

Assurance of Voluntary Compliance

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

CHAPLEAU PUBLIC UTILITIES CORPORATION

EB-2022-0226

August 15, 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 26, 2022, Chapleau Public Utilities Corporation (Chapleau PUC), a small distributor serving approximately 1,200 customers, responded to the OEB's letter and reported that it had been incorrectly prorating its fixed monthly charges in the same manner. The issue persisted since approximately 2005 and applied to all fixed monthly charges across all rate classes. By way of illustration, over the 2021 calendar year, a residential customer would have been billed for a total of \$455.40 in fixed monthly charges, which is \$6.24 (or 1.39%) more than they should have been charged. (1.39% is equal to the quotient of 365 days divided by 360).

Upon identifying the issue Chapleau PUC was able to implement a permanent fix to its billing going forward starting with its billing for March 2022 consumption, billed to customers in April 2022.

II. ASSURANCE

Chapleau PUC acknowledges that, as a result of its billing system configuration, it was charging customers more than the OEB-approved fixed charges. To remedy the contravention of the rate orders and to prevent a similar contravention in the future, Chapleau PUC assures the OEB that it has or will take the following measures:

1. As noted above Chapleau PUC has corrected the issue effective March 2022,

such that bills received by its customers beginning in April 2022 are based on the correct daily proration. Chapleau PUC will ensure that any future changes to its billing system do not reintroduce an incorrect proration.

2. Chapleau PUC will credit current customers with an amount equivalent to four years of overcharges (March 1, 2018 to February 28, 2022), calculated in the manner set out in the Appendix to this AVC. The refund 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 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 refund period. At the time of the refund, Chapleau PUC will provide an explanation to customers in a form to be approved by the OEB. The total amount of all refunds to be provided, based on current customer counts, is estimated to be approximately \$33,400.

III. ADMINISTRATIVE PENALTY

Chapleau PUC agrees to pay an administrative penalty to the OEB in the amount of \$1,000.00. Payment will be made by cheque or electronically with notice sent to the Registrar, within two 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

Chapleau PUC 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 Chapleau PUC to the terms set out in this AVC.

Name: Jennifer Cyr

Title: Manager of Finance & Regulatory Affairs

Signature: _____

Dated this 15 day of August, 2022

APPENDIX

Total Credit Calculation

Customer Class	Credit Basis	2018 Mar-Dec			2019			2020			2021			2022 Jan-Feb			4 Year Total
		Amount Charged	Amount Approved	Difference (B)	Amount Charged	Amount Approved	Difference (C)	Amount Charged	Amount Approved	Difference (D)	Amount Charged	Amount Approved	Difference (E)	Amount Charged	Amount Approved	Difference (F)	Total Amount Owning (B+C+D+E+F)
Residential	Account	380.91	375.69	5.22	455.40	449.16	6.24	456.65	449.16	7.49	455.40	449.16	6.24	73.61	72.60	1.01	26.19
GS<50	Account	364.65	359.65	5.00	434.96	429.00	5.96	440.64	433.42	7.22	446.80	444.70	2.09	72.63	71.63	0.99	21.27
GS>50	Account	1,975.33	1,948.27	27.06	2,356.20	2,323.92	32.28	2,387.15	2,348.02	39.13	2,420.79	2,387.63	33.16	393.53	388.14	5.39	137.02
Sentinel Lights	Account	88.23	87.02	1.21	122.01	120.33	1.67	135.59	133.37	2.22	137.54	135.65	1.88	22.36	22.05	0.31	7.29
Street Lights	Account	14,821.01	14,617.98	203.03	17,140.51	16,905.71	234.80	13,110.16	12,895.24	214.92	7,368.20	7,267.27	100.93	879.34	867.29	12.05	765.73
USL	Account	254.90	251.41	3.49	280.72	276.87	3.85	230.19	226.42	3.77	214.96	212.02	2.94	34.95	34.47	0.48	14.53

Proposed Credits by Class

Customer Class	Credit Basis	Total Credit
Residential	Account	26.19
GS<50	Account	21.27
GS>50	Account	137.02
Sentinel Lights	Account	7.29
Street Lights	Account	765.73
Unmetered Scattered Load	Account	14.53