



DONATION TO LIPI RESULT OF BILLING ERROR BY NORTH BAY HYDRO

FOR IMMEDIATE RELEASE

FRIDAY FEBRUARY 3, 2023

North Bay - North Bay Hydro Distribution Limited (NBHDL) is making a donation of \$18,700 to LIPI as a result of a customer billing issue recently identified and corrected.

One of the business functions carefully regulated by the Ontario Energy Board (OEB) is the billing of customers. On April 14, 2022, the OEB sent a letter to all licensed electricity distributors in Ontario advising them a fellow distributor had overcharged customers as a result of incorrectly prorating the fixed monthly charges approved by the OEB.

While the distributor used the approved fixed monthly charges from its OEB-approved Rate Order, its billing system translated monthly charges into a daily charge for application to customers' bills. In the transition from monthly to daily charge, the daily charge was calculated based on there being 30 days in every month (or 360 days a year) but billed customers 365 days a year, leading to an overcharge of each customer.

The OEB letter asked all distributors to review their billing system and to advise the OEB if they discovered the same proration issue.

"After reviewing our system, we identified a proration issue in billing for Street Lighting, Sentinel Lights and Unmetered Scattered Load. The largest customer affected was the Corporation of the City of North Bay", said North Bay Hydro (NBH) President and CEO, Matt Payne. "Residential, commercial and industrial customers were not affected."

NBHDL complied with the OEB request, informed the regulator, and immediately implemented billing system changes to correct billing calculations for the three impacted customer classes effective for July 2022 consumption.

Payne said, "The impact amounted to an overcharge of \$18,700 total over four years or around one dollar per year for each connection. Over 90% of the overcharge relates to the Street Lighting Class. The only customer we have in the Street Lighting and Unmetered Scattered Load classes is the City of North Bay, which is the sole shareholder of NBH."

North Bay Hydro was not alone in having proration billing issues with several other distributors acknowledging similar concerns.

"Other distributors that provided an Assurance of Voluntary Compliance (AVC) to the OEB on this issue agreed to extend a credit to affected customers equivalent to four years' worth of overcharges", Payne said. "Considering the NBH bill impact was relatively small and only affected three customer classes with the main beneficiary of such a credit being our



shareholder, we proposed to the OEB to contribute the overcharged amount to our local emergency assistance provider, LIPI, to help customers in need.”

Based on the issued AVC, NBH will also pay a one-time \$1,000 administrative penalty to the OEB. This constitutes one of the smallest possible penalties the OEB can levy, reflecting the low severity of the issue.

NBHDL issues 28,000 bills each month and takes the responsibility of providing correct, accurate bills very seriously.

“We care about our customers deeply and work hard to ensure they are always charged correctly. The last thing we want to do is overcharge anyone. We regret the proration of charges happened and we apologize to all customers who were impacted. We will do everything possible to see it doesn’t happen again.” Payne said.

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