

Richard P. Stephenson

T 416.646.4325 Asst 416.646.7417

F 416.646.4335

E richard.stephenson@paliareroland.com

www.paliareroland.com

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File 10329

VIA EMAIL AND RESS FILING

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Chris G. Paliare
Ian J. Roland
Ken Rosenberg
Linda R. Rothstein
Richard P. Stephenson
Nick Coleman
Margaret L. Waddell
Donald K. Eady
Gordon D. Capern
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Andrew Lokan
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Nini Jones
Jeffrey Larry
Emily Lawrence
Denise Sayer
Danny Kastner
Tina H. Lie
Jean-Claude Killey
Jodi Martin
Michael Fenrick

HONORARY COUNSEL

Ian G. Scott, Q.C., O.C.
(1934 - 2006)

Dear Ms. Walli

Re: Consultation on Proposed Changes to the Electricity Reporting and Record Keeping Requirements (EB-2009-0161)

The Power Workers' Union ("PWU") represents a large portion of the employees working in Ontario's electricity industry. Attached please find a list of PWU employers.

The PWU is committed to participating in regulatory consultations and proceedings to contribute to the development of regulatory direction and policy that ensures ongoing service quality, reliability and safety at a reasonable price for Ontario customers. To this end, please find the PWU's comments on the Proposed Changes to the Electricity Reporting and Record Keeping Requirements (EB-2009-0161).

We hope you will find the PWU's comments useful.

Yours very truly,

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Richard P. Stephenson

RPS:jr

cc: Judy Kwik

John Sprackett

List of PWU Employers

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AMEC Nuclear Safety Solutions
Atomic Energy of Canada Limited (Chalk River Laboratories)
BPC District Energy Investments Limited Partnership
Brant County Power Incorporated
Brighton Beach Power Limited
Brookfield Power – Lake Superior Power
Brookfield Power – Mississagi Power Trust
Bruce Power Inc.
Capital Power Corporation Calstock Power Plant
Capital Power Corporation Kapuskasing Power Plant
Capital Power Corporation Nipigon Power Plant
Capital Power Corporation Tunis Power Plant
Coor Nuclear Services
Corporation of the City of Dryden – Dryden Municipal Telephone
Corporation of the County of Brant, The
Coulter Water Meter Service Inc.
CRU Solutions Inc.
Ecaliber (Canada)
Electrical Safety Authority
Erie Thames Services and Powerlines
ES Fox
Great Lakes Power Limited
Grimsby Power Incorporated
Halton Hills Hydro Inc.
Hydro One Inc.
Independent Electricity System Operator
Inergi LP
Innisfil Hydro Distribution Systems Limited
Kenora Hydro Electric Corporation Ltd.
Kincardine Cable TV Ltd.
Kinectrics Inc.
Kitchener-Wilmot Hydro Inc.
London Hydro Corporation
Middlesex Power Distribution Corporation
Milton Hydro Distribution Inc.
New Horizon System Solutions
Newmarket Hydro Ltd.
Norfolk Power Distribution Inc.
Nuclear Waste Management Organization
Ontario Power Generation Inc.
Orangeville Hydro Limited
Portlands Energy Centre
PowerStream
PUC Services
Sioux Lookout Hydro Inc.
Sodexo Canada Ltd.
TransAlta Energy Corporation - O.H.S.C. Ottawa

Vertex Customer Management (Canada) Limited
Whitby Hydro Energy Services Corporation

EB-2009-0161

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF a Consultation on Proposed
Changes to the Electricity Reporting and Record Keeping

Comments of the Power Workers' Union

I. Introduction

1. On September 21, 2009 the Ontario Energy Board (the "Board") released for comment proposed changes to the Electricity Reporting and Record Keeping Requirements ("RRR-Electricity"). Among the proposed changes is the requirement to report distribution service quality and service reliability performance, and statistics on performance-based regulation as part of the RRR-Electricity. At present the reporting process on distribution service quality and reliability performance and statistics on performance-based regulation is separate from the RRR-Electricity and the proposed changes integrate these reporting requirements into the RRR-Electricity.

2. The Power Workers' Union's ("PWU") comments on the proposed changes to the RRR-Electricity are provided below. The PWU's comments are limited to the proposed changes related to distribution service quality and reliability performance and statistics on performance-based regulation.

II. Distribution Service Quality and Reliability Performance

3. The proposed changes update section 2.1.4 of the RRR-Electricity to include the reporting of performance on distribution customer service quality indicators as set out in section 7 of the Distribution System Code and on distribution service reliability as set

out in the 2006 Electricity Distribution Rate Handbook with the following additional filing requirements:

- **Separate reporting of SAIFI, SAIDI and CAIDI exclusive of loss of supply (Code 2 outages) will be required. This separate reporting was encouraged on a voluntary basis last year, and the vast majority of distributors have been reporting accordingly.**
- **Reporting on momentary interruptions (Momentary Average Interruption Frequency Index or MAIFI), which can have a material impact on many customers, will be required.**

4. The PWU notes that since the introduction of the Board's electricity distribution service quality regulation ("SQR"), the Board has required the distributors to monitor the cause of service interruptions. With regard to this information, both the 2000 and 2006 Electricity Distribution Rate Handbook state that:

While annual reporting of this information to the Board is not mandatory, should a review of the utility's service reliability be necessary, the Board will expect the utility to produce this information.

5. Included in the cause of service interruptions as Code 2 is Loss of Supply – Customer interruptions due to problems in the bulk electricity supply system. In its submission to the Board on the Regulation of Electricity Distributor Service Quality (EB-2008-0001) the PWU stated:

Regardless of the SQR approach used (monitoring, standards, or incentives), the PWU stresses that it is essential that the Board ensures that the assessment of service quality performance related only to that which is in the control of the utility. In the case of service reliability, doing so will provide an indication of the condition of a distributor's system assets and the level of the utilities' system maintenance activities. This is especially relevant given the Board's objective of regulating the electricity distributors using Incentive Regulation ("IR"), an approach that, in the absence of effective SQR, can result in irrational cost cutting by utilities expected to find cost efficiencies. ...

6. In that submission the PWU presented results of analysis that it undertook on the 2000-2006 service reliability of a sample of 24 Ontario electricity distributors based on System Average Interruption Duration Index ("SAIDI"), System Average Interruption Frequency Index ("SAIFI") and Customer Average Interruption Duration Index ("CAIDI") information that the distributors filed with the Board. The PWU submitted that the reliability indices for the sample of distributors suggest that there has been a decline in Ontario's service reliability over the period 2000-2006. On average, SAIDI was at 3.42

in 2000 and at 9.63 in 2006. SAIFI was at 2.09 in 2000 and at 2.76 in 2006. CAIDI was at 1.64 in 2000 and 3.49 in 2006. In noting that cause of interruption information was not available, the PWU stated:

This data analysis indicates increasing levels of SAIDI, SAIFI and CAIDI for the Ontario electricity sector as a whole. The question for the Board to examine are the causes for the increases. In particular the Board would need to determine the extent to which the increases are related to the condition of the distributors' assets and their maintenance activities. Another consideration for the Board is the extent of the impact of causes outside of the distributors' control such as supply source and adverse weather. It is critically important to examine the reasons for the increase in SAIDI, SAIFI and CAIDI in order to assess the distributors' performance.

7. Further, in its submission the PWU urged the Board to obtain the 2000-2007 information on the cause of service interruptions that the Board required the distributors to monitor and produce should a review of the utility's service reliability be necessary, in order to identify the reasons for the apparent service quality degradation. Further the PWU urged the Board to require reporting of the cause of service interruptions along with the reporting of service quality performance so that the Board can measure service reliability performance specific to the distributor.

8. The PWU is pleased that the Board is proposing to require reporting of the cause of service interruptions as part of the RRR-Electricity. However, given the indication of increased levels of SAIDI, SAIFI and CAIDI over the 2000-2006 period, the PWU would once again urge the Board, in addition to requiring the reporting of cause of interruptions going forward, to require the distributors to file cause of interruptions information for 2000-2008 as part of the RRR-Electricity in order to identify the reasons for the apparent service quality degradation.

III. Statistics on Performance-based Regulation

9. The 2000 Electricity Distribution Rate Handbook ("2000 Rate Handbook") require distributors to file information that will enable the Board to research and monitor industry trends in input prices and productivity (i.e. total cost/overall efficiency). Table 12-9 of the 2000 Rate Handbook, reproduced below, sets out the PBR related information to be filed.

**Table 12-9
PBR Related Information**

Cost Category	Item
Labour	Headcount (Full Time Equivalent)
	Compensation Exclusive of Overhead
	Wages
	Salaries
	Fringe Benefits
	Change in Line Crew Wage Rates
	Capitalized Labour included in (2)
Capital	Gross Fixed Assets
	Accumulated Depreciation
	Amortization
	Capital Additions for Year
	Retirements for Year
Miscellaneous	Line Losses
Functional	Operations and Maintenance
	Total
	Labour Component
	Billing and Collection
	Total
	Labour Component
	Administration
	Total
	Labour Component
Capital Composition	Labour
	Overhead
	Equipment/Material
	Other

10. The Board is proposing to require the breakdown of the reporting on Capital Additions as follows:

- i. **Self-constructed Capital works:**
 - (a) **Employee labor including benefits**
 - (b) **Equipment and Materials**
 - (c) **Contract work on self-constructed assets**
 - (d) **Overhead**
 - (e) **Carrying Charges**
- ii. **Outsourced Capital Works:**
 - (a) **Contracted amount**
 - (b) **Overhead**
 - (c) **Carrying Charges**

11. The Board does not provide explanation for the proposed increase in reporting requirements on Capital Additions. In the PWU's view the purpose for the increased reporting detail is not evident given that the level of detail proposed is not required to

assess total cost/overall efficiency. Given the increased burden that the filing of the proposed detail will place on the distributors and the absence of any apparent purpose for this detail, the PWU recommends that the Board retain the current level of reporting as set out in Table 12-9 of the 2000 Rate Handbook i.e. Capital Additions for Year.

All of which is respectfully submitted.