

Assurance of Voluntary Compliance

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

Oshawa PUC Networks Inc.

EB-2022-0252

November 24, 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 21, 2022, Oshawa PUC Networks Inc. ("OPUC"), a distributor serving approximately 61,000 customers, responded to the OEB's letter and self-reported that it had been incorrectly prorating its fixed monthly charges in the same manner. OPUC determined that the issue persisted for several years and applied to all rate classes, and implemented appropriate system changes to correct the billing calculations.

OPUC 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

OPUC 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, OPUC assures the OEB that it will take the following measures:

1. OPUC will credit current customers a total of \$1,020,577.38 which is equivalent to four years of overcharges (May 1, 2018 to April 30, 2022), 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 OPUC pursuant to the Retail Settlement Code, including but not limited to section 7.7.7, or OPUC's 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 will receive the

APPENDIX

Total 4-Year Credit				
Customer Class	Credit Basis	Total Credit per Customer	Customer / Connection Count (as at September 30, 2022)	Total Credit per Customer Class
Residential	Account	\$ 16.26	55,786	\$ 907,080.36
GS <50	Account	\$ 12.64	4,130	\$ 52,203.20
GS 50-999	Account	\$ 40.62	549	\$ 22,300.38
GS 1000-4999	Account	\$ 844.60	12	\$ 10,135.20
Large Industrial	Account	\$ 6,423.46	1	\$ 6,423.46
Unmetered	Connections	\$ 3.35	555	\$ 1,859.25
Scattered Load	Account	\$ 0.20	253	\$ 50.60
microFIT	Account	\$ 3.66	323	\$ 1,182.18
FIT	Account	\$ 12.09	6	\$ 72.54
Street Lights	Connections	\$ 1.36	14,166	\$ 19,265.76
	Account	\$ 0.17	1	\$ 0.17
Sentinel Lights	Connections	\$ 4.09	1	\$ 4.09
	Account	\$ 0.19	1	\$ 0.19
Grand Total				\$1,020,577.38