



NOTICE OF PROPOSAL TO AMEND A CODE
PROPOSED AMENDMENTS TO THE DISTRIBUTION SYSTEM CODE
BOARD FILE NO: EB-2008-0001

BY E-MAIL AND WEB POSTING

**To: All Licensed Electricity Distributors
All Participants in Consultation Process EB-2008-0001
All Other Interested Parties**

The Ontario Energy Board (the "Board") is giving notice under section 70.2 of the *Ontario Energy Board Act, 1998* (the "Act") of its proposal to amend the Distribution System Code (the "Code").

Background

The Code sets the minimum conditions that an electricity distributor must meet in carrying out its obligations to distribute electricity under its licence and the *Electricity Act, 1998*. All licensed electricity distributors in the province must comply with the provisions of the Code as a condition of their licence.

The purpose of the proposed Code amendments (the "Amendments") is to establish a set of customer service electricity service quality requirements (the "ESQRs") for electricity distributors. The Amendments will also set out performance standards for the ESQRs that distributors must meet. The Board's commitment to implementing such requirements was expressed in its 2007-2010 Business Plan. The Amendments are attached to this notice as Appendix A.

To facilitate discussion of issues pertaining to ESQRs, a Board Staff Discussion Paper was issued on January 4, 2008 (the "Discussion Paper"). The Discussion Paper presented an overview of issues related to establishing ESQR requirements that distributor's would need to comply with through amendments to the Code. The

Discussion Paper provided background on the development of service quality regulation in Ontario, and set out a number of staff proposals.

These proposals included adding 4 of the existing customer related service quality indicators¹ that distributors have been monitoring and reporting on since 2000 in to the Code. Staff also proposed adding three new customer related service quality indicators² as requirements under the Code.

In regard to the three existing system reliability indicators³ that distributors have been monitoring and reporting on since 2000, the Discussion Paper recommended that these not be added to the Code at this time for several reasons relating to data availability and analysis that must be undertaken. The Discussion Paper suggested that the definition of these three reliability indicators could be improved and clarified. Included in these changes would be the requirement to report reliability data both inclusive and exclusive of outages due to loss of supply which should help provide greater insight into the reasons for system outages.

In addition to recommending that the three current system reliability indicators continue as reporting requirements, the Discussion Paper also proposed that a number of new system reliability related monitoring and reporting requirements⁴ be added to the Board's Reporting and Record Keeping Requirements ("RRR"). Consideration of these proposed new requirements, as well as changes to the existing system reliability definitions, are not part of this Code amendment process. Therefore, any revisions to the RRRs will be dealt with separately by the Board and will not be discussed in this Notice.

The Board received 14 comments on the Discussion Paper, chiefly from electricity distributors but also from groups representing consumers, businesses and electricity distributor employees. The Discussion Paper and the comments received are available on the Board's website.⁵ Both the Discussion Paper and the comments submitted in response to it have been of assistance to the Board in considering what ESQRs will be implemented at this time.

¹ Connection of New Services, Appointments Met, Telephone Accessibility, and Written Response to Enquiries.

² Appointment Scheduling, Rescheduling a Missed Appointment and Telephone Call Abandon Rate.

³ System Average Interruption Duration Index, System Average Interruption Frequency Index and Customer Average Interruption Duration Index

⁴ Worst Performing Circuits, System Restoration Times, Interruptions Effecting Embedded Distributors and Momentary Interruptions.

⁵ http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_elec_service_quality.htm.

Review of General Stakeholder Comments on Discussion Paper

The following is an overview of the general concerns raised by stakeholders regarding an ESQR regime that is part of the Code.

System Reliability ESQRs

The Discussion Paper addressed the question as to whether certain system reliability measures, namely System Average Interruption Duration Index (“SAIDI”), System Average Interruption Frequency Index (“SAIFI”) and Customer Average Interruption Duration Index (“CAIDI”) should become part of the Code or be used for monitoring purposes only.

The Discussion Paper recommended that the three reliability measures should be used for monitoring purposes only for now. This approach flowed from the following observations:

- there is currently no objective measure of the level of reliability that might be considered appropriate or adequate for the sector generally, or for individual distributors or groupings of distributors;
- there is currently no information respecting the costs that may be associated with having distributors meet any given standard; and
- a comparison of Ontario distributors’ system reliability performance against the system reliability performance of distributors across Canada, as indicated by Canadian Electricity Association data, shows that 75% - 85% of Ontario distributors provide better reliability than the Canadian average.

A number of interested parties raised concerns regarding the proposal in the Discussion Paper. The Power Workers Union (“PWU”) along with the Vulnerable Energy Consumers Coalition (“VECC”) argued that minimum reliability standards coupled with financial penalties should be implemented as part of the ESQR regime in order to ensure that service quality is not compromised and that the Board has the power to provide sanctions for declining reliability. PWU also submitted that after eight years of collecting reliability data, the Board should have had sufficient time to gain experience with results to be able to implement reliability standards as part of the Code.

The London Property Management Association (“LPMA”) accepted that adoption of mandatory reliability standards are not possible at this time but submitted the view that steps should be taken now to ensure the collection of accurate and comparable data that can be used in the near future.

The Board is of the view that system reliability is an important measure of a distributor's service quality and it is committed to the adoption of reliability standards into the Code in the near future. It is the Board's view that such action is not an appropriate step to take at this time.

The Discussion Paper identified a concern that the system reliability data that distributors have been providing has not been reported consistently amongst all distributors. The Discussion Paper also recommended changes to improve the quality of the reported data, including requiring distributors to provide their performance results with both the inclusion and exclusion of outages caused by a loss of supply. For these reasons, the Board is of the view that the reliability data reported to the Board does not provide a true representation of a distributor's performance. Therefore, the Board is not convinced that this data is suitable to use as a basis for setting a performance standard.

The Board also believes that research must be completed in order to determine the level of reliability that is appropriate; what other system reliability measures maybe be considered; the potential impact on distributor costs and rates that will result from setting a standard and the nature of any transitional measures that may be needed.

The Board expects that the amendments to the RRR will be implemented within the next year and that relevant outstanding issues will be addressed in the Board's Asset Management initiative which will launch this year.

Once the Board has accumulated sufficient pertinent data to allow for proper analysis, the Board will add system reliability standards to the Code with associated performance standards.

The Board wishes to stress that this decision to defer in no way diminishes the importance that the Board places on system reliability. As reflected above the Board considers system reliability issues to be closely interrelated with issues that will be considered as part of the Asset Management initiative. It is also the Board's view that the very intent to codify reliability standards necessitates the re-evaluation of the both the type of data that should be collected and the manner in which it is collected.

The Board is committed to obtaining an accurate and meaningful measure of ongoing system reliability and also making determinations of the appropriate level of system reliability through an examination of the associated costs and benefits. This will result in the Board's ability to codify reliability standards as intended.

Timing for Implementing ESQRs

The Discussion Paper suggested that the Board immediately move to establishing an ESQR regime that would become part of a distributor's regulatory requirements through

the Code. This would include codifying both the revised existing service quality indicators and the proposed new ESQRs.

In response to the Discussion Paper, interested parties raised several concerns regarding the proposal to move forward with implementing ESQRs as part of the Code at the current time. A number of distributors recommended that the implementation of ESQR be phased in through a multi stage process where there will be continued consultations to clarify the definitions and method of calculations and then, after an appropriate monitoring period where standards could be set and adjusted based on actual performance achieved, the ESQRs could then become part of the Code. A number of distributors also argued that any new ESQRs be implemented as monitoring and reporting requirements only until it is determined that all distributors are reporting consistently.

The PWU suggested that new ESQRs should be developed in consultation with stakeholders and that both the existing and new ESQRs should form part of any future incentive regulation plans.

After working with the existing customer service standards as a guideline for many years, the Board is confident that distributors have been generally consistent in their interpretation and filing of those ESQRs and should be well prepared to implement them as part of a Code requirement. These Amendments will not come into force until the start of the next reporting period for ESQRs which is January 2009. This implementation period should provide distributors with ample opportunity to prepare to meet mandatory requirements. If distributors have questions about the implementation of the amendments, they can contact the Market Operations hotline⁶ for assistance.

In regard to the concern raised that it would be inappropriate to make the new ESQRs mandatory, the Board is not persuaded by the parties' arguments. It is the Board's view that the new ESQRs are extensions of the existing ESQRs and represent practices that distributors are likely to have already implemented. The introduction of the new ESQRs will also address deficiencies in the existing ESQRs. For example having a requirement to fulfil an appointment at the promised time is important but effective customer service also requires a commitment to reschedule the appointment if it is cancelled or missed. Therefore, there does not appear to be any reason to wait until after a period of monitoring to make these performance standards mandatory.

Performance Standard Levels

For each of the existing ESQRs, the Discussion Paper proposed raising the required performance standard to an average between the existing standard and the historical average performance reported by distributors.

⁶ market.operations@oeb.gov.on.ca

A number of interested parties raised concerns regarding the proposed performance standards. The LPMA disagreed with the proposed standards because it believes the standards should be set at the historical performance levels, not below the recent levels. Their concern is the proposed levels would allow distributors to reduce their performance while still meeting a minimum standard.

VECC submitted that the most reasonable approach to setting standards is to use an “internal” standard which assesses the track record of the specific utility over time and calculates an the average performance as a standard on an individual utility basis. The Association of Major Power Consumers Ontario (“AMPCO”) argued that being able to exceed a standard is not itself a justification for raising the standard.

Distributors argued that that raising of performance standards should not be done concurrently with the proposed modification of definitions, as the proposed modifications will result in significant changes to the status quo. Distributors submit that as a result of these changes, a distributor’s past performance cannot be relied upon to accurately establish mandatory performance standards for the future.

The Board recognises that the proposed revisions and/or clarifications of the existing ESQRs could have a significant impact on a distributor’s performance. Therefore, it is reasonable to assume that the use of historical performance to set future performance levels would not be appropriate. As a result, it is the Board’s view that the performance standards for the existing ESQRs should remain at the existing levels. The performance levels for the new ESQRs will be established either at the same level as was established for the equivalent Natural Gas SQR or to match an equivalent existing ESQR.

The Board acknowledges the comments from the LPMA and VECC and notes that these performance requirements are introductory standards and once the Board and the industry have historical data on the performance of the new and revised ESQRs, the Board has the option of changing the standards accordingly.

Eliminating a Specific ESQR for Underground Cable Locates

The Discussion Paper suggested that an ESQR for underground cable locates not be implemented. Instead the requirement to provide timely cable locates would be identified as part of the Appointments Met ESQR. Part of the justification for this proposal was that the ESA already has a standard for completing cable locates.

VECC disagreed with the suggestion to not implement a cable locate ESQR. It is their view that the ESA standard is only a minimum standard and that the Board should have its own requirement. All other comments supported the suggestion. However, many parties raised a concern with the recommendation of adding the monitoring of cable locates to be within the Appointments Met ESQR. These parties pointed out that cable

locates are often completed without the presence of the customer, as a result the four hour appointment window in the Appointments Met ESQR is not applicable.

The new Appointments Scheduling ESQR establishes a requirement that a distributor must offer to schedule a service appointment within 5 days or on a date agreed to with the customer. This ESQR applies whether the presence of the customer is necessary or not. In the Board's opinion, cable locates can be considered a service appointment. Therefore, it is the Board's view that the new Appointment Scheduling ESQR is the appropriate place to monitor the distributor's performance in regards to providing timely cable locates. This change in no way relieves a distributor of the same performance requirements that were established by the existing service quality guidelines, it simply streamlines the implementation of the ESQR regime.

The Board also considers it appropriate to include cable locates in the Appointments Met ESQR, as this ESQR will ensure that when a distributor is required to meet the customer to complete a locate, this meeting occurs within the specified 4 hour window and is rescheduled quickly if the missed.

Consideration of Conservation and Demand Management Activities in ESQRs

The Coalition of Large Distributors ("CLD") noted that the Discussion Paper made no reference to the Report of the Board on the Regulatory Framework for Conservation and Demand Management by Ontario Electricity Distributors issued on March 2, 2007.⁷ That report stated that consideration of a distributor's CDM activities, both OPA funded and distribution rate-funded, as they relate to service quality, should form part of the Board's ESQR review.

At page 23 of the CDM Report, the following issue was raised regarding service quality regulation:

While the effect of the Board's approach to cost and revenue allocation is to maintain a financial separation between CDM activities funded by the OPA and activities funded through distribution rates, it is not clear how distributors might separately track service performance for each type of activity, especially where distributors are sharing resources such a call centres between CDM activities and other activities undertaken by the distributor, and between CDM activities funded by the OPA and CDM activities funded through distribution rates.

It is the Board's view that the ESQR regime is designed to ensure that distributor ratepayers continue to receive a certain level of performance. As a result, the Board

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http://www.oeb.gov.on.ca/documents/cases/RP-2004-0203/cdm_brdreport_20070302.pdf

believes that any activities that a distributor may engage in that are not funded through distribution rates should not impact the quality of service its distribution customers receive. Therefore, there should be no attempt to separately track service performance between CDM activities and other activities undertaken by the distributor and there will be no adjustments made to the ESQRs to account for CDM activities.

Major Event Days

When commenting on the ability to meet the proposed performance standards, many distributors raised the issue of the effect of extraordinary events like storms (also known as “Major Event Days”) have on a distributor’s performance. They submit that the Board’s ESQR regime should have a mechanism in place that recognizes the effect of Major Event Days.

It is the Board’s view that the performance standards have already been designed to recognize that there may be periods when a distributor is unable to perform at the required level. The Board’s compliance process may also take causes like Major Event Days into account when assessing compliance. Therefore, it is not necessary to establish any formal policies regarding the effect of Major Event Days on meeting the performance standards.

Summary of the Amendments and Specific Stakeholder Comments

The Amendments will add the following ESQRs to the Code:

- Connection of New Services;
- Appointment Scheduling;
- Appointments Met;
- Rescheduling a Missed Appointment;
- Telephone Accessibility;
- Telephone Call Abandon Rate;
- Written Response to Enquiries; and
- Emergency Response.

The following synopsis provides a brief description of the ESQRs, a review of the comments received from stakeholders in response to the Discussion Paper, and the Board’s response to those comments.

Again, the Amendments are set out in Appendix A.

Connection of New Services

This proposed ESQR was one of the original performance indicators established in 2000 and measures the percentage of requests for new services that are met within the minimum performance standard.

The Discussion Paper recommended that the provision of high and low voltage connections should be combined into one performance standard. Some parties felt that this was acceptable, while others felt that the provision of the two types of connections needed to be kept separate since the amount of work involved differed. The Board accepts the argument that there should be separate performance standards for low and high voltage connections.

Another suggestion in the Discussion Paper was that this ESQR should only apply to instances where an additional meter was installed on the distribution system. Some parties felt that situations where connection work was necessary due to a service upgrade should also be included in the calculation of this ESQR since the desire to have a connection provided in a timely manner is the same whether the service is new or upgraded.

The Board recognizes the fact that customers who need a connection, whether it is new or upgraded, do need that connection completed in a timely manner. Therefore, the Board considers the suggestion to add service upgrades into the calculation to be reasonable. The Board is concerned that there may be some uncertainty around what constitutes a service upgrade. In order to help provide clarity, there will also be a definition for "new service" in the Amendments and the definition will clarify that it applies only to those instances where an Electrical Safety Authority ("ESA") inspection certificate is required to complete the connection.

Appointment Scheduling

This proposed ESQR is a new requirement and measures the percentage of requests for an appointment that are met by the required date.

Many parties felt this ESQR has merit and is consistent with current business practices. Others felt the ESQR was unnecessary in light of the fact that it does not appear to be a major concern among customers.

The Board recognizes that in addition to ensuring a distributor meets its appointments at the scheduled time (as provided for in the Appointments Met ESQR), it is also important that distributors schedule appointments within a certain period of time. The Connection of New Services ESQR addresses this issue in relation to new services. The Amendments establish this new Appointment Scheduling ESQR to address this issue in relation to all other services which a distributor provides. The Board's view is that there is a valid customer service benefit to requiring distributors to schedule appointments

with customers within a reasonable time period. The Board also believes that establishing this ESQR is important in light of the fact that the Amendments do not include a separate ESQR for underground cable locates. This ESQR will maintain a distributor's responsibility to respond to requests for underground cable locates in a timely manner.

Certain distributors submitted that it would not be feasible to schedule all customer appointments within the same standard. They provided the example of the different priorities relating to the reconnecting of a customer upon payment of arrears and the need to schedule an in-home energy audit. The Board notes that the standard does not limit distributors from scheduling an appointment as soon as possible in a priority situation. The Board also expects that instances where an appointment can not be met within the standard would be minimal and the standard is set at 90% of the time to account for such occurrences.

Appointments Met

This proposed ESQR was one of the original performance indicators established in 2000 and measures the percentage of appointments either at a distributor's office or at a customer's premises or work site that are met within the appointed time periods.

Many Parties provided suggestions on how to improve the description of this ESQR. These suggestions included limiting the calculation of this standard to only those appointments which require the presence of a customer or the customer's representative; restricting this requirement to the distributor's regular hours of operation; and clarifying that the appointment would still be considered "met" if it is the customer or representative who has failed to attend. The Board considers all of these suggestions to be reasonable.

The Discussion Paper also recommended that this ESQR not apply to meetings with contractors or engineers. Staff based this suggestion on a recommendation by the participants of the Board's 2003 Service Quality Consultation. Those participants felt that the likelihood of a distributor missing such an appointment would be infrequent and it was therefore unnecessary to include it in this ESQR. AMPCO raised a concern over this suggestion submitting that since these types of appointments requires the presence of costly customer representatives that they too should be included in the ESQR. Other parties suggested that a reference to appointments that are scheduled by a customer's representative should be added to the definition of the ESQR. The Board's view is that it is reasonable to expect that meetings with a customer's professional and technical representatives be held to the same standard as those held directly with customers. Therefore the proposed amendments will specifically reference that the appointments included in the ESQR are those which occur directly with the customer or the customer's representatives. Meetings with the distributor's own contractors, consultants, affiliate staff, etc. are not to be considered appointments for the purpose of this ESQR.

ENWIN requested clarification on the distinction between this ESQR and the Connection of New Services ESQR, as one allows for a five day window and the other sets a four hour time frame. It is the Board's view that both Connection of New Services and the new Appointment Scheduling ESQRs are intended to ensure that distributors provide needed services in a timely manner. The intention of the Appointments Met ESQR is to ensure that once distributors have a scheduled a specific day to perform a service, they arrive during the expected time.

Rescheduling a Missed Appointment

This proposed ESQR is a new requirement and measures the percentage of appointments which are rescheduled within the required time period.

Some stakeholders felt that this ESQR was a logical extension of the Appointments Met ESQR while others felt it was not required given the infrequency of missed appointments.

The Board believes that rescheduling missed appointments is a task one would normally expect distributors to undertake. It would also be expected that a distributor would have a system in place to ensure that it has completed all necessary rescheduling needs. Under the Board's Natural Gas Distributor SQR regime, there is a specific and separate requirement for the rescheduling of a missed appointment. Therefore, it is the Board's view that implementing a similar requirement for electricity distributors is appropriate and will ensure customers are provided with rescheduled appointments in a timely manner.

In their comments, certain distributors described a typical process where a customer is informed of a missed appointment by field staff but the booking of a new appointment is done by office staff. As a result, if an appointment scheduled for the end of the day is missed, field staff will advise the customer but office staff will not be able to reschedule until the next day. Therefore, these distributors submit that it will not always be feasible to meet the 2 hour rescheduling requirement set out in the Discussion Paper. The Board acknowledges the situation presented by distributors and believes that it is reasonable to define the ESQR as a two step process: 1) distributor staff would first have to call the customer before the scheduled appointment to inform the customer the appointment will be missed; and 2) the distributor would then have to reschedule the appointment within 24 hours.

Other distributors submitted that the standard should be limited to requiring that a distributor make an *attempt* to contact the customer because the ability to reach the customer to reschedule is not always within the distributor's control. It is the Board's view that it is reasonable to limit the requirement to the making of an "attempt" to reschedule the missed appointment. Distributors would then be expected to ensure they have a record that indicates that an attempt to contact the customer was made (including, for example, the phone number called).

Similarly, the Board agrees with another suggestion from parties that this ESQR not apply to situations where the appointment was missed due to the failure of the customer to attend the appointment.

Telephone Accessibility

This proposed ESQR was one of the original performance indicators established in 2000 and measures the percentage of incoming calls to a distributor's customer care telephone number that are answered within the required time period.

The Discussion Paper posed the question as to whether the definition of this ESQR should be limited to customer care related calls or include general and administrative calls as well. In response, the LPMA suggested that general and administrative inquiries be included in this ESQR because it is their view that customer care is not just related to account or service enquiries. However, almost all other submissions suggested that the standard be limited to customer care calls due to the fact that existing tracking systems have not been designed to monitor administrative types of call. Also, it was suggested that many of the general and administrative enquiries may be directed to management personnel and in such cases, the use of voice-mail is appropriate.

The Board believes that the most effective use of this ESQR lies in ensuring a distributor's ability to provide the highest level of telephone response to customer matters rather than the conduct of administrative matters. The comparable requirement in the Natural Gas Distributor SQR regime supports this approach by limiting the application of the natural gas SQR to calls relating to "billing, collection, emergencies, and meter appointments". As a result, it is the Board's view that this ESQR should be applied to customer care calls only.

Some distributors asked for clarification on the time period in which the standard applies and whether it applies to each individual customer care phone number or to the aggregate performance based on all call activity to all customer care phone numbers. The Board takes this opportunity to clarify that this ESQR applies during the time period that a distributor's customer call centre is regularly in operation, which could be 9am – 5pm for some distributors and 24 hours for other distributors depending on their operation. Also, the calculation of this ESQR should be based on the aggregate performance of all call activity to all customer care phone numbers.

Telephone Call Abandon Rates

This proposed ESQR is a new requirement and measures the percentage of calls to a distributor's customer care number that are abandoned before they are answered by the distributor.

Some parties believe that this ESQR is a natural addition to the “Telephone Accessibility” ESQR while others believe that another telephone related ESQR is unnecessary.

In Board’s opinion the Telephone Accessibility ESQR deals with how quickly a customer’s call is answered but does not provide an indication of how many customer calls are abandoned before being answered. It is the Board’s view that this ESQR will provide additional insight into a distributor’s telephone service performance. Under the Board’s Natural Gas Distributor SQR regime, there is a specific requirement relating to abandoned telephone calls. Therefore, the Board believes that implementing a requirement for electricity distributors that is similar to the Natural Gas Distributor SQR is appropriate and will ensure that customers are not frustrated by an inability to reach the distributor.

The CLD has suggested that the definition of this ESQR applies only to calls which have been abandoned after being on hold for 30 seconds. The Electricity Distributor’s Association (“EDA”) pointed out that during power outage situations, some distributors will broadcast an automated message on their phone system. Many customers will end the call after hearing the automated message. Therefore, the EDA submits that such calls should not be counted as abandoned calls.

The Board understands that there may be reasons for a customer to abandon a call that have no relation to being dissatisfied with the distributor’s service. Therefore, the Board agrees that it is reasonable to add a 30 second hold time limit to the definition of this ESQR. Such a definition will likely address the EDA’s concern and would be consistent with the Telephone Accessibility ESQR which requires a distributor to answer a call within 30 seconds.

Written Responses to Enquiries

This proposed ESQR was one of the original performance indicators established in 2000 and measures the percentage of written responses to enquiries that are made within the required timeframe.

As with the Telephone Response ESQR, some parties suggested that this ESQR be limited to enquiries relating to customer care and other parties suggested that general and administrative enquiries be included. The Board is of the view that it is more effective to limit this ESQR to customer care enquiries.

The Discussion Paper proposed this requirement be based on any written enquiry received. A number of distributors raised a concern that the wording for this proposal significantly expands the scope of the requirement from the existing guideline, which applied this measure only to enquiries that require a written response. As a result, the proposed requirement will be much more difficult to meet than the existing measure.

The Board acknowledges that simply because the distributor receives a written communication does not mean that a response is required in writing. There will be instances where a verbal response may be appropriate. There will also be instances where a verbal enquiry will require a written response. Therefore, the Board recognizes the concerns raised by distributors and believes that it would be most effective to change this ESQR to providing a written response to any enquiry only where a written response is required or necessary. The Board anticipates that there may be questions about how to determine whether a written response is required or necessary. Therefore, the Amendments will also include direction that the ESQR will apply only to a qualified enquiry where a written response is requested by the customer or a representative of a customer.

Other distributors have raised a concern relating to the ability to meet the performance standard when e-mails are included as qualified enquiries. The Board expects that the clarification that this ESQR will only apply to instances where a written response is requested by a customer or representative of a customer will address this concern. However, as a further effort to relieve distributor's concerns, the Amendments will also clarify that an acceptable response could include an acknowledgement of the enquiry along with a commitment to provide a more through response by a certain date.

Emergency Response

This proposed ESQR was one of the original performance indicators established in 2000 and measures the percentage of emergency responses that are made within the required time period.

The Discussion Paper posed the question as to whether an emergency response ESQR was necessary. This recommendation was based on the opinion presented by the participants in the Board's 2003 Service Quality Consultation who submitted the view that there are other factors and pressures greater than an ESQR that already work to ensure that a distributor reacts to emergency events as quickly as possible.

Staff research conducted during the development of the Natural Gas Distributor SQR regime and for the 2003 Discussion Paper on electricity distributor service quality regulation revealed that the use of an emergency response SQR is not widespread in other jurisdictions. However, due to safety risks, it was felt necessary to include such a requirement in the Natural Gas Distributor SQR regime.

In response to the Discussion Paper's question, interested parties made several observations. Some parties believed an "Emergency Response" ESQR should be mandatory due to the public safety implications. Other parties suggested that this ESQR is unnecessary since the ESA has the responsibility for regulating distributors in regards to public safety, and because there is little or no evidence that distributors are underperforming their emergency responsibilities.

The Board is confident that distributors take both their public safety and system management responsibilities seriously. However, the Board believes that it would be in the best interests of consumers to establish a standard level of Emergency Response performance to be required by distributors.

Many parties also commented that in order for this ESQR to be effective, a more precise definition of what constitutes an “emergency” is required. Some of the comments received suggested that an “emergency” be defined to include all instances of downed lines and/or the existence of other potentially unsafe electrical distribution apparatus. The Board recognizes that response to these types of public hazard events can also involve emergency first response groups such as fire and or police services. The Board is of the view that its consideration of utility response to these types of events is most appropriately considered as restoration activities. The addition of a monitoring and reporting requirement for system restoration times will be considered as part of the review of the RRR which will form the next stage of this initiative. If such a requirement is added to the RRRs, there would need to be an appropriate period of time allowed to collect and analyse the performance data before an appropriate mandatory standard could be developed. Therefore, the Board does not feel it is appropriate to set a standard for responding to instances of downed lines at this time.

Typically an “emergency” for the purposes this ESQR has been interpreted to mean a response to a call from emergency service providers. The Board is of the view that this interpretation is appropriate. Therefore, the definition of an “emergency” for the purposes of this ESQR will be limited to instances where the assistance of the distributor has been requested by fire, ambulance and police services.

Anticipated Costs and Benefits of the Amendments

In response to the Discussion Paper, a number of parties raised concerns that the proposals will lead to major increases in monitoring and reporting costs but offer no real increase in customer protection.

In the Board’s view, the implementation of a mandatory ESQR regime is necessary to ensure that the provision of quality service to customers is maintained during an incentive rate making regime. The anticipated benefit of the ESQRs is the preservation of an appropriate level of service to customers of regulated monopoly electricity distributors.

The Board has taken into consideration the current practices of electricity distributors with respect to the proposed ESQRs. The Board believes that there should be minimal additional costs associated with making the existing ESQRs mandatory, since distributors have been monitoring and reporting their performance of the majority of the ESQRs outlined in the Amendments since 2000.

The Amendments also include three new ESQRs, namely, Appointment Scheduling, Rescheduling a Missed Appointment, and Telephone Call Abandon Rate. The Board recognizes that there will be some additional costs to implementing, monitoring and reporting the new ESQRs. However, the “time to reschedule an appointment” and “appointment scheduling” are activities which a distributor should logically be undertaking as part of its provision of service to customers. As a result, those distributors should already have systems in place to monitor the provision of these tasks to ensure these activities are undertaken in an efficient manner. The ability to monitor the “telephone call abandon rate” is a question of technology. If a distributor has the technology to monitor the call answer time, it may be that the same equipment can monitor how many customers abandoned their call. However, the Board recognizes that meeting that ESQR may be a challenge for those distributors who do not have the necessary equipment.

Overall, the Board anticipates that ratepayers will achieve a benefit from ensuring that distributors provide a standard level of service. The Board also anticipates that distributors and ratepayers will benefit from the clarifications in the Amendments as they will all have a clearer understanding of their rights and obligations. In proposing the Amendments, the Board is of the view that the anticipated benefits outweigh any costs that might be incurred or borne.

Coming into Force

The Board is proposing that the Amendments come into force on January 1, 2009, which is the beginning of the next annual tracking period for ESQRs.

Cost Awards

Cost awards will be available under section 30 of the *Ontario Energy Board Act, 1998* to eligible participants in relation to the provision of comments on the Amendments, **to a maximum of 10 hours**. The costs awarded will be recovered from all licensed electricity distributors based on their respective distribution revenues.

Appendix B contains important information regarding cost awards for this consultation process.

In its January 28, 2008 Decision on Cost Eligibility, the Board determined that the following four participants would be eligible for costs in relation to the consultation on the Discussion Paper: the Association of Major Power Consumers in Ontario; the Building Owners and Managers Association of the Greater Toronto Area; the London Property Management Association; and the Vulnerable Energy Consumers Coalition. Those same participants will be considered eligible for costs in relation to this notice and comment process and need not submit a further request for cost eligibility.

Invitation to Comment

All interested parties are invited to submit written comments on the Amendments by **April 14, 2008**.

Three (3) paper copies of each filing must be provided, and should be sent to:

Kirsten Walli
Board Secretary
Ontario Energy Board
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2300 Yonge Street
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Toronto, Ontario
M4P 1E4

The Board requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the Board's web portal at www.errr.oeb.gov.on.ca. A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at www.oeb.gov.on.ca, and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at boardsec@oeb.gov.on.ca.

Those that do not have internet access should provide a CD or diskette containing their filing in PDF format.

Filings to the Board must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2008-0001** and include your name, address, telephone number and, where available, your e-mail address and fax number.

This Notice, including the attached Amendments and all written comments received by the Board in response to this Notice, will be available for public viewing on the Board's web site at www.oeb.gov.on.ca and at the office of the Board during normal business hours.

If you have any questions regarding the Amendments described in this Notice, please contact Paul Gasparatto at paul.gasparatto@oeb.gov.on.ca or at 416-440-7724. The Board's toll free number is 1-888-632-6273. The Board's Market Operations Enquiry e-mail is market.operations@oeb.gov.on.ca

DATED at Toronto, March 12, 2008.

ONTARIO ENERGY BOARD

Original Signed By

John Pickernell
Assistant Board Secretary

Appendix: A - Proposed Amendments to the Distribution System Code
 B - Cost Award Eligibility

Appendix A - Proposed Amendments to the Distribution System Code

Section 1.7 of the Code will be amended to add in the following sentence at the end of the section:

All of Chapter 7, Service Quality Requirements, comes into force on January 1, 2009.

7.0 SERVICE QUALITY REQUIREMENTS

7.1 Definitions

In Chapter 7, the following words have the meanings set out below.

“answered” means connected to a person that is a representative of the distributor. Connection to a voice mailbox or an answering machine, or placing a person in a queue, does not constitute answering.

“customer care telephone number” means any telephone number that is dedicated exclusively to, and given to the public by the distributor for, the purpose of contacting the distributor on matters concerning customer care, including customer account enquiries and other customer service enquiries. Where a distributor does not have a telephone number dedicated exclusively to matters concerning customer care, any telephone number given to the public for the purpose of making enquiries of the distributor shall be deemed to be a “customer care telephone number”.

“emergency call” means a call where the assistance of the distributor has been requested by fire, ambulance or police services.

“qualified enquiry” means an enquiry received by a distributor from a customer or representative of a customer pertaining to the customer’s existing or prospective service in which a written response is requested by the customer or representative of the customer or determined by the distributor to be necessary. A “qualified enquiry” does not include any of the following, which shall be addressed in accordance with other applicable requirements: cable locate requests; retailer Service Transaction Requests; and enquiries of a general nature not relating specifically to service currently provided to a customer or to a new service being requested by a customer.

“qualified incoming calls” means calls that are received during the regular hours of operation of a distributor’s customer call centre and are either:

- (a) telephone calls for which the customer normally reaches a customer service representative directly or has been transferred to a customer care line by a general operator; or
- (b) telephone calls in which the customer has reached the distributor's Interactive Voice Response ("IVR") system and selected the option of speaking to a customer service representative.

The following are not "qualified incoming calls":

- (a) telephone calls that are abandoned by the customer prior to asking for a customer service representative; and
- (b) telephone calls for which the customer elects IVR self-service.

"new service" means a connection that requires an Electric Safety Authority certificate before the connection can be completed. This includes, but is not limited to, connections associated with a service upgrade and connections that involve the installation of an additional meter on the distribution system where no meter previously existed. Replacing an existing meter is not a new service.

"service conditions" means any condition that must be satisfied before the service will be provided and may include the payment of connection fees, the signing of an offer to connect, the completion of a distribution system expansion, the delivery of any necessary equipment and the receipt of an electrical safety inspection certificate.

7.2 Connection of New Services

7.2.1 A connection for a new service request for a low voltage (≤ 750 volts) service must be completed within 5 business days from the day on which all applicable service conditions are satisfied, or at such later date as agreed to by the customer and distributor.

7.2.2 A connection for a new service request for a high voltage (> 750 volts) service must be completed within 10 business days from the day on which all applicable service conditions are satisfied, or at such later date as agreed to by the customer and distributor.

7.2.3 This service quality requirement must be met at least 90 percent of the time on a yearly basis.

7.3 Appointment Scheduling

7.3.1 When a customer or a representative of a customer requests an appointment with a distributor, the distributor shall schedule the appointment to take place

within 5 business days of the day on which all applicable service conditions are satisfied or on such later date as may be agreed upon by the customer and distributor. The distributor must then arrive for the appointment on the scheduled day.

- 7.3.2 This service quality requirement must be met at least 90 percent of the time on a yearly basis.
- 7.3.3 Both of the actions set out in section 7.3.1 must be completed in order to fulfil this service quality requirement.
- 7.3.4 This service quality requirement applies regardless of whether or not the presence of the customer or the customer's representative is required.
- 7.3.5 This service quality requirement does not apply to appointments that are subject to the requirements in sections 7.2.1 and 7.2.2.

7.4 Appointments Met

7.4.1 When an appointment is either:

- (a) requested by a customer or a representative of a customer with a distributor ; or
- (b) required by a distributor with a customer or representative of a customer,

the distributor must offer to schedule the appointment during the distributor's regular hours of operation within a window of time that is no greater than 4 hours (i.e., morning, afternoon or evening, if available). The distributor must then arrive for the appointment within the scheduled timeframe.

- 7.4.2 This service quality requirement must be met at least 90 percent of the time on a yearly basis.
- 7.4.3 Both of the actions set out in section 7.4.1 must be completed in order to fulfil this service quality requirement.
- 7.4.4 If the distributor arrives at the scheduled appointment within the required time period but the appointment cannot be met because the customer failed to attend the appointment, the distributor may consider the appointment to have been met for the purpose of determining its performance with the standard.
- 7.4.5 This service quality requirement applies to appointments that:
 - (a) require the presence of the customer or the customer's representative;

- (b) are scheduled to occur at the distributor's office, the customer's premises, business or work site, or at another location agreed to by the distributor and customer; and
- (c) are a frequently recurring part of the distributor's normal course of business, including, but not limited to, the following:
 - (i) disconnecting and/or reconnecting service to effect maintenance or upgrades;
 - (ii) connecting a new customer;
 - (iii) connecting a new service for an existing customer;
 - (iv) providing underground cable locates;
 - (v) inspections;
 - (vi) gaining access to read or replace an inside meter or to provide the customer with instructions on the proper use of a prepaid meter or similar device; and
 - (vii) appointments that are rescheduled as required by section 7.5.1.

7.5 Rescheduling a Missed Appointment

7.5.1 When an appointment to which sections 7.3.1 or 7.4.1 apply is missed or is going to be missed, the distributor must:

- (a) attempt to contact the customer before the scheduled appointment time to inform the customer that the appointment will be missed; and
- (b) attempt to contact the customer within 24 hours to reschedule the appointment.

7.5.2 This service quality requirement must be met 100 percent of the time on a yearly basis.

7.5.3 Both of the actions set out in section 7.5.1 must be completed in order to fulfil this service quality requirement.

7.5.4 This requirement does not apply if the appointment is missed due to the failure of the customer or the representative of the customer to attend the appointment.

7.5.5 The rescheduled appointment becomes a new appointment for the purposes of sections 7.3.1 or 7.4.1 as appropriate.

7.6 Telephone Accessibility

- 7.6.1 Qualified incoming calls to the distributor's customer care telephone number must be answered within the 30 second time period established under section 7.6.3.
- 7.6.2 This service quality requirement must be met at least 65 percent of the time on a yearly basis.
- 7.6.3 For qualified incoming calls that are transferred from the distributor's IVR system, the 30 seconds shall be counted from the time the customer selects to speak to a customer service representative. In all other cases, the 30 seconds shall be counted from the first ring.

7.7 Telephone Call Abandon Rate

- 7.7.1 The number of qualified incoming calls to a distributor's customer care telephone number that are abandoned before they are answered shall be 10 percent or less on a yearly basis.
- 7.7.2 For the purposes of section 7.7.1, a qualified incoming call will only be considered abandoned if the call is abandoned after the 30 second period established under section 7.6.1 has elapsed.

7.8 Written Response to Enquiries

- 7.8.1 A written response to a qualified enquiry shall be sent by the distributor within 10 business days.
- 7.8.2 This service quality requirement must be met at least 80 percent of the time on a yearly basis.
- 7.8.3 The 10 business days shall be counted from the date on which any conditions associated with the enquiry have been satisfied (such as the date of a move where there is a request for a final statement of account) or, if there are no such conditions, from the date of receipt of the enquiry.
- 7.8.4 A distributor may consider a written response to have been sent if the distributor sends a written acknowledgement of receipt of the qualified enquiry and includes a specific date in which a complete response to the qualified enquiry will be provided.

7.8.5 A written response shall be deemed to have been sent on the date on which it is faxed, mailed or e-mailed by the distributor.

7.9 Emergency Response

7.9.1 Emergency calls must be responded to within 120 minutes in rural areas and within 60 minutes in urban areas.

7.9.2 This service quality requirement must be met at least 80 percent of the time on a yearly basis.

7.9.3 The definition of “rural” and “urban” should correspond to the municipality’s definition.

7.9.4 The arrival of a qualified service person on site will constitute a response.

Appendix B – Cost Awards

Cost Award Eligibility

The Board will determine eligibility for costs in accordance with its Practice Direction on Cost Awards. Any person requesting cost eligibility must file with the Board a written submission to that effect by March 25, 2008, identifying the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs (addressing the Board's cost eligibility criteria as set out in section 3 of the Board's Practice Direction on Cost Awards). An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known. All requests for cost eligibility will be posted on the Board's website.

Licensed electricity distributors will be provided with an opportunity to object to any of the requests for cost award eligibility. If an electricity distributor has any objections to any of the requests for cost eligibility, such objections must be filed with the Board by April 4, 2008. Any objections will be posted on the Board's website. The Board will then make a final determination on the cost eligibility of the requesting parties.

Eligible Activities

Cost awards will be available in relation to the following activities:

| <u>Activity</u> | <u>Maximum Total Eligible Hours per Eligible Participant</u> |
|---|--|
| Written comments on proposed amendments to the Distribution System Code | 10 hours |

Cost Awards

When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of its Practice Direction on Cost Awards. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied. The Board expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.

The Board will use the process set out in section 12 of its Practice Direction on Cost Awards to implement the payment of the cost awards. Therefore, the Board will act as a clearing house for all payments of cost awards in this process.