing Contract

11(1) A marketer

(a) must do the following before a consumer enters into an Internet marketing contract:

- (i.) enable the consumer to view and obtain a form of the Internet marketing contract;
- (ii.) provide the consumer with an express opportunity to accept or decline the Internet marketing contract and to correct errors immediately before entering into it,

(b) must ensure that each Internet marketing contract the marketer enters into with a consumer

(i.) includes

- A. the consumer's name, address and telephone number, and
- B. the marketer's name, address, telephone number and, if available, fax number and e-mail address.

- (ii.) sets out the expiry date of the Internet marketing contract,
- (iii.) sets out a specified or ascertainable date on which the supply of retail gas services is to begin,
- (iv.) shows any charges for gas and any charges for any other retail gas services provided for under the Internet marketing contract
- (v.) provides that the consumer has the right to inspect any marketing contracts, including any other Internet marketing contracts, the marketer has entered into with the consumer;
- (vi.) provides that the renewal of the Internet marketing contract is effective only if the consumer consents in writing or electronic form to the renewal within 6 months before the date of renewal;
- (vii.) has on its first page under the name of the marketer the following statement that is in at least 12-point bold type and set out in a box:

The company that wants you to enter into this Internet marketing contract is an independent gas marketing company, whose rates are not regulated by any provincial or municipal government or agency. This company is not affiliated with the Government of Alberta.

(viii.) has on its first page

- A. the disclosure statement set out in Schedule 2, or

B. a statement that is in at least 12-point bold type and set out in a box on the first page of the Internet marketing contract stating where in the Internet marketing contract the disclosure statement is located.

- (ix.) provides that the Internet marketing contract is not valid unless the disclosure statement referred to in subclause (viii) has been correctly completed by the marketer and then acknowledged by the consumer before the consumer enters into the Internet marketing contract,
- (x.) provides that the consumer may cancel the Internet marketing contract without cost or penalty within 10 days after a copy of the Internet marketing contract, signed by the consumer, is provided to the consumer,
- (xi.) provides that the consumer may cancel the Internet marketing contract without cost or penalty if a marketing contract, including another Internet marketing contract, presently exists for the same property except where the existing marketing contract is to expire on or before the commencement of the new marketing contract,
- (xii.) provides that the consumer may cancel the Internet marketing contract without cost or penalty within one year from the date the Internet marketing contract is entered into if the marketer

- A. does not set out in the Internet marketing contract a specified or ascertainable date on which the supply of gas or any other retail gas services is to begin,
- B. does not begin the supply of retail gas services within 30 days of the date referred to in subclause (iii) or an amended date agreed on in writing or electronic form by the consumer and the marketer, or
- C. was not license under Part 1 at the time the marketing contract was entered into

and

- (xiii.) provides that the marketer must not notify a gas distributor that the marketer has been appointed as the agent of the consumer unless the 10-day period referred to in subclause (x) has expired and the consumer had not cancelled the marketing contract within that period,

and

(c) must provide each consumer with whom the marketer enters into an Internet marketing contract with a copy of the Internet marketing contract including the disclosure statement referred to in clause (b)(viii), completed by the marketer and then acknowledged by the consumer.

(2) If, after the 30-day period referred to in subsection (1)(b)(xii)(B) has expired, the consumer expressly authorizes the supply of retail gas services to begin, the consumer may not cancel the Internet marketing contract pursuant to subsection (1)(b)(xii)(B)

(3) For purposes of subsection (1)(a), a marketer is considered to have enabled the consumer to view and obtain a form of the Internet marketing contract if the form is

- (a) prominently displayed in a clear and comprehensible manner, and

- (b) made accessible in a manner that ensures that the form is capable of being retained or printed by the consumer.

Identification:

Every licensee must provide every individual who acts on behalf of the licensee in the marketing of gas business with an identification card that

- (a) shows the name of the individual acting on behalf of the licensee and the name, address and licence number of the licensee on whose behalf the individual is acting, and
- (b) is signed by the signing authority appointed by the licensee

Legislation:

[Fair Trading Act](#)

[Natural Gas Marketing \(*Fair Trading Act*\) Regulation](#)

Copies of legislation can be obtained from the [Queen's Printer Bookstore](#) at:

Park Plaza
5 floor, 10611-98 Avenue
Edmonton, Alberta
T5K 2P7
Telephone: (780) 427-4952

To call a Government of Alberta office toll free (in Alberta), dial 310-0000 and follow the instructions.