

Ontario Energy Board accepts Assurance of Voluntary Compliance from Essex Powerlines Corp.

TORONTO (March 8, 2021) — The Ontario Energy Board (OEB) has accepted an Assurance of Voluntary Compliance (AVC) from Essex Powerlines Corp. (Essex Powerlines), a licensed electricity distributor, after the company reported to the OEB that some of its disconnection practices were non-compliant with OEB rules.

Under the terms of the AVC, Essex Powerlines will pay an administrative monetary penalty of \$18,000 and make an additional payment of \$4,750 to the social agency that runs the [Low-income Energy Assistance Program](#) (LEAP) in Essex Powerlines' service territory.

An AVC is a binding commitment by a regulated entity to take measures to rectify or prevent non-compliance. Failure to abide by the terms of an AVC can lead to enforcement action being taken by the OEB.

Essex Powerlines reported that from August 1 to September 17, 2020, 2,349 disconnection notices were sent to customers that it discovered did not fully comply with all of the requirements of the OEB's Distribution System Code (DSC). Essex Powerlines further advised that it disconnected the electricity service of 95 of those customers, 69 of whom were charged reconnection fees. Upon discovering the issue in September 2020, Essex Powerlines promptly reported it to the OEB, reconnected the customers that sought reconnection and refunded the customers who paid the reconnection fees.

The DSC requires a distributor to provide a minimum of 14 days' notice to a customer prior to disconnection, to identify in the disconnection notice the earliest date on which disconnection may occur, and to indicate in the disconnection notice the amount that is then overdue for payment.

The non-compliant disconnection notices were based on an incorrect calculation of the earliest date on which disconnection may occur and, as a result, these customers were not given proper notice of their possible disconnection by Essex Powerlines. In addition, of the 2,349 total disconnection notices, 1,364 stated the overdue amount for payment incorrectly by including amounts for water and sewer arrears. As a result, Essex Powerlines failed to ensure that its customers who were at risk of disconnection understood the overdue amount they needed to pay to avoid disconnection for non-payment of their electricity service. The OEB does not allow distributors to disconnect a customer's electricity service for non-payment of charges that do not relate to electricity.

Under the terms of the AVC, Essex Powerlines will send a letter to all of the customers who received non-compliant disconnection notices to inform them of its non-compliance and of the additional funding being provided to the LEAP social agency. The 95 customers who had their electricity service disconnected will also each receive a bill credit of \$100. Essex Powerlines also assures the OEB that it will implement internal system improvements to prevent the non-compliance from happening again and mitigate against human error.

Quote

“Utilities must provide accurate information in their disconnection notices and give customers proper notice before disconnection. That way, customers know what they owe and by when they must make payment to avoid disconnection. We commend Essex Powerlines for coming forward in reporting their non-compliance. With the actions we have taken, as well as the assurance from Essex Powerlines that it is aware of its disconnection process obligations and takes those obligations seriously, customers will be better protected.” – Brian Hewson, Vice-President, **Consumer Protection & Industry Performance**

Additional Information and Resources

- Read the [Assurance of Voluntary Compliance](#) – Essex Powerlines Corp. (EB-2020-0304)
- Learn about the OEB’s [Customer Service Rules](#) for electricity utilities, including those governing disconnections
- Learn about the OEB’s [Compliance and Enforcement Process](#)
- Understand the OEB’s [Consumer Complaint Process](#)

About the Ontario Energy Board

The OEB is the independent regulator of Ontario’s electricity and natural gas sectors. It protects consumers and makes decisions that serve the public interest. Its goal is to promote a sustainable and efficient energy sector that provides consumers with reliable energy services at a reasonable cost.

-30-

Contact Us

For more information, please visit the OEB website at oeb.ca or contact us directly.

Media Inquiries

Phone: 416-544-5171

Email: oebmedia@oeb.ca



Ce document est aussi disponible en français.



P.O. Box 2319, 2300 Yonge Street, Toronto, Ontario, Canada M4P 1E4
C.P. 2319, 2300 rue Yonge, Toronto, Ontario, Canada M4P 1E4

📍 416.314.2455 📞 1.877.632.2727 📠 416.440.7656
OEB.ca