

**Assurance of Voluntary Compliance**

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

**InnPower Corporation**

**EB-2024-0132**

**August 19, 2024**

## **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 October 18, 2023, the OEB sent another letter requiring that all licensed, rate-regulated distributors that have not already come forward confirm that any OEB-approved fixed monthly charges are being applied correctly.

InnPower determined that its billing system had been incorrectly applying proration. In the case of the first or last bill of a partial month during a move-in or move-out, the billing system translated monthly charges into a daily charge. The daily charge was calculated based on there being 30 days in every month (or 360 days in a year) but billed customers 365 days per year.

InnPower determined the proration issue existed for a number of years but system changes were appropriately implemented as of August 2023 to resolve the issue. InnPower determined that the total impact was \$14,058.28 over a four year period between August 2019 and August 2023.

Considering that a four-year customer credit would be small (around 59 cents per account), and that many customers who received impacted bills may no longer be customers of InnPower and therefore difficult to track down, InnPower has proposed instead to contribute to the Low-income Energy Assistance Program (LEAP), to help customers in need.

## **II. ASSURANCE**

InnPower acknowledges that, as a result of its billing system configuration, it was over-billing some customers more than the OEB-approved fixed charges. To remedy the contravention of the rate orders, InnPower assures the OEB that it will take the following measures:

1. InnPower will make a payment of \$14,058.28 to the LEAP agency serving customers in the InnPower service territory, which is equivalent to four years of overcharges (August 2019 and August 2023). The LEAP payment will be paid as a lump sum within 90 days of the acceptance of this AVC by the OEB.

2. By the time of the contribution to LEAP, InnPower will notify customers of the contribution and this AVC, in a form and manner to be approved by the OEB.

### III. ADMINISTRATIVE PENALTY

InnPower agrees to pay an administrative penalty to the OEB in the amount of \$10,000. Payment will be made electronically with notice sent to the Registrar, within four 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

InnPower 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 InnPower to the terms set out in this AVC.

Name: Danny D. Persaud

Title: President & Chief Executive Officer

Signature: 

Dated this 19 day of August, 2024