

ASSURANCE OF VOLUNTARY COMPLIANCE

Pursuant to s. 112.7 of the
Ontario Energy Board Act, 1998

Rideau St. Lawrence Distribution Inc.
Licence No. ED-2003-0003

OEB File No. EB-2020-0217
October 27, 2020

I. INTRODUCTION AND SUMMARY

Ontario Energy Board (OEB) staff conducted an inspection of Rideau St. Lawrence Distribution Inc.'s (Rideau St. Lawrence) customer disconnection notice and related procedures. Following the inspection, OEB staff identified, and Rideau St. Lawrence verified, specific instances of the utility's non-compliance with its customer disconnection obligations under the Distribution System Code (DSC) and its electricity distribution licence.

In resolution of the contravention, Rideau St. Lawrence provided this Assurance of Voluntary Compliance to the OEB under section 112.7 of the *Ontario Energy Board Act, 1998* (OEB Act).

II. STATEMENT OF FACTS

Rideau St. Lawrence Distribution Inc. is an electricity distributor that operates in the communities of Prescott, Cardinal, Iroquois, Morrisburg, Westport and Williamsburg, under OEB licence ED-2003-0003.

The OEB received a consumer complaint in May 2019 relating to a disconnection notice issued to a Rideau St. Lawrence customer. In the process of reviewing the complaint, OEB staff identified a breach of enforceable provisions by Rideau St. Lawrence relating to the utility's form of disconnection notice that was used during the period April 26, 2019 to May 31, 2019.

In December 2019, OEB staff advised Rideau St. Lawrence that it was commencing an inspection to assess the utility's compliance with section 4.2 of the DSC and related provisions, and with its electricity distribution licence, in order to determine if enforcement action would be necessary. The letter also required Rideau St. Lawrence to provide the OEB with additional information with regard to the allegations of non-compliance.

In response to OEB staff's letter, Rideau St. Lawrence undertook a full review of each of the disconnection notices that it had sent during the period April 26, 2019 to May 31, 2019. Based on this review, Rideau St. Lawrence advised OEB staff as follows:

- i. Rideau St. Lawrence issued 394 disconnection notices during the period April 26, 2019 to May 31, 2019, each of which were not compliant with the DSC or its licence for one, or both, of the following reasons:
 - The disconnection notice failed to provide customers with an accurate dollar figure representing the minimum amount payable in order to avoid electricity disconnection, as required by section 4.2.2 (c) of the DSC. In total, 285 disconnection notices contained a total amount due that included water and sewer arrears together with electricity arrears.
 - The disconnection notice was issued prior to the end of the electricity service disconnection ban, as set out in Rideau St. Lawrence's licence. In total, 109 disconnection notices were issued during the period April 26, 2019 to April 30, 2019, which was prior to the end of the disconnection ban. The "disconnection ban" prohibits the issuance of disconnection notices to "occupied residential property" (as those terms are defined in the OEB issued licence) for non-payment commencing on November 15th in one year and ending on April 30th in the following year.
- ii. Rideau St. Lawrence disconnected the electricity of twelve customers following their receipt of a non-compliant disconnection notice, as identified above.

Rideau St. Lawrence collected \$375 in collection fees and reconnection charges from customers whose electricity service was disconnected following receipt of a non-compliant disconnection notice, as identified above. Upon being advised that OEB staff had commenced the inspection, Rideau St. Lawrence reversed the \$375 in reconnection charges.

Rideau St. Lawrence admits that, with regard to the foregoing customers, Rideau St. Lawrence failed to comply with its obligations under sections 4.2.2 (c), of the DSC and section 23.1 (b) of Rideau St. Lawrence's electricity distribution licence. Together, these provisions require that Rideau St. Lawrence provide an amount overdue for payment on the disconnection notice that

clearly explains the amount due to avoid electricity disconnection and prohibit Rideau St. Lawrence from delivering disconnection notices during a disconnection ban period.

Rideau St. Lawrence has since revised its form of disconnection notice, and its customer disconnection practices, in order to ensure its compliance with these sections.

Distribution System Code, Section 4.2.2

Section 4.2.2 of the DSC provides, in part, that a distributor that intends to disconnect, pursuant to section 31 of the *Electricity Act, 1998*, the property of a residential customer for non-payment shall send or deliver a disconnection notice to the customer that contains, at a minimum, the following information:

(c) the amount that is then overdue for payment, including all applicable late payment and other charges associated with non-payment to that date.

In breach of section 4.2.2 (c), Rideau St. Lawrence issued 285 disconnection notices that contained false and misleading amounts overdue for payment to avoid electricity disconnection. The notices did not specify the amount of arrears required to be paid for electricity, in order to avoid electricity disconnection. Rather the notice provided one total amount due, combining the electricity arrears with the water and sewer arrears requiring customers to pay the full past due amount to avoid disconnection". As such, Rideau St. Lawrence failed to ensure that its customers who were at risk of being disconnected for nonpayment understood the amount due to avoid disconnection of their electricity service.

Distribution Licence, Section 23.1

Subject to paragraph 23.4 of its licence, Rideau St. Lawrence shall not, during a disconnection ban period:

b) issue a disconnection notice in respect of an occupied residential property solely on the grounds of non-payment.

In breach of the foregoing requirement, Rideau St. Lawrence delivered 109 disconnection notices in advance of the termination of the 2018/19 ban on electricity disconnections. This was due to Rideau St. Lawrence wrongly applying certain amendments to the DSC, that the OEB had made in 2019¹ which allow for electricity distributors to issue disconnection notices in the final month of the disconnection ban. The amendments did not come in to force until March 1, 2020. Rideau St. Lawrence mistakenly understood, however, that the amendments took effect on March 1, 2019 and thus delivered disconnection notices in the last week of April 2019, in contravention of its licence.

III. ASSURANCE

Rideau St. Lawrence hereby assures the OEB that it is aware of its obligations under its licence and the DSC related to the disconnection process, and that it takes these obligations seriously. Rideau St. Lawrence understands that one of the most important requirements of the DSC is to ensure that a notice of disconnection include, at a minimum, all of the elements listed in section 4.2.2 so that customers are provided the necessary information to address any potential disconnection.

Rideau St. Lawrence assures that all reasonable steps have been taken to ensure Rideau St. Lawrence's compliance with its customer disconnection-related obligations under the DSC and its licence. Rideau St. Lawrence will implement changes to ensure that the disconnection notices that it issues to customers will clearly indicate the amount of electricity arrears to be paid to avoid disconnection. In particular, Rideau St. Lawrence understands that under section 31 of the *Electricity Act, 1998*, disconnection for non-payment is limited to the failure to pay for the distribution or retail of electricity to a property and that, while distributors are permitted to bill for certain other goods and services, a residential customer should not be exposed to the risk of disconnection by reason of a licensed distributor's partial payments being allocated in whole or in part to non-electricity charges.

¹ Review of Customer Service Rules, EB-2017-0183, Amendments issued March 14, 2019

Rideau St. Lawrence further assures that it has put in place new regulatory processes to ensure that future amendments to regulatory requirements are tracked correctly and implemented in accordance with their coming-into-force dates.

Rideau St. Lawrence assures that it will not apply to recover the costs related to this Assurance of Voluntary Compliance in any current or future rate application.

IV. ADMINISTRATIVE MONETARY PENALTY

Rideau St. Lawrence agrees to pay an administrative monetary penalty to the OEB in the amount of \$10,000. Payment will be made by cheque or electronically, together with notice sent to the Registrar and Board Secretary, within two weeks of Rideau St. Lawrence being given notice of the acceptance of the Assurance by the OEB.

V. CONSUMER RIGHTS

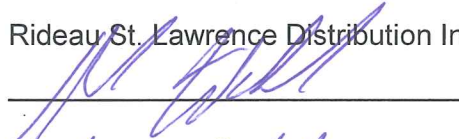
Nothing in the Assurance of Voluntary Compliance affects any rights a consumer may have under any applicable laws.

VI. FAILURE TO COMPLY

This Assurance of Voluntary Compliance has the same force and effect as an order of the OEB pursuant to section 112.7(2) of the OEB Act and any failure to comply with its terms shall be deemed to be a breach of an order of the OEB.

VII. EXECUTION OF ASSURANCE

I have the authority to bind Rideau St. Lawrence Distribution Inc. to the terms set out in this Assurance of Voluntary Compliance.

Name: John Walsh
Title: President & C.E.O.
Company: Rideau St. Lawrence Distribution Inc.
Signature: 

Dated this 27th day of October, 2020