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BY E-MAIL AND WEB POSTING

July 17, 2014

To: All Licensed Electricity Distributors
All Other Interested Parties

Re: Billing Accuracy Scorecard Measure for Licensed Electricity Distributors

In the *Report of the Board on Scorecard on Performance Measurement for Electricity Distributors: A Scorecard Approach* (EB-2010-0379) dated March 5, 2014 (the "Report"), the Board stated that it will develop and implement a uniform scorecard measure for billing accuracy in the summer of 2014 and that it will also set a target for the new measure.

Some distributors have already implemented a measure of billing accuracy using various methodologies and have reported this in Section RRR 2.1.19 b) Billing Accuracy which came into effect in 2013.

The Board established a stakeholder working group in June 2014 representing large, medium, and small size electricity distributors in order to help the Board identify and define a uniform measure regarding billing accuracy for the Board's consideration that can be consistently calculated, tracked, and reported by distributors as a part of their scorecard.

The working group concluded its work in July 2014 and provided a number of recommendations to the Board regarding a billing accuracy measure and proposed an industry-wide performance target for the Board's consideration. The Board reviewed the working group's proposal and subsequently accepted its recommendations for the definitions, an industry-wide performance target, and implementation dates for tracking and reporting related to the billing accuracy measure.

A Uniform Billing Accuracy Measure

The billing accuracy measure is defined as the accurate bills issued expressed as a percentage of total bills issued. It is calculated as,

Percentage of bills accurately issued =

$$\frac{\text{Total number of bills issued for the year} - \text{Number of inaccurate bills issued for the year}}{\text{Total number of bills issued for the year}}$$

Additional definitions to ensure consistency in defining the billing accuracy measure include:

Accurate Bill

An accurate bill is a bill that contains correct meter readings, customer information and rates resulting in an accurately calculated bill.

Bills Issued

The total number of bills issued for the year includes original and re-issued bills that are issued in the calendar year.

As specified by the Distribution System Code section 2.6.4, a bill is considered issued:

- (a) if sent by mail, on the third day after the date on which the bill was printed by the distributor;
- (b) if made available over the internet, on the date on which an e-mail is sent to the customer notifying the customer that the bill is available for viewing over the internet;
- (c) if sent by e-mail, on the date on which the e-mail is sent; or
- (d) if sent by more than one of the methods listed in paragraphs (a) to (c), on whichever date of deemed issuance occurs last.

Inaccurate Bill Issued

A bill is considered inaccurate if:

- i) The bill has been issued to the customer and subsequently cancelled due to a billing error and/or;

- ii) There has been a billing adjustment in a subsequent billing(s) as a result of a previous billing error.

Note: Accurate bills that need to be cancelled in order to correct another bill should not be counted.

Billing Adjustments

For the purpose of calculating billing accuracy, the distributor should include all billing adjustments arising from billing errors in lieu of cancelling and rebilling the original bill.

Industry-wide Billing Accuracy Performance Target

The Board has set a minimum industry-wide billing accuracy performance target of 98%. The Board will review this target level and may refine it in the future, as the Board monitors distributors' performance and data and as distributors learn from each other and enhance their billing operational and business practices.

Implementation Dates for Tracking and Reporting

Distributors are required to implement and start tracking the billing accuracy measure effective on October 1, 2014. The measure will be reported on an annual basis under Section RRR 2.1.19 b) Billing Accuracy as part of the annual RRR filing (i.e. due by April 30 of the preceding calendar year). The first reporting period (October to December 2014) of the measure will be due on April 30, 2015.

The Board will be amending the Distribution System Code and Section RRR 2.1.19 b) to include the definitions for the billing accuracy measure and its set performance target.

All inquiries regarding the billing accuracy scorecard measure for licensed electricity distributors must be forwarded to Industry Relations Enquiry at IndustryRelations@ontarioenergyboard.ca.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary