

**Ontario Energy Board**  
P.O. Box 2319  
2300 Yonge Street  
26th. Floor  
Toronto ON M4P 1E4  
Telephone: (416) 481-1967  
Facsimile: (416) 440-7656

**Commission de l'Énergie de l'Ontario**  
C.P. 2319  
2300, rue Yonge  
26e étage  
Toronto ON M4P 1E4  
Téléphone; (416) 481-1967  
Télécopieur: (416) 440-7656



**Compliance Office**

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Information Bulletin 200501

To: All Licenced Electricity Distributors

Re: Refunding of Consumer Security Deposits

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**This bulletin contains important information regarding your electricity distributor licence.**

This bulletin provides information regarding the refund of consumer security deposits held by a distributor.

On February 3, 2004 the Board issued amendments to the Distribution System Code (the "Code") to standardize security deposit policies. The purpose of the amendments was to ensure that consumers receive consistent and equitable treatment in respect of security deposits.

The Code requires a distributor to review each customer's security deposit at least once in a calendar year to determine whether the customer is eligible for a partial or full refund. Deposits should be refunded in whole or in part where:

- The customer has established a good payment history, as determined in accordance with the Code,
- The customer has reduced consumption such that the maximum amount of the deposit is reduced accordingly.

To address potential cash flow issues associated with the requirement to refund security deposits paid prior to February 2, 2004, distributors were provided with a transition period under section 2.4.24 of the Code.

The Board expects that distributors will expeditiously review security deposits that have been held for more than 12 months and will process any associated refunds within a reasonable time. If any distributor anticipates that it will be unable to comply with this

obligation, it is requested to advise Compliance staff of the reason for non-compliance, and to provide details of an action plan to achieve compliance with the refund requirements of the Code as soon as possible.

If you have any questions on this matter, please contact Market Operations at 416-440-7604 or by e-mail at [market.operations@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca).

A handwritten signature in blue ink, appearing to read 'Brian Hewson', with a stylized flourish at the end.

Brian Hewson  
Chief Compliance Officer  
Compliance Office