

Assurances of Voluntary Compliance

Consumer protection is core to the Ontario Energy Board's (OEB) legislated mandate. We establish and enforce the rules that licensed and rate-regulated electricity and natural gas companies follow to protect consumers and ensure the energy sector operates in a way that is fair, transparent and accountable.

The OEB closely monitors energy companies and investigates when we think they may have broken the rules. If we find that an energy company has broken the rules, there are a range of actions we can take, like negotiating an Assurance of Voluntary Compliance (AVC), imposing a financial penalty or forcing the company to comply. For companies we license, we can suspend that licence or remove it altogether.

According to the OEB's [Compliance Report \(April 2022 – March 2023\)](#), during that one-year period:

- **1,200** consumer complaints were received
- **535** consumer complaints were escalated for detailed review and analysis, where initial screening identified potential non-compliance issues
- **53** compliance reviews were started, many of which were initiated due to a consumer complaint
- **32** inspections were completed, resulting in:
 - **\$483,250** in administrative penalties paid under AVC
 - **\$10,296,862** returned directly to affected consumers, and
 - **\$43,578** in additional utility funds contributed to the Low-income Energy Assistance Program, which provides emergency funding for low-income consumers.

FAQs

What is an AVC?

Should the OEB find that an energy company has broken the rules, an AVC represents an agreement between parties where the company has negotiated a settlement. The company has assured the OEB that steps have been taken to correct any errors, and thereby voluntarily complied with the rules. Within the context of the terms of an AVC, the OEB may choose to impose penalties, which may be financial or operational, on the company. If the company doesn't follow the terms of the AVC, the OEB can take further enforcement action.

How does an AVC protect consumers?

An AVC is one action the OEB can take if we determine a regulated entity isn't following the rules. An AVC may help to protect consumers by requiring the entity to provide on-bill credits to those who were inappropriately overcharged because of a billing error, or to customers who were wrongly disconnected and then charged a reconnection fee. We often also request the company advise affected consumers of their error and corrective actions that are taken.

Do all AVCs provide on-bill credits to customers?

No. For example, in cases where billing errors result in very small per-customer credit amounts, the negotiated agreement can require the total error amount to be donated to the [Low-income Energy Assistance Program](#) (LEAP) in the company's service area. LEAP is a financial assistance program designed to help qualified customers who are behind on their electricity or natural gas bill and face having their service disconnected.

Are all AVCs the result of an OEB inspection?

No. Many companies choose to self-report rule violations. For example, as detailed in our [Mid-Year Compliance Report \(April - September 2023\)](#), utilities might self-report compliance matters. This is a signal of a healthy compliance culture within an energy company. The OEB works closely with the companies it licenses and regulates to build a culture of compliance that protects consumers now and in the future.

Additional Resources

Learn more about:

- [The OEB's enforcement proceedings.](#)
- [How to make a complaint.](#)
- [The rules for electricity utilities.](#)
- [The rules for natural gas utilities.](#)