

**Advisory 2016-3:**

*October 27, 2016*

## **Some Landowners Report Receiving Electrification Charges for Insolvent Energy Sites**

The Farmers' Advocate Office (FAO) is asking Albertan landowners to be diligent in watching their electricity bills if they have surface leases on their land belonging to an insolvent energy company.

In June 2016, the FAO was approached by landowners who were concerned that EPCOR Energy Alberta GP Inc. ("EPCOR") was attempting to collect payment for three phase electric services that were provided to a now insolvent oil and gas company for its surface leases. This action was based on an interpretation of EPCOR's terms and conditions of service relating to tenancy.

The Utilities Consumer Advocate (UCA) and the FAO have been actively engaging in discussions with the responsible regulator, the Alberta Utilities Commission (AUC), to resolve the issue. All three organizations have agreed that EPCOR's terms and conditions of service were intended to address situations where rental tenants have defaulted in payment, not oil and gas surface leases.

The AUC will be reviewing certain elements of the terms and conditions of service for EPCOR and Direct Energy Regulated Services (DERS) in proceeding 22091. Notice for the proceeding is available on the AUC website at [www.auc.ab.ca](http://www.auc.ab.ca) by logging in to the e-Filing System. This proceeding will provide the AUC with the opportunity to consider changes to the terms and conditions of service to ensure rural property owners will not inherit costs for electrification of insolvent well sites in the future. The UCA and the FAO will be intervening representing the interests of Albertan landowners, and will be requesting that the proceedings include ENMAX as well.

Additional EPCOR customers may have been affected by industry bankruptcies, and we do not know if similar actions have been taken by other retailers. **At this time, the FAO requests that any landowners who believe they have been mistakenly charged for electrical distribution costs for an energy site on their land contact the FAO as soon as possible.**

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