CITATION: *Knauth v. The Independent Electricity System Operator et al., 2026 ONSC 2770*
DIVISIONAL COURT FILE NO.: DC-25-00000888-0000
DATE: 20260513

SUPERIOR COURT OF JUSTICE – ONTARIO
DIVISIONAL COURT

RE: MAYA KNAUTH, Applicant

AND:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR AND HUMAN RIGHTS TRIBUNAL OF ONTARIO, Respondents

BEFORE: ACJ McWatt, Shore, Brownstone JJ.

COUNSEL: *Self Represented*, for the applicant

Josh Hoffman, for the Respondent Independent Electricity System Operator

Mindy Noble, for the Respondent Human Rights Tribunal of Ontario

HEARD: April 16, 2026

ENDORSEMENT

Overview

[1] In February 2025, the applicant filed an Application to the Human Rights Tribunal of Ontario ("HRTO" or the "Tribunal") under s. 45.9(3) of the *Human Rights Code*, R.S.O. 1990, c. H. 19 (the "*Code*"). She alleged that the respondent, Independent Electricity System Operator ("IESO"), contravened a settlement agreement that the parties had entered in 2011 to resolve a prior HRTO application. The HRTO issued a Case Assessment Direction ("CAD"), requiring written submissions from the applicant on the timeliness of the application, as the respondent had argued that the application was out of time. Section 45.9 of the *Code* requires that an application be filed within six months of the alleged contravention (or the last contravention in a series), unless the HRTO is satisfied that the delay was incurred in good faith and no substantial prejudice would result from the delay.

[2] After considering the submissions of both parties on the CAD, the HRTO dismissed the Application for lack of jurisdiction on September 26, 2025. The main issues before this Court on judicial review from that decision are whether the Tribunal's decision is reasonable and whether the process followed was procedurally fair.

[3] The IESO submits that there is no basis for judicial intervention in the decision**.**

Background

[4] The applicant's materials provide the background to the proceeding, as follows. The applicant was an employee of the IESO in the bargaining unit represented by The Society of United Professionals ("the Society"). She was employed by the IESO from July 2001 until March 31, 2011, when she voluntarily resigned from her employment with the IESO pursuant to the Termination Agreement ("Agreement") dated March 29, 2011.

[5] At the time of her resignation, the applicant was an analyst in the Market Assessment Unit which is part of the Market Assessment and Compliance Division business unit of the IESO.

[6] Around January 2011, while the applicant was on sick leave, she began to email her union representative at the Society, advising that she could not return to work at the IESO. On February 3, 2011, the applicant sought, from the Society, information about potential "exit packages" from the IESO. She considered certain terms for her resignation in the following months while in consultation with the Society.

[7] On March 25, 2011, the applicant was advised that the Society required any settlement agreement to include a provision confirming that she had been fairly represented by them. This requirement stemmed from a prior settlement reached on her behalf, after which the applicant alleged that she had been forced to sign the agreement. The Society was concerned she might make similar allegations again. The applicant did not object to inclusion of the provision. Shortly thereafter, the Society began negotiating the terms of an exit package with the IESO on her behalf.

[8] On March 25, 2011, the applicant was offered $50,000 with another $20,000 being characterized as general damages (i.e. $20,000 was non-taxable). On March 26, 2011, the applicant responded to her union negotiator stating “the 50k (taxed) + 20k (nontaxed) would be very helpful”. She further stated, “let me know when you would like me to sign”. On March 29, 2011, the applicant, the Society, and the IESO signed and fully executed a Termination Agreement.

[9] Pursuant to the Agreement, the applicant agreed to withdraw her human rights application with the HRTO bearing Tribunal File Number 2010-07088-1. At paragraph 7 of the Agreement, the applicant freely and voluntarily agreed that if she commenced or threatened to commence any legal action against the IESO that was related to her employment and/or resignation from the IESO, she would forthwith consent to a default judgment to repay the IESO $70,000 less applicable statutory deductions plus any legal fees incurred by the company. After signing the Termination Agreement, the IESO provided the applicant with $70,000 (less applicable statutory deductions).

[10] On June 20, 2024, more than 13 years after the Termination Agreement was executed, the applicant contacted her previous union, the Society, and alleged, among other things, that the amounts she received and was taxed on did not comply with the severance provisions under the collective agreement.

[11] That same day, the union representative explained to the applicant that the severance provisions under the collective agreement only applied to very specific circumstances involving layoffs and corporate restructuring**.**

[12] The applicant subsequently alleged that: 1) she should not have been required to pay taxes on the $50,000; 2) she was forced to sign a settlement agreement when she was incapable of doing so because she was suffering from mental health issues; 3) she was forced to resign from the IESO; and 4) she was “blacklisted” by other hydro companies throughout Ontario because the IESO disparaged her. On that basis, Ms. Knauth maintained that the Agreement should be rendered null and void.

Litigation History

[13] On September 24, 2024, the applicant filed an Unfair Labour Practice Application (the "ULP Application") against the IESO with the Ontario Labour Review Board ("OLRB") in which she requested that the Termination Agreement be set aside for the same reasons outlined in this Application for Judicial Review. In direct contravention of paragraph 7 of the Agreement, the ULP Application specifically related to the applicant's employment and/or resignation from the IESO. On October 24, 2024, the IESO grieved, through, the Society, against the applicant for her contravention of the Agreement. Relying on paragraph 7 of the Agreement, the IESO sought a default judgment directing the applicant to repay them the amount of $70,000 plus interest (less applicable statutory deductions) as well as legal costs incurred by the IESO.

[14] On January 7, 2025, the OLRB issued a decision dismissing the applicant's ULP Application for failing to set out a *prima facie* case.

[15] On February 17, 2025, the applicant filed the application at issue here - a contravention of settlement application (the "COS Application") with the HRTO against the IESO alleging that the company had breached the Termination Agreement and it should therefore be set aside. Again, the COS Application specifically related to her employment and/or resignation from the IESO. The IESO sought to recover the legal fees incurred by them in the COS Application.

[16] In March 2025, the IESO filed a modified Grievance with the Arbitrator, which amended and replaced its Grievance of October 24, 2024. On May 13, 2025, the IESO, the Society, and the applicant attended an arbitration to address the IESO's Grievance. On June 25, 2025, Arbitrator Stout issued the Arbitration Decision rejecting the applicant's claims and upholding the IESO's Grievance, holding that the applicant was obligated to repay the IESO $70,000 (less statutory deductions) plus legal fees pursuant to paragraph 7 of the Termination Agreement. On July 24, 2024 (amended on December 15, 2025), the applicant commenced an Application for Judicial Review challenging the Arbitration Decision (DC- 25-00000621-00JR).

[17] After the applicant filed her COS Application and the IESO responded, the HRTO issued the CAD on April 15, 2025, indicating that the applicant's allegations appeared to be out of time. The Tribunal invited the parties to provide written submissions on the jurisdiction of the Tribunal to hear the matter. Both parties filed their submissions, along with additional correspondence.

[18] On September 26, 2025, the HRTO dismissed the applicant's COS Application for lack of jurisdiction. On October 27, 2025, the applicant commenced the present application for judicial review challenging that decision.

The Tribunal Decision

[19] The HRTO found that the applicant's allegations of contravention were either untimely or not connected to any provision of the March 29, 2011 Agreement.

[20] The Tribunal also noted that the applicant had not made arguments for a contravention of the settlement agreement but raised questions as to whether the Agreement was ever properly reached. She asserted that the Agreement ought to be set aside because she had been coerced to sign it, it contained unlawful terms and she was, in fact, constructively dismissed from her job.

[21] The Tribunal held that those issues were outside the scope of a COS Application, therefore it lacked jurisdiction to consider them.

[22] The applicant also asked the Tribunal to quash the Arbitration Decision of John Stout dated June 25, 2025, in which he determined that the applicant violated the Termination Agreement and ordered her to repay the IESO $70,000. The Tribunal found it had no jurisdiction to quash the award of another administrative adjudicator. On July 24, 2024, the applicant commenced an application for judicial review (heard by this panel on the same day as this matter) challenging the Arbitration Decision (DC-25-00000621-00JR), arguing that the Termination Agreement is invalid and should be set aside for the same reasons raised in this application.

A. The Standard of Review

[23] The Supreme Court of Canada has directed that administrative decisions are presumptively reviewed on a standard of reasonableness. The presumption of reasonableness can be rebutted in certain situations, including where the issue involves a constitutional question or true questions of jurisdiction. In those situations, the applicable standard is correctness (*Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 at paras 16-17 (Vavilov). For the purposes of applying the appropriate standard of review in this proceeding, the grounds for the applicant's Judicial Review can be organized into two categories.

[24] First, the applicant argues that the Tribunal denied her procedural fairness and failed to properly consider evidence and the applicable law when determining whether the Termination Agreement is valid and/or if there has been a contravention of the Agreement. The IESO submits that the applicable standard of review on this point, including, but not limited to the Tribunal's findings of fact, is the reasonableness standard. I agree with the IESO that, although framed as a question of procedural fairness, these issues are about the Tribunal's treatment of the evidence and its application of the law to that evidence. Therefore, I agree that the standard of reasonableness applies.

[25] The only question of procedural fairness the applicant raises is whether the Tribunal was required to hold an oral hearing. When assessing procedural fairness, this court is to determine whether the administrative tribunal's procedure was fair having regard to all the circumstances: *Afolabi v. Law Society of Ontario*, 2025 ONCA 257, at para. 60.

[26] Second, the applicant argues that the Tribunal incorrectly held that it lacked the jurisdiction to determine the COS Application. The applicant argues that the applicable standard of review on this point is correctness. The IESO disagrees, citing *Vavilov*, which set out that the correctness standard applies to "jurisdictional issues" when "there is a true operational conflicting between two administrative bodies, pulling a party in two different and incompatible directions" (at paras 63-64). That is not the case here. The applicant has not argued that any administrative body other than the HRTO had jurisdiction to address this matter, nor has she

suggested that the Tribunal erred in determining that another administrative body possessed such jurisdiction.

[27] The Tribunal's lack of jurisdiction arises because (1) the applicant's allegations regarding contraventions of the Agreement do not fall within the six-month limitation period set out in section 45.9 of the *Code*, and (2) section 45.9 does not contemplate assessing whether a valid agreement was reached in the first place, but only whether there has been a contravention of an existing agreement. This is not a "true operational conflict" that attracts the correctness standard. The appropriate standard of review on this issue is reasonableness.

[28] The burden is on the applicant to show that the Tribunal's decision was unreasonable. That burden is high, and this Court will afford the Tribunal the highest degree of deference (*Ontario (Health) v. Association of Ontario Midwives*, 2022 ONCA 458). At paragraph 77 of that case, the Ontario Court of Appeal set out that the privative clause found at section 45.8 of the *Code* recognizes that the "legislature intended that the highest degree of deference be accorded to the Tribunal's determination of facts, its interpretation and application of human rights law, and decisions on remedy".

B. The Decision is Reasonable

[29] Ms. Knauth argues that the Tribunal made errors, including misapprehending the evidence, failing to apply the governing legal principles, and denying her procedural fairness. On the contrary, the decision was lawful. It accurately assessed the evidence and was procedurally fair.

The Tribunal did not misapprehend the evidence or the law

[30] The Tribunal dealt with Ms. Knauth's complaint about not receiving severance pay and found that any such contravention would have occurred in 2011. Given that the COS Application was filed in February 2025, any contravention was well beyond the six-month statutory timeline under section 45.9 (3) of the *Code*.

[31] The Tribunal considered the applicant's complaint that the $50,000 payment was mischaracterized as employment income in the Agreement by using her 2011 T4 Tax slip identifying the sum she received as "employment income". The Tribunal found that, if there was a contravention in the way the income was paid, that contravention occurred in 2011 and the applicant would have reasonably been aware of it when the T4 slip was originally issued - more than a decade before her COS Application was filed.

[32] The Tribunal did not misapprehend the facts and law when it considered the alleged "last" contravention in which the applicant maintained that the IESO disparaged her pursuant to section 45.9 (3) of the *Code*. The applicant alleged two instances in which the IESO disparaged her reputation - one in June 2017 and another in September 2023. The Tribunal found that even if the IESO had made disparaging comments and even if these formed part of a series of breaches, the last contravention in that series occurred in September 2023, which was still well beyond the six-month time limit under section 45.9(3).

[33] The Tribunal found that the applicant's reasons for the lengthy delay in filing the COS Application were not incurred in good faith pursuant to section 45.9 (4). In order to demonstrate that a delay was incurred in "good faith", the applicant had to "show something more than simply the absence of bad faith: the applicant is required to act with due diligence" (*MacFarlane v The Regional Municipality of Peel Police Services Board*, 2023 HRTO 863, at paras 12-13). None of the applicant's reasons for delay met the "good faith" threshold.

[34] The applicant maintained that she did not know there was a contravention of the Agreement regarding the alleged mischaracterization of the $50,000 as employment income, and therefore subject to taxation, until the Society "confessed" to this mischaracterization in June and July 2024. There was no confession by the Society. In fact, the correspondence between the applicant and the Society from June and July 2024 showed the Society confirming to Ms. Knauth that, on the face of the Agreement, the $50,000 was described as relating to employment and would therefore be subject to taxation.

[35] The applicant claims that she did not file the Application until February 2025 because she "needed time to research after the OLRB did a sloppy review of her unfair labour practice complaint in January 2025". The applicant raises this reason for the delay for the first time in this application for judicial review, and it was not before the Tribunal when the decision was issued. In any event, even if this was a "good faith" reason for delay, it still does not explain the applicant's delay between 2011 and January 2025.

[36] The applicant argues that she did not file a claim sooner because she feared that, if she did, the IESO would sue her. This is not a "good faith" reason for the delay. The applicant freely and voluntarily entered into the Agreement of March 29, 2011 and agreed not to commence any legal action against the IESO related to her employment, failing which she would be required to repay the $70,000. The applicant was or ought to have been aware as early as 2011 that bringing the COS Application would contravene the Agreement and could prompt the IESO to exercise its legal rights to sue her. There has been no material change in circumstances between 2011 and February 2025 that would justify the delay on this basis.

[37] The applicant alleges that her delay was due to being unable to find a lawyer. The applicant has provided no evidence demonstrating that she exercised due diligence or exhausted reasonable avenues to secure legal representation. In any event, many Applicants who appear before the Tribunal are self-represented, and the inability to obtain counsel is not a valid excuse for failing to comply with statutory time limits (*Bhanji v. Enercare Home and Commercial Services Inc*., 2024 HRTO 1036, at para 15).

[38] The applicant further alleges that the Tribunal failed to consider her claim that the Agreement violated her rights under the *Canadian Charter of Rights and Freedoms* (the "*Charter*"). However, the Tribunal's decision was solely concerned with whether it had jurisdiction to hear the COS Application on the basis that it was untimely or did not properly fall within the scope of section 45.9 of the *Code*. Any arguments pertaining to the *Charter* are irrelevant to the Tribunal's jurisdiction.

The Tribunal did not deny the applicant procedural fairness

[39] The applicant alleges that the Tribunal denied her procedural fairness because it did not hold an oral hearing. The HRTO is not required to hold an oral hearing on the issue of its jurisdiction (*Iyirhiaro v. Human Rights Tribunal of Ontario and TTC*, 2012 ONSC 3015 at para 12), which was the sole issue the Tribunal was required to determine.

[40] The applicant alleges that the Tribunal denied her procedural fairness because staff at the HRTO told her that a hearing would be scheduled in June 2025. She has provided no evidence to substantiate this claim. Hearing a preliminary matter in writing does not breach procedural fairness.

[41] In the end, the applicant has failed to satisfy her burden to show that the Tribunal's decision was procedurally fair or unreasonable.

The Order

[42] The Application is dismissed.

COSTS

[43] The parties agree that no costs shall be awarded in this matter.

ACJ F. McWatt

Justice S. Shore

Justice L. Brownstone

Released: May 13, 2026