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BULLETIN

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**TO: All Licensed Natural Gas Marketers
All Licensed Electricity Retailers
All Other Interested Parties**

RE: Refund Payable to a Low-Volume Consumer Following Cancellation of a Contract

This Bulletin provides guidance in relation to the refund to which a low-volume consumer may be entitled following the cancellation of a contract under the *Energy Consumer Protection Act, 2010* and Ontario Regulation 389/10 (General) made under that Act.

1. Background

Sections 19 to 24 of the *Energy Consumer Protection Act, 2010* (the "ECPA") set out provisions that apply to the cancellation of contracts that are entered into on or after January 1, 2011 with a low-volume consumer. In certain circumstances, a low-volume consumer is entitled to a refund following the cancellation of a contract as set out in section 23 of the ECPA.

Board staff believes that guidance would be of assistance to the industry and consumers in relation to the determination of the amount of that refund. This Bulletin therefore sets out Board staff's views on that issue.

2. Refunds

In accordance with section 23(1) of the ECPA, when a consumer cancels a contract under section 19(1) or section 19(3) of the ECPA the consumer is entitled to a refund of “any amount paid by the consumer under the contract”. In accordance with section 23(2) of the ECPA and section 25(2) of Ontario Regulation 389/10 (General) made under the ECPA, when a consumer cancels a contract under section 19(2) of the ECPA the consumer is entitled to a refund of “the total of all amounts, if any, paid by the consumer under the contract”.

In Board staff’s view, the amount of the refund payable to a consumer under section 23(1) or 23(2) of the ECPA (i.e., whether the cancellation is under section 19(1), 19(2) or 19(3) of the ECPA) is all amounts that the contract required or committed the consumer to pay with respect to the supply or delivery of the energy commodity under the contract, and that were in fact paid by the consumer. To be clear, the amount of the refund is not a lesser amount represented by the difference between the contract price and the market price of the commodity.

With respect to contracts for the provision of electricity, it is also Board staff’s view that any amounts paid by the consumer on account of the Global Adjustment or as a Final RPP Variance Settlement Amount do not need to be refunded to the consumer. These are amounts that are payable by a consumer in accordance with regulations or the Board’s regulatory requirements, respectively, and are therefore not amounts “paid...under the contract” for the purposes of the refund provisions of the ECPA and of Ontario Regulation 389/10.

The views expressed in this Bulletin are those of Board staff and are not binding on the Board.

Any enquiries regarding this Bulletin should be directed to the Board’s Market Operations hotline, at 416-440-7604 or market.operations@ontarioenergyboard.ca.

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