



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION

Licence Amendment for Exemptions from Certain
Electricity Reporting and Record Keeping
Requirements

Hydro One Networks Inc.

EB-2010-0172

August 3, 2010

INTRODUCTION

Hydro One Networks Inc. (“Hydro One” or the “Applicant”) filed an application dated May 21, 2010 with the Ontario Energy Board (the “Board”) under section 74 of the *Ontario Energy Board Act, 1998* (the “Act”) for an order of the Board granting Hydro One a licence amendment to Section 14 of its electricity distribution licence (ED-2003-0043). The amendment sought reflects a request for an exemption from sections 2.1.4.2.3 to 2.1.4.2.7, as well as 2.1.4.4 (b), 2.1.5.5 (f) and 2.1.5.5 (g) of the revised Electricity Reporting and Record Keeping Requirements dated May 1, 2010 (the “Revised RRR”). The Board assigned file number EB-2010-00172 to the application.

THE APPLICATION

Background:

Hydro One is seeking an exemption from certain subsections of sections 2.1.4 and 2.1.5 of the Revised RRR. The Board completed a consultation process on the development of the Revised RRR on December 18, 2009 (EB-2009-0161) for changes to take effect May 1, 2010. Hydro One participated in the consultation and raised concerns in relation to the Revised RRR one of which had to do with the inability of reporting Momentary Average Interruption Frequency Index (“MAIFI”) index (section 2.1.4.2.7) as defined in the Revised RRR. The Board accommodated Hydro One’s concern with respect to the reporting of MAIFI measures and amended the Revised RRR. Hydro One did not raise any other concerns during the consultation with respect to the exemptions sought. These requests are applicable to the first filing under the Revised RRR which is due by end of March 31 and April 30, 2011.

The Exemptions

Hydro One is seeking the following exemptions from the Revised RRR:

- a. Sections 2.1.4.2.3, 2.1.4.2.4, 2.1.4.2.5 and 2.1.4.2.6. These sections pertain to the reporting of the System Average Interruption Frequency Index (“SAIFI”) and Customer Average Interruption Duration Index (“CAIDI”) measures;
- b. Section 2.1.4.2.7, pertaining to the “MAIFI” measure;
- c. Section 2.1.5.5 b), pertaining to reporting of population within the distributor’s service area; and
- d. Sections 2.1.5.5 f) and 2.1.5.5 g), pertaining to reporting of kilometres of line.

Board staff’s submission with respect to each of the above requested exemptions is set out below.

Section 2.1.4 – Reporting on SAIFI and CAIDI Measures

Hydro One submits that as a result of a slight change in the wording of the definition of SAIFI and CAIDI in the Revised RRR there is ambiguity that could significantly affect reported metrics. Hydro One states continuing to report using the definition as per the 2006 Electricity Distribution Rate Handbook would not be in compliance with the Revised RRR. As a result, Hydro One is requesting an exemption from these measures. Board staff submits that although the wording in the definition of SAIFI and CAIDI has changed slightly in the Revised RRR, the actual data to be reported has not changed. This was communicated to Hydro One via an email from Board staff on March 16, 2010. It was also mentioned in the same email that Board staff intends to clarify definitions in the Revised RRR where it may be required. Board staff reiterates that the slight change in the definition does not change the data required. It is Board staff’s view that Hydro One would be meeting the reporting standards of the Revised RRR if they continue to provide the information as they have in the past.

Subsection 2.1.4.2.7 – Reporting on MAIFI Measure

Hydro One is requesting an exemption from subsection 2.1.4.2.7 as it does not have the capability to collect the required information. Hydro One raised similar concerns during

the consultation phase and the Board responded by including the following statement in subsection 2.1.4.2.7 in the Revised RRR: *“Distributors that do not have the systems capability that enables them to capture or measure MAIFI are exempted from this reporting requirement.”*

Under these circumstances, Board staff believes the specific exemption for Hydro One is not required, as the exemption is already available to all eligible distributors within the provisions of the Revised RRR.

Section 2.1.5.5 (b) – Reporting on Population

Previous versions of the RRR required figures for Service Area Population, Municipal Population, and Number of Seasonal Occupancy Customers.

From 2005 to 2008 Hydro One has provided this information which has been published in the Yearbook of Electricity Distributors (see below).

	2005	2006	2007	2008
Due	30-Apr-06	30-Apr-07	30-Apr-08	30-Apr-09
Service area population	2,865,000	2,898,691	2,892,713	2,891,523
Municipal population	2,865,000	2,898,691	2,892,713	2,891,523
Number seasonal occupancy customers	153,598	154,758	154,779	155,898

The Revised RRR combines the data requirements as follows:

2.1.5.5 (b) Population within licensed Service Area in total, and broken down by municipal population and seasonal occupancy population.

Hydro One has requested an exemption from this section of the Revised RRR on the basis that it does not have a record of the total population or the population in the municipalities it serves, and therefore cannot report this statistic. Board staff does not

believe that Hydro One requires an exemption as the information requested in the Revised RRR is identical as the information provided by Hydro One in past years.

Section 2.1.5.5 (f) & (g) – Reporting on Kilometres of Line

From 2005 to 2008 Hydro One has provided the total kilometres of line, as well as the breakdown of the line by overhead and underground line and by line type (single phase, 2 phase and 3 phase) as set out below. This information has also been published in the Yearbook of Electricity Distributors from 2005 to 2008.

	2005	2006	2007	2008
Due	30-Apr-06	30-Apr-07	30-Apr-08	30-Apr-09
Total kms of line	119,630	119,859	120,231	120,516
Kilometers single phase	70,920	71,055	71,273	71,442
Kilometers 2 phase	3,575	3,582	3,595	3,603
Kilometers 3 phase	45,135	45,221	45,363	45,471
<i>Sub-total</i>	<i>119,630</i>	<i>119,858</i>	<i>120,231</i>	<i>120,516</i>
Overhead kms of line	115,410	115,629	115,990	116,265
Underground kms of line	4,220	4,230	4,241	4,251
<i>Sub-total</i>	<i>119,630</i>	<i>119,859</i>	<i>120,231</i>	<i>120,516</i>

There is no change in this requirement in the Revised RRR compared to the previous versions of RRR.

In the current application, Hydro One submits that in prior years, circuit kilometres have been provided in the RRR. Currently route kilometres are required. Hydro One submits that it cannot provide the required breakdown of route kilometres because it does not presently have the capability to report this data.

However, in Hydro One's 2009 electricity rate application (EB-2009-0096), Hydro One provided circuit kilometres of line data, figures from which are given in the table below. Since this data differs from the information provided in the RRR, staff submits that

Hydro One should clarify the difference between the circuit kilometres reported in the rate application and the circuit kilometres reported in the RRR from 2005 to 2008.

From Application					
Reference: Filed 19 October 2009/EB-2009-0096/Exhibit H/Schedule 15/Page 1 of 2					
Response to Interrogatory #15 List 1 Issue 3.1					
	2004	2005	2006	2007	2008
OM&A(\$M)	346	362	399	486	471
OM&A Per Circuit Km	2,531	2,615	2,846	3,419	3,277
Calculated by staff					
Circuit Kms	136,689	138,481	140,302	142,276	143,843
Comparison with RRR Reporting					
RRR Kms		119,630	119,859	120,231	120,516
Difference kms.		18,851	20,443	22,045	23,327
% Difference		16%	17%	18%	19%

Board staff is aware of the ambiguity involved in the requirement for reporting of kilometres and will be working towards clarification on these issues. However, Board staff submits that the breakdown of overhead and underground kilometres of line is important data and one of the parameters used in the benchmarking study to identify utility cohorts and should be provided.

CONCLUSION

Staff submits that Hydro One has provided the information required under the Revised RRR in prior years within the RRR. Board staff submits that Hydro One should be required to provide this information on the same basis it has in the past.

Board staff is examining areas in the Revised RRR where clarifications may be helpful. The Board will be looking at clarifying a number of sections of the Revised RRR in the future in order to provide guidance to all electricity distributors before the 2010 RRR filings due by March 31 and April 30, 2011.

In these circumstances, Board staff suggests that it would be premature to grant an exemption to Hydro One before further work is completed and further clarifications are obtained from the Board. Staff has accommodated Hydro One's requests related to reporting in the past and is open to continued dialogue to provide feedback and clarify interpretations of the Revised RRR.

All of which is respectfully submitted.