

## **Ontario Energy Board accepts Assurance of Voluntary Compliance from Newmarket-Tay Power Distribution Ltd.**

**TORONTO (September 21, 2020)** — The Ontario Energy Board (OEB) has accepted an Assurance of Voluntary Compliance (AVC) from Newmarket-Tay Power Distribution Ltd. (Newmarket-Tay Power), an OEB-licensed electricity distributor, following an inspection into the company's disconnection practices which were found to be non-compliant with OEB rules. Under the terms of the AVC, Newmarket-Tay Power will pay an administrative monetary penalty of \$32,000 and make an additional payment of \$5,600 to the social agency that runs the [Low-income Energy Assistance Program](#) (LEAP) in Newmarket-Tay Power's 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.

The OEB's inspection found, and Newmarket-Tay Power admitted, that between May 1 to July 3, 2019, 4,745 disconnection notices were sent to 2,953 customers that did not comply with all of the requirements of the OEB's Distribution System Code (DSC). Fifty-six of those customers had their electricity disconnected and were charged reconnection fees.

The DSC requires a distributor to provide a minimum of 10 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 disconnection notices issued to the 2,953 customers 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 Newmarket-Tay Power. In addition, the overdue amount for payment incorrectly included amounts for water/sewer arrears, with the result that Newmarket-Tay Power also 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. The OEB does not allow distributors to disconnect a customer for non-payment of charges that do not relate to electricity.

Following a review of its disconnection and reconnection practices, Newmarket-Tay Power refunded all reconnection fees that had been paid. Through the AVC, Newmarket-Tay Power will send a letter to the 56 customers who were disconnected, notifying them of Newmarket-Tay Power's non-compliance and of the additional funding being provided to the LEAP social agency. Newmarket-Tay Power will also provide each of these customers with a bill credit of

\$100. Newmarket-Tay Power has initiated an internal review and an external audit to assess and improve its disconnection and reconnection processes, and assures the OEB that it will update its business practices and extend a moratorium on disconnection of residential customers pending the completion of the external audit.

## Quote

“Under the OEB’s rules, utilities must provide accurate information in their disconnection notices so that customers understand what they owe their utility and have time to take steps to avoid disconnection. When a utility does not follow those rules, customers are at risk of being harmed. As a result of the actions we have taken, and Newmarket-Tay Power’s assurance that it is aware of its obligations and is taking steps to improve its processes, consumers will be better protected.” – Brian Hewson, Vice-President, **Consumer Protection & Industry Performance**

## Additional Information and Resources

- [Read the Assurance of Voluntary Compliance](#) – Newmarket-Tay Power Distribution Ltd. (EB-2020-0216)
- Learn about the OEB’s [Customer Service Rules](#) for electricity distributors, 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.

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## Contact Us

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