

Customer billing standards now enforced with specified penalties

- **Utilities may be fined for billing contraventions.**
- **Process is simple and fast.**
- **Fines escalate from \$500 per occurrence.**

The Alberta Utilities Commission (AUC) has the tools to impose penalties on energy service providers when customer services standards and other specified errors in retail billing occur. These new enforcement powers became effective January 1, 2019. Details include:

- The AUC can levy fines and publish public notices when electricity or natural gas service providers contravene AUC rules on utility billing, complaint response and other areas.
- Specified penalties are financial penalties or fines applied when the AUC concludes violations have occurred and a penalty is required. They are comparable to speeding tickets.
- An escalating specified penalties scale that starts at \$500 per occurrence and could conceivably reach \$10,000 per incident, per day.
- The penalties apply to pre-defined rule contraventions.
- Financial penalties increase as the frequency of rule breaches increases. No lengthy regulatory proceeding is required.
- The AUC considers and weighs the circumstances of each situation.

The contraventions below outline the retail billing categories now enforced through financial penalties that can be applied to companies not following the rules.

Types of contraventions	
Incorrect customer bills	Referral to credit agency in error *Also triggers AUC Rule 003 service guarantee credit
Unexpected customer bills	Disconnection in error *Also triggers AUC Rule 003 service guarantee credit
Late customer bills	More than one bill in a calendar month Unless reasonable explanation for multiple bills

*Service guarantee requires a credit of \$150 to customers erroneously disconnected or referred to a credit agency.

The Alberta Utilities Commission ensures Alberta's energy service providers are accountable for their services, how they deliver those services and how they interact with customers.

- The AUC was given the power to levy specified penalties for contraventions of its rules, orders and decisions through Bill 13, [An Act to Secure Alberta's Electricity Future](#). It intends to develop and apply specified penalties for many areas of its regulatory oversight.
- Because of the importance of billing to consumers, the AUC started with setting penalties for contraventions of AUC requirements related to billing-related and customer-care matters. These requirements are set out in [AUC Rule 003: Service Standards for Energy Service Providers](#). These service providers provide electricity and natural gas in Alberta.
- The AUC set out how specified penalties will be applied in its [AUC Rule 032: Specified Penalties for Contravention of AUC Rules](#). This rule includes factors the AUC will consider when determining specified penalties. These factors include self-reporting by energy service providers.
- The AUC has a range of enforcement tools. Completely separate from specified penalties, the AUC can also issue, after a formal, evidence-based proceeding, administrative penalties that can range up to \$1 million per incident per day. [The largest such penalty imposed was \\$52 million.](#)

AUC Rule 003 service guarantee

- Along with specified penalties, all Alberta energy service providers are subject to a service guarantee that requires them to provide a credit of \$150 to customers that are erroneously disconnected or referred to a credit agency.
- This includes retailers, rural electrification associations and municipally owned utilities. **Service providers regulated by the AUC must include this information in their terms and conditions.**

Technical billing requirements subject to specified penalties

- The AUC sets out technical requirements for energy service providers for enrolling and de-enrolling a customer and requirements on transmitting updated information to and from distributors.
- These are contained in [AUC Rule 021](#) for electric service providers, and [AUC Rule 028](#) for natural gas service providers.
- Contraventions of these requirements are also subject to specified penalties, based on the same frequency and penalty schedule shown above.

Further application of specified penalties is underway or planned.



Think a contravention has occurred?

If you believe your utility provider may have contravened an AUC rule on billing or other matters covered by a specified penalty:

1. You should first contact the energy service provider that issued your bill.
2. If the response isn't satisfactory, please contact the Utilities Consumer Advocate. The UCA is specifically mandated to provide assistance to Alberta ratepayers to resolve issues with utility providers.
3. If you feel the UCA cannot provide or hasn't provided an adequate outcome, please contact the AUC. See our contact information below.

AUC contact information:

 310-4AUC (310-4282 in Alberta)

 1-833-511-4AUC (1-833-511-4282 outside Alberta)

 info@auc.ab.ca



Penalties

Frequency and penalty
<p align="center">First contravention of a rule provision in a rolling 120-day period</p> <ul style="list-style-type: none"> • A specified penalty of \$500. • Notice of specified penalty issued to the senior executive of business unit of the person involved in the contravention.
<p align="center">Second to fifth contravention of the same rule provision in a rolling 120-day period</p> <ul style="list-style-type: none"> • A specified penalty of \$1,000. • Notice of specified penalty issued to the senior executive of business unit of the person involved in the contravention.
<p align="center">Sixth to tenth contravention of the same rule provision in a rolling 120-day period</p> <ul style="list-style-type: none"> • A specified penalty of \$2,500 • Notice of specified penalty issued to the senior executive of business unit of the person involved in the contravention.
<p align="center">Eleventh to fifteenth contravention of the same rule provision in a rolling 120-day period</p> <ul style="list-style-type: none"> • A specified penalty of \$5,000. • Notice of specified penalty issued to the senior executive of business unit of the person involved in the contravention.
<p align="center">Sixteenth to twentieth contravention of the same rule provision in a rolling 120-day period</p> <ul style="list-style-type: none"> • A specified penalty of \$7,500. • Notice of specified penalty issued to the most senior executive of the person (i.e., president, chief executive officer) or its parent company if the entity is a wholly-owned subsidiary or affiliate, or chief compliance officer, if applicable.
<p align="center">Twenty-first and greater contravention of the same rule provision in a rolling 120-day period</p> <ul style="list-style-type: none"> • A specified penalty of \$10,000. • Notice of specified penalty to the most senior executive of the person (i.e., president, chief executive officer) or its parent company if the entity is a wholly-owned subsidiary or affiliate, or chief compliance officer, if applicable.