

July 20, 2017

## UPDATE:

# Landowner Refunds for Electrification Costs Paid on Oil and Gas Surface Leases

The Farmers' Advocate Office (FAO) is asking Alberta landowners to check their past electricity bills if they have a surface lease on their land belonging to an insolvent oil and gas company.

In June 2016, the FAO was approached by several 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.

After discussion with the Alberta Utilities Commission (AUC) and the Utilities Consumer Advocate (UCA), the FAO issued an advisory on October 27, 2016 making landowners aware of the situation and encouraging landowners to watch their electricity bills.

On October 20, 2016, the AUC announced it would be reviewing certain aspects of terms and conditions of service for EPCOR and Direct Energy Regulated Services (DERS) in Proceeding 22901. ATCO Electric Ltd. (ATCO) and FortisAlberta Ltd. were added later. Following an information request and argument process, the AUC released a ruling on July 5, 2017 stating:

*"...the Commission directs the companies to review their records, refund the relevant electric charges to any affected rural customers not yet refunded and to confirm with the Commission that they have done so. If individual customers have incurred additional costs, for example legal fees and disbursements, as a result of the improper billing, the Commission will consider the refund of these costs upon request by the customer."*

While the onus is on utility companies to identify and refund any customers mistakenly billed for electrification on insolvent oil and gas sites, there is a possibility that some affected landowners may not be identified and therefore not refunded. Any landowner who believes that they have been erroneously billed and not yet refunded may contact the AUC directly or contact the FAO if they require assistance. Some landowners may have incurred costs in attempting to remedy the billing issues and these costs may also be brought forward to the AUC for review.

The FAO continues to work with the UCA on AUC Proceeding 22091 to review the filed terms and conditions of service to ensure protection for landowners is in place going forward.

All documents relating to Proceeding 22091 are available on the AUC website at [www.auc.ab.ca](http://www.auc.ab.ca) by logging in to the e-Filing System. Please call the FAO through the Ag Info Centre at 310-FARM (3276) or email [www.farmersadvocate.gov.ab.ca](http://www.farmersadvocate.gov.ab.ca) if you have any questions.