

**Assurance of Voluntary Compliance**

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

**Oakville Hydro Electricity Distribution Inc.**

**EB-2022-0293**

**December 2, 2022**

## 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 April 20, 2022, Oakville Hydro Electricity Distribution Inc. ("**Oakville**"), a distributor serving approximately 76,500 customers, responded to the OEB's letter and self-reported that it had been incorrectly prorating its fixed monthly charges in the same manner. Oakville determined that the issue persisted for several years and applied to all rate classes, with the exception of Street and Sentinel light, and implemented appropriate system changes to correct the billing calculations.

Oakville instituted these changes effective for the May 1, 2022 consumption period to its customer billing system to ensure customers would not be overcharged due to the incorrect proration of fixed monthly charges.

## II. ASSURANCE

Oakville acknowledges that, as a result of its billing system configuration, it was over-billing customers more than the OEB-approved fixed charges. To remedy the contravention of the rate orders, Oakville assures the OEB that it will take the following measures:

1. Oakville will credit current customers a total of \$1,552,404 which is equivalent to four years of overcharges (May 1, 2018 to April 30, 2022 consumption period), calculated in the manner set out in the Appendix to this AVC. The credit includes both (a) the amount that would be required to be reimbursed to customers under section 7.7.7 of the Retail Settlement Code (that is, two years' worth of overcharges plus interest in accordance with section 7.7.9 of the Retail Settlement Code); and (b) without waiving or in any way limiting the rights of Oakville pursuant to the Retail Settlement Code, including but not limited to section 7.7.7, or Oakville Conditions of Service, or otherwise, a voluntary additional amount.

The credit will be paid through a lump sum bill credit which will appear on a customer's bill within 90 days of the acceptance of this AVC by the OEB. Every customer in a rate class, with the

exception of Street and Sentinel light, will receive the same credit amount, as shown in the Appendix, regardless of whether the customer was actually a customer for the entire four-year credit period. At the time of the credit, Oakville will provide an explanation to customers in a form to be approved by the OEB. The total amount of all credits to be provided is \$1,552,404 and will be split across Oakville's current customer base at the time of credit.

**III. ADMINISTRATIVE PENALTY**

Oakville agrees to pay an administrative penalty to the OEB in the amount of \$10,000. 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**

Oakville 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 Oakville to the terms set out in this AVC.

Name: Scott Mudie

Title: Chief Operating Officer

Signature:  \_\_\_\_\_

Dated this 2<sup>nd</sup> day of December, 2022

## APPENDIX

### Total Credits by Class

<b>Customer Class</b>	<b>Over-billing May 1, 2018 to April 30,2022</b>	<b>Customer Count as at 31 Oct 2022</b>	<b>Credit per Customer</b>
Residential	\$1,277,181	68,866	\$18.55
GS < 50 kW	\$142,949	6,140	\$23.28
Unmetered	\$5,197	775	\$6.71
GS > 50 kW	\$70,987	797	\$89.07
GS > 1000 kW	\$52,448	17	\$3,085.16
Embedded	\$3,642	1	\$3,641.56
Total	\$1,552,404	76,596	