

July 27, 2010

File 10329

VIA COURIER AND RESS FILING

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor, 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Hydro One Networks Inc. ("Hydro One") Application for Exemption from Certain Electricity Reporting and Record Keeping Requirements (EB-2010-0172)

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 makes the submissions below on Hydro One's request for exemption from section 2.1.4 (Reporting Performance Measurements) of the recently amended Electricity Reporting and Record Keeping Requirements ("RRR") of the Ontario Energy Board (the "Board"). The submission specifically addresses the following subsections:

Subsections 2.1.4.2.3, 2.1.4.2.4 (SAIFI) and 2.1.4.2.5 and 2.1.4.2.6 (CAIDI)

In its application, originally dated April 19, 2010 and later revised and filed on May 21, 2010, Hydro One points out that it has concern over the revised definition of "Interruption for all Customers" in the SAIFI and CAIDI equations. The revised definition is the result of the amendment of the RRR, dated May 1, 2010, following a consultation process in the case EB-2009-0161. In the application, Hydro One states:

Hydro One understands from discussions with Board Staff that the revised definition of "Interruption for all Customers" in the SAIFI and CAIDI equations means "Customer Interruptions". This interpretation would be consistent with our own understanding of the intent of the reporting of these metrics. This interpretation would also be consistent with industry convention, with Hydro One's current reporting practice, and with reporting by distributors in other Canadian regulatory jurisdictions, as defined by the Canadian Electricity Association. However, a literal reading of the RRR does not necessarily lead to the same definition. Hydro One's view is that

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
Lily I. Harmer
Andrew Lokan
John Monger
Odette Soriano
Andrew C. Lewis
Megan E. Shortreed
Massimo Starnino
Karen Jones
Robert A. Centa
Nini Jones
Jeffrey Larry
Emily Lawrence
Denise Sayer
Danny Kastner
Tina H. Lie
Jean-Claude Killey
Jodi Martin
Michael Fenrick
Susan Brown

HONORARY COUNSEL

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

the revised definitions in the new RRR could lead to misinterpretation that could significantly affect the reported metrics.

The PWU submits that it is not clear from Hydro One's application how the revised definitions in the new RRR could lead to "misinterpretation that could significantly affect the metrics." If Hydro One's concern is the use of the wording "Interruption for all Customers" instead of "Customer Interruptions", Hydro One needs to clarify the following:

1. Why does Hydro One need to request an exemption if, as a result of Hydro One's discussion with Board Staff, it has concluded that *"the revised definition of 'Interruption for all Customers' in the SAIFI and CAIDI equations means 'Customer Interruptions'?"*
2. The PWU notes that during the RRR consultation (EB-2009-0161), some intervenors, for example Vulnerable Energy Consumers Coalition ("VECC"), commented that the proposed wording [of 'Interruption for all Customers' vs. the previous wording of 'Customer Interruptions'] is open to misinterpretation and could be taken to mean only interruptions affecting all customers should be included in the calculation of the measure. The PWU understands that the Board's new RRR did not deal with that concern, which implies that the new wording was acceptable and did not need any revision. Does Hydro One have the same understanding? If not, what is the source of Hydro One's concern that the new definition could affect the way the CAIDI and SAIFI metrics are calculated and why does the company believe that the Board would overlook such an important matter that can have significant implications, notwithstanding the concerns raised in the comment of intervenors mentioned earlier?
3. Does Hydro One believe that its concern in this particular issue is also applicable to other utilities?
4. Is it Hydro One's view that the requested exemption (if deemed to be necessary and granted) is temporary? Does the company intend to alter its existing calculation of CAIDI and SAIFI to comply with what it believes is the new "definition"?
5. If Hydro One's concern is that the events which constitute 'interruption', what are those events in the new definition and how do they impact on the existing methodology?

Hydro One's request as related to the new RRR's definition of "Interruption for all Customers" lacks clarity and raises a number of questions, particularly given Hydro One's indication that its interpretation is in line with that of Board Staff, which almost renders this issue to be a non-issue. It is only after receiving the requested clarifications that the PWU can make a different conclusion.

The PWU, while supporting a system that enables better and more consistent and sound reliability reporting by utilities, does not want to see a reporting system that renders useless the reliability data that utilities have been building over the past decade. On the other hand, the PWU would support Hydro One's request for exemption if the new definition limits the company's ability to make use of its reliability data developed in prior years.

Subsection 2.1.4.2.7 - Momentary Average Interruption Frequency Index ("MAIFI")

Hydro One states that it does not have the capability to collect the information to report on this metric. Hydro One also notes that this metric is no longer supported by the Canadian Electricity Association ("CEA"), whose Service Continuity Committee reported that it was impractical to implement this metric due to the difficulty in collecting the required information. Therefore, Hydro One requests an exemption from this requirement in the new RRR.

The PWU's understanding is that the new RRR clearly indicates that distributors that do not have the systems capability to enable them to capture or measure MAIFI are exempted from this reporting requirement. The PWU, therefore, understands and supports the request for exemption.

On the other hand, the PWU does not support Hydro One's suggestion that this metric is no longer supported by the CEA, and hence, the implicit suggestion that it should be abandoned because it is 'difficult to collect the required information'. Reliability and service quality is an overarching goal of the PWU and therefore supports all reliability measures that indicate where a utility's performance stands.

It should be noted that newer and more robust system reliability and service quality standards could be developed, adapted or improved as distributors manage to gather sufficient and more reliable system data. MAIFI, while less reported than the CAIDI, SAIDI and SAIFI, is an important measure used by many utilities in other jurisdictions such as California and Michigan and helps to report temporary outages caused by, for example, contact with vegetation. MAIFI should be seen as one additional measure that complements the information acquired using the other indices.

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

Yours very truly,

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Original Signed By

Richard P. Stephenson
RPS:JR

Doc 762897v1

List of PWU Employers

Algoma Power
 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 – 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
 Infrastructure Health and Safety Association
 Innisfil Hydro Distribution Systems Limited
 Kenora Hydro Electric Corporation Ltd.
 Kincardine Cable TV Ltd.
 Kinectrics Inc.
 Kitchener-Wilmot Hydro Inc.
 Lake Superior Power Inc. (A Brookfield Company)
 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 Generation Partnership O.H.S.C.
 Vertex Customer Management (Canada) Limited
 Whitby Hydro Energy Services Corporation

