

**Assurance of Voluntary Compliance**

**Pursuant to section 112.7 of the  
*Ontario Energy Board Act, 1998***

**North Bay Hydro Distribution Limited**

**EB-2023-0069**

**January 26, 2023**

## **I. STATEMENT OF FACTS**

On April 14, 2022 the Ontario Energy Board (OEB) sent a letter to all licensed electricity distributors in the province advising them that the OEB had recently accepted an Assurance of Voluntary Compliance (AVC) from a distributor that had overcharged customers as a result of incorrectly prorating the fixed monthly charges approved by the OEB under section 78 of the *Ontario Energy Board Act, 1998* (OEB Act). The letter explained:

The AVC arose after a distributor identified that it was overcharging customers due to applying a daily charge that had been incorrectly calculated. While the distributor used the approved fixed monthly charges from its OEB-approved Rate Order, its billing system translated these monthly charges into a daily charge for application to customers' bills. In the translation from monthly to daily charge, the daily charge was calculated on the basis of there being 30 days in every month (or 360 days in a year) but billed customers 365 days a year, leading to an overcharge of each customer.

The letter asked all distributors to review their billing systems and to advise the OEB if they discovered the same proration issue. On September 23, 2022, North Bay Hydro Distribution Limited ("North Bay Hydro") responded to the OEB's letter and self-reported that it had for several years been incorrectly prorating fixed monthly charges in the same manner for the following three customer classes: Street Lighting, Sentinel Lights and Unmetered Scattered Load. Customers in other rate classes, such as residential and commercial customers, were not affected. North Bay Hydro implemented billing system changes to correct the billing calculations for the three impacted customer classes effective for July 2022 consumption.

For the Street Lighting, Sentinel Lights and Unmetered Scattered Load classes, the impact amounted to an overcharge of around one dollar per year for each connection. The only customer in the Street Lighting and Unmetered Scattered Load classes is the City of North Bay, which is also North Bay Hydro's sole shareholder. The total amount over-collected from customers over the four years before the issue was corrected is approximately \$18,700. Of that amount, over 90% relates to the Street Lighting Class.

North Bay Hydro recognizes that several other distributors that have provided an AVC to the OEB in respect of the incorrect proration of fixed charges have agreed to issue a credit to affected customers equivalent to four years' worth of overcharges. In the circumstances, considering that only three customer classes were affected, the bill impact was relatively small, and the main beneficiary of such a credit would be its shareholder, North Bay Hydro has proposed instead to make a contribution to the Low-Income Energy Assistance Program (LEAP), to help customers in need.

## **II. ASSURANCE**

North Bay Hydro acknowledges that, as a result of its billing system configuration, it was over-billing customers in the Street Lighting, Sentinel Lights and Unmetered Scattered Load classes

more than the OEB-approved fixed charges. To remedy the contravention of the rate orders, North Bay Hydro assures the OEB that it will take the following measures:

1. Within four weeks of the acceptance of this AVC by the OEB, North Bay Hydro will make a contribution of \$18,700, which is equivalent to four years of overcharges, to its LEAP agency partner to support vulnerable consumers within its service area.
2. At the time of the contribution to LEAP, North Bay Hydro will notify customers of the contribution and this AVC, in a form and manner to be approved by the OEB.

**III. ADMINISTRATIVE PENALTY**

North Bay Hydro agrees to pay an administrative penalty to the OEB in the amount of \$1,000. Payment will be made electronically with notice sent to the Registrar, within four weeks of the acceptance of this AVC by the OEB.

**IV. CONSUMER RIGHTS**

Nothing in this AVC affects any rights a consumer may have under any applicable law.

**V. FAILURE TO COMPLY**

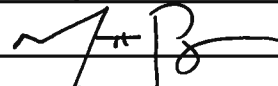
North Bay Hydro acknowledges that this AVC has the same force and effect as an order of the OEB pursuant to section 112.7(2) of the OEB Act.

**VI. EXECUTION OF ASSURANCE**

I have the authority to bind North Bay Hydro to the terms set out in this AVC.

Name: MATI PAYNE

Title: PRESIDENT & CEO

Signature: 

Dated this 26 day of January, 2023