

Assurance of Voluntary Compliance

Pursuant to s.112.7 of the
Ontario Energy Board Act, 1998

ENWIN UTILITIES LTD.

ED-2002-0527

EB-2015-0011

January 20, 2015

I. Background

The Board had received a consumer complaint on March 13, 2014 with respect to certain aspects of the invoice that the consumer received from EnWin Utilities Ltd. (the "EnWin Invoice"). As a result of this complaint, Board staff commenced an inspection under section 107 of the *Ontario Energy Board Act, 1998* (the "Act") on August 22, 2014 to determine whether the EnWin Invoice that was issued to a standard supply service customer on an equal monthly billing plan option was compliant with the *Ontario Clean Energy Benefit Act, 2010* ("OCEB Act"), Ontario Regulation 495/10 (the "OCEB Regulation") and the Standard Supply Service Code (SSSC).

Pursuant to s.107 of the Act, Board staff requested and reviewed certain aspects of the EnWin Invoice, namely:

- How the Ontario Clean Energy Benefit (OCEB) was shown on the EnWin Invoice following changes to EnWin's Customer Information System (CIS) so that the OCEB credit was included in the equal monthly billing amount and was no longer apparent, contrary to s. (5)(1)(b) of the OCEB Act;
- Whether the equal monthly billing amount was calculated appropriately and in compliance with s.2.6.2C of the SSSC;

II. Findings

1. *Whether the EnWin Invoice complies with the OCEB Act and the OCEB Regulation?*

Section 5(1) of the OCEB Act states:

5. (1) Subject to the regulations, every electricity vendor who issues an invoice for a billing period to a consumer in respect of an eligible account shall clearly show on the invoice,
- (a) a credit equal to the amount of the financial assistance provided to the consumer for the billing period; and
 - (b) the net amount of the invoice after the credit.

As indicated above, EnWin changed its CIS to system with the assistance of an outside service provider in February 2014. Prior to the CIS change, the amount of the OCEB credit was shown on the invoice and was clearly deducted from the equal monthly billing amount to provide the net amount of the invoice.

Following the CIS change the equal monthly billing amount was based on electricity charges including the OCEB credit as required by section 2.6.2C (b) of the SSSC and as defined in section 2.6.6.3 of the Distribution System Code (DSC). Because the OCEB credit is included in the equal monthly billing amount the deduction is no longer obvious on the invoice.

Although the EnWin invoice clearly shows the OCEB credit equal to the amount of financial assistance, it does not clearly show the net amount of the invoice after the credit and EnWin is therefore in breach of the OCEB Act.

EnWin admits that its depiction of the OCEB credit on the EnWin Invoice is not compliant with the OCEB Act and has voluntarily agreed, pursuant to s. 112.7(1) c) of the Act to, to take the corrective steps noted in Part III herein.

2. Whether EnWin is calculating the equal monthly billing amount in compliance with the SSSC?

Section 2.6.2C of the SSSC states:

For the purposes of section 2.6.2B:

(a) A customer's average monthly billing amount shall be calculated by taking the aggregate of the total electricity charges billed to the customer **in the preceding 12 months and dividing that value by 12**. If the customer has been receiving service from a distributor for less than 12 months, the customer's average monthly billing amount shall be based on a reasonable estimate made by the distributor. For the purposes of this section, "electricity charges" has the same meaning as in section 2.6.6.3 of the Distribution System Code.

(b) Where a customer requests equal billing, the equalized monthly or bi-monthly billing amount shall include all "electricity charges" as defined in section 2.6.6.3 of the Distribution System Code.

In response to Board staff's inspection EnWin advised that, in order to calculate a customer's average monthly billing amount it takes the aggregate of total electricity charges, including the OCEB credit, **in the preceding 12 months and divides that value by 11**. EnWin then increases the calculated value by seven percent (or some

other factor deemed appropriate) as a gross-up amount or 'inflation factor' to account for possible future rate increases.

Further, EnWin advised that in the course of responding to the information request it identified a CIS calculation error affecting 80 customers for whom the equal monthly billing is being calculated by dividing the aggregate of total electricity charges in the preceding 12 months by 10 rather than by 11.

Section 2.6.2C of the SSSC clearly sets out the methodology to calculate the average monthly billing amount and that the distributor has no discretion to change the amount so calculated and, as such, EnWin admits that it is in breach of section 2.6.2C (a) of the SSSC.

EnWin has advised that it is working with the outside service provider to correct this CIS error and to eliminate the gross up amount / inflation factor it had been adding to its bills to account for possible future rate increases.

EnWin has voluntarily agreed, pursuant to s.112.7(1)(c) of the Act, to take the steps noted in Part III herein to address the non-compliance.

III. Assurances

EnWin hereby assures the Board, effective as of the date of this Assurance, that it will voluntarily take the following steps with respect to each of the findings noted above:

1. The EnWin Invoice will indicate the OCEB credit clearly deducted from the total energy charges and show the net amount of the invoice. EnWin will commence issuing invoices in this form beginning on January 30, 2015.
2. The equal monthly billing amount for eligible customers shall be calculated in accordance with s.2.6.2C of the SSSC by using the electricity charges billed to a customer in the **preceding 12 months and dividing that value by 12**. EnWin has established an interim manual process for all new equal payment plan customers effective as of January 16, 2015. EnWin will make the necessary corrections to its CIS by no later than April 30, 2015 and begin issuing invoices based on the SSSC calculation commencing May 2015, coinciding with the time period when EnWin will be issuing the first equal payment plan invoices for the 2015-2016 EnWin equal payment plan cycle.
3. EnWin will cease adding a gross-up amount / inflation factor to its equal monthly billing amounts concurrent with the changes specified above in paragraph 2 of the Assurances.

4. EnWin will report back to the Board with an update on when the 80 customers, for whom the equal monthly billing was being incorrectly calculated, will be corrected , by no later than January 31, 2015 and provide a detailed breakdown of the steps taken to implement the remedial action set out in paragraphs 1-3 of these Assurances

IV. Consumer Rights

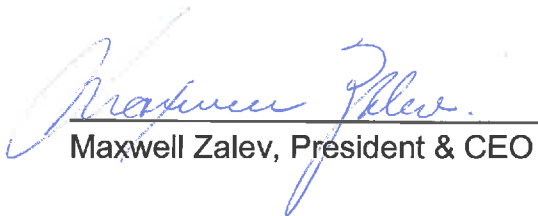
Nothing in this Assurance affects any rights a consumer may have under his or her contract with EnWin, or under any applicable laws.

V. Failure to Comply

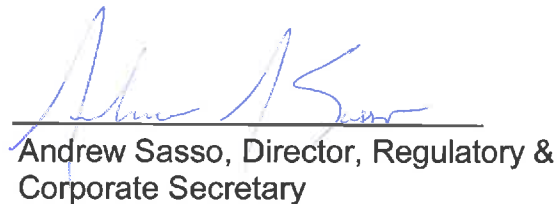
This Assurance has the same force and effect as an order of the Board pursuant to section 112.7(2) of the Act and any failure to comply with its terms shall be deemed to be a breach of an order of the Board.

VI. Execution of Assurance

I have authority to bind EnWin Utilities Ltd. to the terms set out in this Assurance of Voluntary Compliance.



Maxwell Zalev, President & CEO



Andrew Sasso, Director, Regulatory &
Corporate Secretary

Dated this 20th day of January, 2015