Related to EB-2012-0031

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Hydro One Networks Inc. for an Order or Orders approving just and reasonable rates and other service charges for the transmission of electricity, effective as of January 1, 2013 and January 1, 2014;

AND IN THE MATTER OF an Order of the Ontario Energy Board made October 24, 2012 for the production by Hydro One Networks Inc. of a report issued by the Canadian Electricity Association titled *Transmission COPE 2011 Comprehensive Annual Report* (the "Report").

APPLICATION

1. Founded in 1891, the Canadian Electricity Association ("CEA") is the national forum and voice of the evolving electricity business in Canada. Its members include Hydro One Networks Inc. ("Hydro One") among many others. One of the services provided by the CEA to its members is confidential benchmarking services.

2. The Report concerned the data of utilities in total representing more than 80% of transmission circuit kilometres across Canada.

Relief Sought

3. The CEA seeks an order staying the Board's order made October 24, 2012 with respect to the Report (the "Order") pending appeal or other review.

Support for the Application

4. On October 17, 2012, the School Energy Coalition made a motion seeking that Hydro One be compelled to produce the Report, despite having previously been advised by Hydro One that disclosure of the Report would breach a confidentiality agreement with the CEA.

5. This motion was not made on notice to the CEA.

6. The CEA is engaged in many benchmarking activities, including with respect to electricity transmission. These activities are premised on the participating organization providing to CEA considerable data about their own operations. The provision of such information, much of which utilities consider confidential, is premised on the agreement and reality that the information will not be shared with anyone except the participating utilities themselves. It took the CEA many years to build trust among its members sufficient for them to share confidential information with the CEA and each other.

7. If disclosure of the Report occurs and such trust is lost, it is unlikely that electricity utility national benchmarking will be possible anymore. Such benchmarking is of benefit to internal utility operations (which is the focus of such efforts), although CEA recognizes it may also have some benefit in the regulatory arena. Benchmarking helps improve utility productivity and performance, which in turn results in significant benefits to companies, shareholders and ratepayers.

8. ***The Report has not been provided to any energy regulator in Canada***, contrary to the assumption made by the Board in making the Order. Moreover, all or a very large part of the data and metrics of each participating utility has not been provided to each utility's own regulator.

9. Policy 7 of the CEA Benchmarking Data in Regulatory Settings ("BD/RS") document approved by the CEA on November 23, 2005 (Exhibit "A") reads: "Only composite benchmarks deemed appropriate for regulatory environments will be produced. Participants are cautioned that publication of metrics not identified as appropriate for regulatory environments in composite or other form in a regulatory forum or elsewhere may result in blocking further participation by that member or the termination of further CEA benchmarking on that metric." In other words, the CEA has a mechanism to allow for its benchmarking efforts to be used for regulatory purposes, but only on a ***composite*** basis.

10. Policy 7 identifies the CEA's primary concerns with Hydro One sharing the Report with the Board and others:

    (a) Only composite data may be produced for, and discussed within, the regulatory environment. As the Report contains a breakdown of each metric by company, it clearly falls outside of the scope of composite disclosure;

    (b) A breach of confidentiality may result in the "termination of further benchmarking on that metric." The termination is potentially not confined to a single metric. If CEA members begin to doubt that their peers can/will safeguard their data, other CEA data collection activities may be adversely impacted.

11. Also, the CEA COPE Terms of Reference ("ToR" – Exhibit "B" without appendices), applicable to the Report summarizes the CEA's approach to benchmarking data, and sets out the rules of participation. The ToR was finalized on November 22nd 2010 and inserted into the COPE Reference Manual in 2011. Article 4.2 of the ToR provides that

> No Member of COPE or CEA staff will distribute another utility's data or information of a confidential nature outside the committee without written permission from that utility.
>
> • All data and information collected by the Members of COPE deemed confidential will not be distributed to non-members or third party organizations. Titles and abstracts of presentations are considered confidential and may not be used for the promotion of COPE without the permission of the author and/or the committee.
>
> • Summaries of data may be used showing industry trends provided they do not in any way identify other Member utilities. If other Member utilities can be identified, written permission is required from the Member utilities in the summary of data.
>
> • Data may be used for confidential internal studies by Member utilities.

12. To be perfectly clear, if the Order is implemented, at the very least CEA will not provide in the future to Hydro One information about other Canadian utilities' benchmarking metrics and data. The CEA will also seek its members' views about whether Hydro One should be allowed to participate at all in future benchmarking activities. Thus, the Order puts at risk the benefits Hydro One, its shareholder and ratepayers gain from CEA benchmarking.

13. Of note, this is not the first time a Canadian regulator has sought CEA benchmarking reports. For example, the Alberta regulator addressed with AltaLink the production of a CEA report and data, reconsidering its earlier disclosure order in light of the confidentiality of the CEA report and data (Exhibit "C").

14. CEA member utilities outside Ontario should be given a reasonable opportunity to consent or object to the disclosure of their confidential information to the Board and others. The Order provided no such mechanism and purported to affect the interests of organizations outside the jurisdiction of the Board. The Order was *ultra vires* the Board's authority.

15. In the Order, the Board made an error of law and jurisdiction, including violating the CEA and its members' rights to natural justice and procedural fairness.

16. Absent a stay the *status quo* will not be maintained and persons other than the CEA and its participating utilities will gain access to confidential information related to non-Ontario utilities. Such disclosure, even subject to a confidentiality undertaking, puts at risk the CEA's entire benchmarking program.

17. The CEA intends to appeal or otherwise seek review of the Order.

18. The CEA relies on section 33(6) of the *OEB Act*.

19. It is just and convenient that a stay be granted pending the determination of the CEA's appeal or other review.

20. In light of the rapidity with which the CEA had to bring this Application, the CEA may file amended or updated evidence and submissions in support of this Application.

Canadian Electricity Association

By its Counsel

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October 25, 2012

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Exhibit "A"

Board of Directors Minutes
November 23, 2005 – Ottawa, ON

Canadian Electricity Association
Policies
Benchmarking Data in Regulatory Settings (BD/RS)

As Approved by the CEA Board of Directors

Policy 1
Appropriate benchmarking performance information (which is accurate, verifiable, and verified and includes the proper consideration, caveats, standardized interpretations and collection methodologies) will be developed by CEA for use in Regulatory settings. Participating CEA members commit to work towards providing data that meets these criteria, on a yearly basis, that will be used in the development of an agreed-to set of indices.

Policy 2
CEA members do not support a peer-to-peer approach when assessing a company's performance and especially to establish pass/fail criteria for breach and consequence, due to the complexity of identifying true "peers". This complexity is due to differences between companies' geography, climate, customer mix, growth rate, system age, resource mix, degree of interconnection, impact of significant events, and a range of other factors.

Policy 3
As a result of the complexity of "peer" benchmarking, trending the performance of an individual utility over time should be used as opposed to peer-to-peer benchmarking

Policy 4
CEA and its members will work cooperatively with regulatory authorities to ensure that indicators used in regulatory settings are accurate, verifiable and verified, and are meaningful. Through CEA's Councils, and in cooperation with members of CAMPUT, appropriate benchmarking indicators for assessing individual company performance over time will be developed.

Policy 5
CEA members will meet or exceed standards of data quality, integrity and consistency of reporting for these indicators

Policy 6
Improved productivity and performance result in significant benefits to companies, shareholders and customers. CEA therefore will continue to promote the use of benchmarking to identify best

practices for performance improvement.

Policy 7
Only composite benchmarks deemed appropriate for regulatory environments, will be produced. Participants are cautioned that publication of metrics not identified as appropriate for regulatory environments in composite or other form in a regulatory forum or elsewhere may result in blocking further participation by that member or the termination of further CEA benchmarking on that metric.

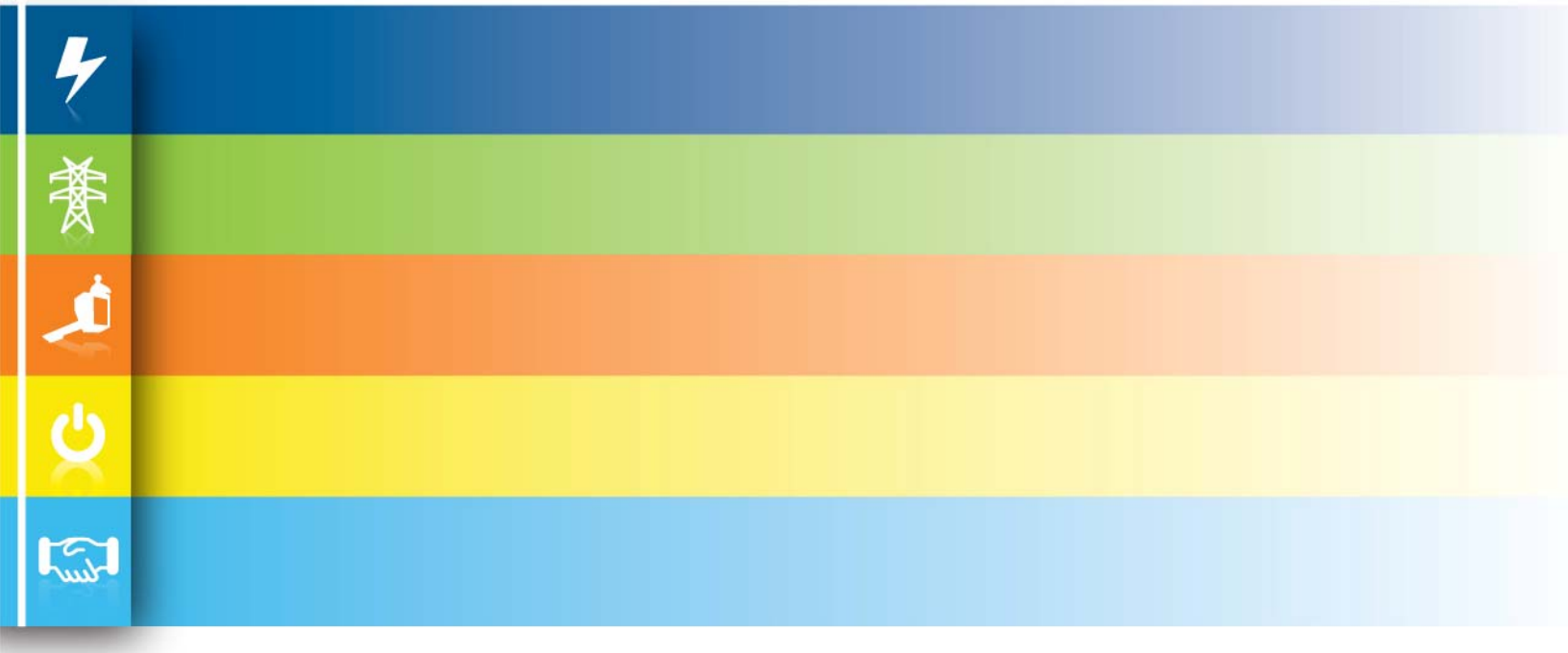
Policy 8
CEA will subject all proposed new or modified indices to an agreed review process by the appropriate Council to ensure that the qualifying criteria are met.

Exhibit “B”

Canadian Electricity Association | Association canadienne de l'électricité

COPE ADMINISTRATION AND REFERENCE MANUAL

COMMITTEE ON PERFORMANCE EXCELLENCE (COPE)



2011

COPE Confidentiality Protocol

Individual company data is exchanged confidentially and is for the internal use of the participants only and is not to be disclosed to other parties. The COPE Website database is structured so that participants only have access to data where they have provided data.

All intellectual property of COPE was developed by and remains the property of CEA.

Table of Contents

Introduction

Committee on Performance Excellence (COPE)

COPE is comprised of member utilities across Canada that participate in various benchmarking activities, including data gathering for the development of key performance indicators (KPIs), offering workshop presentations on best practices and lessons learned, completing surveys and measuring and tracking KPIs. COPE is made up of five sub-committees, or business units, each specializing in their own benchmarking areas. They are

- **Transmission**
- **Distribution**
- **Customer Services**
- **Corporate Services**
- **Power Supply (not active at this time)**

COPE's Vision

COPE is recognized by the industry as a leader and a valued partner in benchmarking methodology and its application, and in promoting innovation and best practices.

COPE's Mission

COPE will provide its members with relevant comparative performance information together with a network of contacts to industry participants, hereby promoting shareholder value and enhancing business performance.

Objectives of the COPE Program:

- Facilitate the exchange of information for identification of best practices targeting performance improvement
- Establish a common basis for utility measurement
- Maintain and update common definitions and terms used in measurement consistent with utility practices
- Establish a framework for the integration of information collection and analysis to minimize costs for CEA and Utilities
- Provide guidance in the collection, use and application of the information for the benefit of individual utilities performance achievement

COPE BENEFITS:

- Networking
- Data Usage (KPIs)
- Best Practices

- Lessons Learned
- Information Sharing
- Quick Hit Surveys
- Low Cost/High Value
- Participant driven workshops
- Collaborative working environment

Why Participate in the COPE Workshop and Meeting?

- Facilitate the exchange of information for identification of best practices targeting performance improvement
- Establish a common basis for utility measurement
- Maintain and update common definitions and terms used in measurement consistent with utility practices
- Establish a framework for the integration of information collection and analysis to minimize costs for CEA and utilities
- Provide guidance in the collection, use and application of the information for the benefit of individual utilities' performance achievement

Committee on Performance Excellence (Steering and Business Unit Committee)

Terms of Reference

1. **Name:** Committee on Performance Excellence (COPE)

2. Mandate and Deliverables

To provide a consultative and information exchange forum that can effectively address business performance improvement practices, with particular reference to the electricity industry within Canada.

To represent member utilities' interests in the areas of Distribution, Generation, Transmission, Customer Services and Corporate Services management.

To work collaboratively in developing mutually beneficial initiatives that address identified topics and issues.

To collect and disseminate high quality data on the performance of electric utilities in Canada to the participating members.

To deliver reports per business unit committee to participating utilities, based on the collection of specified data points from utility participants

3. Membership

Membership in COPE (Steering and Business Unit committee) is open to all utilities who are members (corporate utilities and associate utilities) of CEA. In this document a "Member" is a utility that has membership in COPE.

Membership by non-CEA members in COPE is acceptable; however, they are required to pay a different fee than what is paid by CEA members.

Utilities shall assign a delegate (participant) to the steering committee and to each sub-committee they wish to join who will represent and speak on behalf of the utility. In this document "Participant" is a utility delegate assigned to represent and speak on behalf of their utility.

3.1 Quorum

A quorum of COPE Members must be present before a decision can proceed. At least 50% of participating utilities must be represented for the meeting or call to proceed and make decisions that affect all.

If a quorum is not met for a meeting or call, then Participants of a meeting or call may deem it appropriate to continue provided the chair is present or his/her alternate, and they agree to continue with the meeting or call. Any decision made will require confirmation at a subsequent meeting or call with a quorum of COPE Members present.

3.2 Departures

Utility delegates will cease to be Participants on the committee when they:

- Resign from the committee.
- Cease to be an employee of the Member utility being represented.
- Transfer to a new position that no longer relates to the COPE role.

COPE committee membership shall be withdrawn if the Steering Committee determines a Member has:

- Breached confidentiality of the committee.
- Failed to pay the appropriate membership fee

3.3 Succession Planning

When a Participant leaves their utility, or changes roles, they are responsible for providing the name of a successor Participant to the Committee secretary. If no name is available, then the name of an interim representative must be provided to ensure continuity of the Member utility on the committee and sub-committees.

4. Governance and Management

4.1 Structure

COPE is structured in the following manner. A governing body--the Steering Committee--coordinates and expedites the functioning of the Business Unit committees (or communities of practice). The Steering Committee represents the broad COPE membership in administering the overall strategic direction of the COPE and Business Unit Committees.

The Business Unit Committees represent distinct functions within the electricity industry. Presently, they are Power Supply (or Generation), Transmission, Distribution, Customer Services and Corporate Services. More or different functions may be required as the industry evolves.

4.2 Confidentiality

No Member of COPE or CEA staff will distribute another utility's data or information of a confidential nature outside the committee without written permission from that utility.

All data and information collected by the Members of COPE deemed confidential will not be distributed to non-members or third party organizations. Titles and abstracts of presentations are considered confidential and may not be used for the promotion of COPE without the permission of the author and/or the committee.

Summaries of data may be used showing industry trends provided they do not in any way identify other Member utilities. If other Member utilities can be identified, written permission is required from the Member utilities in the summary of data.

Data may be used for confidential internal studies by Member utilities.

4.2.1 Surveys

COPE committees at times develop and distribute surveys. The goal is to maintain a quick turnaround of information. The results of all surveys are to be distributed to only those utilities who participated in the survey. In addition, distribution of specific COPE surveys are limited to the committee Participants, excluding Corporate Services Committee in which case they may be distributed to at least one Participant of each COPE utility Member.

If Member and non COPE members are contacted for a survey, the confidential results of the surveys are to be distributed to only those utilities who participated in the survey.

4.3 Resources

CEA staff shall:

- maintain the role of database administrator, coordinating meetings, workshops and calls;
- provide minutes and promote membership in COPE throughout the electricity industry; and
- represent COPE interests at meetings of the CEA Sector Councils and other CEA activities, including reporting back to COPE Steering Committee or sub-committees on matters of interest.

Workshops will be hosted by Member utilities;
CEA will host a SharePoint site for communication, collaborative endeavors and document storage.

4.4 Roles and Responsibilities (Steering and Business Unit Committee)

Steering Committee:

COPE Steering Committee is comprised of the Chair of COPE and Chairs of each BU Committee and a Participant from each Member utility.

Chair:

The position of COPE Chair and Business Unit Committee Chair will be held for two years (with provision of an extension of one, two year term only if deemed necessary by the Steering Committee). At that point the Chair assumes the role of Past-Chair. Each Member utility is expected to provide a Participant to serve as COPE Chair and applicable BU Committee Chair according to a rotational cycle adopted by the Steering Committee.

The responsibilities of the Chair include:

- Call and chair meetings of the Steering Committee;
- Facilitate and attend meetings, workshops and calls according to the agenda and time available;
- Represent COPE within the CEA organization and any other organization as appropriate to the issue at hand (e.g. Steering Committee Chair is the liaison to the CEA board of directors and other CEA committees and/or councils as required);
- Invite specialists and guest speakers when required by the committee;
- Identify potential topics to be covered;
- Lead Strategic Direction for the entity known as COPE;
- Provide expertise where applicable.
- If the Chair cannot attend a meeting, identify a replacement to take on the role for that meeting.
- With the Secretary, identify the Chair successor, after consultation (provision of only if deemed by the Steering Committee)

Secretary:

The position of Secretary will be held by a CEA staff member chosen by the Canadian Electricity Association.

The responsibilities of the Secretary include:

- Maintaining, updating and facilitating the updating of information to the CEA-SharePoint Site or other methods of communication for COPE Members;

- Act as note-taker for meetings, workshops and calls;
- Invite specialists and guest speakers when required by the committee;
- Provide CEA administrative support;

Past-Chair:

The position of Past-Chair will be held until the current Chair steps into the role of Past-Chair. If there are no departures of Committee executives (Chair), then the role of Past-Chair will be assumed by the Chair after two years.

- In the event the Chair cannot assume his or her duties, the Past-Chair will step into the required role until a replacement can be found or for a specific event;
- Provide consultative support to the Current Chair as required.
- In the event that the Past-Chair is not able to carry out this role, the previous Past-Chair may take on the role of Past-Chair.

All Members:

The responsibilities of the Members include:

- Provide data for various reports and studies as required.
- Actively participate in meetings, workshops and calls and other COPE initiatives;
- Provide input into the issues and topics to be addressed by COPE;
- Provide presentations and potential guest-speakers;
- Facilitate logistics for the face-to-face workshop if hosting;
- Maintain confidentiality of data and information that emerges from COPE, as per section 4.2.

4.5 Performance Recognition

COPE recognizes that utility Participants may be required to travel to workshops and/or provide time to work on COPE initiatives that benefit the industry as a whole.

4.6 Committee Meetings, Workshops and Calls

The Committees shall hold two workshops per year.

- All Business Unit (Steering Committee) and Business Unit Workshops will be held in the spring and fall and follow a pre-defined schedule that is approved by the Steering Committee.
- Conference Calls will be held on a monthly basis (excluding July and December).
- Internal and external persons may be invited to attend the meetings, workshops and calls at the request of the Chair and/or Vice-Chair on behalf of the committee.

4.7 Task Groups

Task groups may be formed on behalf of COPE Committees to address specific subjects. Each task group will establish:

- A clear mandate determined by the COPE Steering Committee or COPE Business Unit Committees;
- Objectives will be determined by the task group;
- The task group will report progress back to its respective COPE body.

4.8 Amendments

The Terms of reference shall be reviewed annually, at each spring gathering of the Steering Committee. They may be altered to meet the current needs of all committee Members, by agreement of the majority of the represented utilities participating in the committee.
The above Terms of Reference for the COPE have been agreed upon by all Members of COPE.

Chair	Vice-Chair	Secretary	Version	Date
Carm Altomare (Hydro One)		Daniel Gent (CEA)	2.0	November 22th , 2010

2011 List of Members / Contributors / Representatives

Utility	Representative		T-COPE	D-COPE	Corporate Services	Customer Services
[redacted]			X			
			X			
			X			
					X	
			X			
				X		
						X
			X			
			X			
						X
				X		
						X
						X
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			X	X		
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			X			
						X
					X	
						X
					X	
			X	X		
						X
					X	
						X
			X	X		

* indicates committee chair

Members as of May 2011

COPE Meeting Locations & Committee Chairs

Meeting Date	Meeting Location	Steering Committee Chair	Customer Service Chair	Distribution Chair	Transmission Chair	Corporate Services Chair

CEA COPE Contacts

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COPE Business Units: Descriptions, Relationships and Boundaries

Transmission COPE

Chair: Michelle Rheault, System Performance Department Manager, Manitoba Hydro

Transmission-COPE business unit members are involved in activities including managing, operating or maintaining all land structures, lines, switching and terminal stations, high tension apparatus, and their control and protecting equipment between a generating or receiving point and the entrance to a low side of a terminal station.

T-COPE member utilities are involved in:

- management of the transmission delivery systems including the negotiation of wheeling agreements and the provision of open access where applicable;
- operation of the transmission systems including the monitoring and control functions, system inspection activities and system performance;
- maintenance of the transmission systems including preventive, scheduled maintenance and corrective maintenance;
- construction and modification of the transmission systems including systems planning and design.

Distribution COPE

Chair: Ralph Mugford, Senior Engineer, Newfoundland Power

D-COPE business unit members are involved in activities including managing the operation, maintenance and modification of the distribution system from the point of delineation from the transmission system to the end user. They are responsible for the transportation of the power as well as for the reliability and availability of the distribution system including the meters.

D-COPE member utilities are involved in:

- management of the distribution system including the simulation of system operation scenarios;
- operation of the distribution systems
- maintenance of the distribution systems including preventive, scheduled maintenance and corrective maintenance;
- construction and modification of the distribution systems including design and engineering activities.

Customer Services COPE

Chair: Chris Tumwine, Senior Advisor—Customer Research and Business Planning, New Brunswick Power

Customer Services COPE members are involved in a variety of marketing and sales related activities, including:

- all market assessment activities;
- the development and design of marketing programs
- the management of the domestic sales force
- the implementation of advertising promotions
- all rates and pricing activities

In addition, they are tasked with other customer service related activities, such as:

- managing all customer contact including the call centre;

- the construction and maintenance of the Customer Information System;
- the processing of all customer billings;
- all meter reading activities to the point of input of the data into the meter reading system;
- the processing of customer payments;
- the processing of adjustments to customer accounts;
- the maintenance of customer profile information.

Corporate Services COPE
Chair: Linda McMahon, Corporate Performance Measurement, BC Hydro
Corporate Services COPE members are engaged in services that are common to the four operating business units and other corporate services organizations. These include:

- developing and communicating corporate strategy and policies
- providing corporate services including legal, human resources, internal audit and controller
- providing "shared services" including real properties, procurement, materials management, information technology and payroll processing

Corporate Services COPE member utilities are involved in:

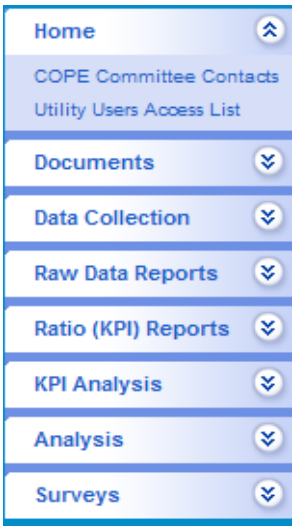
- management of the procurement process from purchasing through payment
- developing vendor relations
- managing materials inventory and operating warehousing and handling facilities
- the management of Human Resources company-wide
- the management of financial and management information
- strategic planning—setting the company's mission, vision and values
- establishing and monitoring company policies
- managing all relations with external constituents including communications, public and community relations, investor relations, environmental compliance and regulatory affairs
- providing all "shared services" activities such as lab services, research and development activities, fleet management, building maintenance, mail services, security and real estate services
- managing all aspects of information systems including the provision of telecommunications support, all aspects of data processing including applications development, network planning and infrastructure and the support for personal computers

Database Overview

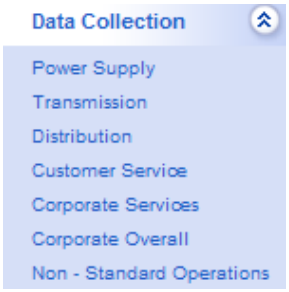
Data Collection:

The COPE data is both input and later extracted as reports through the website at http://www.cea-cope.com/. The opening screen requires a login and password (provided by CEA). Contact CEA if you have lost or forgotten your login information.

Once past the opening screen, the database is navigated through the menu to the left:



Click through each of these to see the options in more detail. Below, see the menu under **Data Collection**, which is where the data is input.



Choosing one of these will bring up another menu on the right side of the screen. This is where you choose which schedule to fill in with your information. For example, choosing Transmission will bring up the following:

The database is set up to accept input through eight **Schedules** as well as "drill down" screens. The schedules correspond to the following types of information:

- Schedule 1: Operating and Financing Costs
- Schedule 2: Financial Resources
- Schedule 3: Human Resources
- Schedule 4: Power Supply Business Unit (no longer collected)
- Schedule 5: Transmission Business Unit Data
- Schedule 6: Distribution Business Unit Data
- Schedule 7: Customer Service Business Unit Data
- Schedule 8: Corporate Services Business Unit Data

The schedules may be seen in **Appendix A**. As an example, following is a section from Schedule 3.

SCHEDULE #3: HUMAN RESOURCES

DATA INPUT FORMAT

	Transmission	Distribution
Labour Cost ($000)		
Employees	**SCH32003**	SCH33003
Contractors	**SCH32004**	SCH33004
Total Labour Cost	**SCH32001**	SCH33001
Full-Time Equivalents		
Employees	**SCH32005**	SCH33005
Contractors	**SCH32006**	SCH33006
Total FTE	**SCH32002**	SCH33002
Training Hours (Internal. Employee)	**SCH32007**	SCH33007

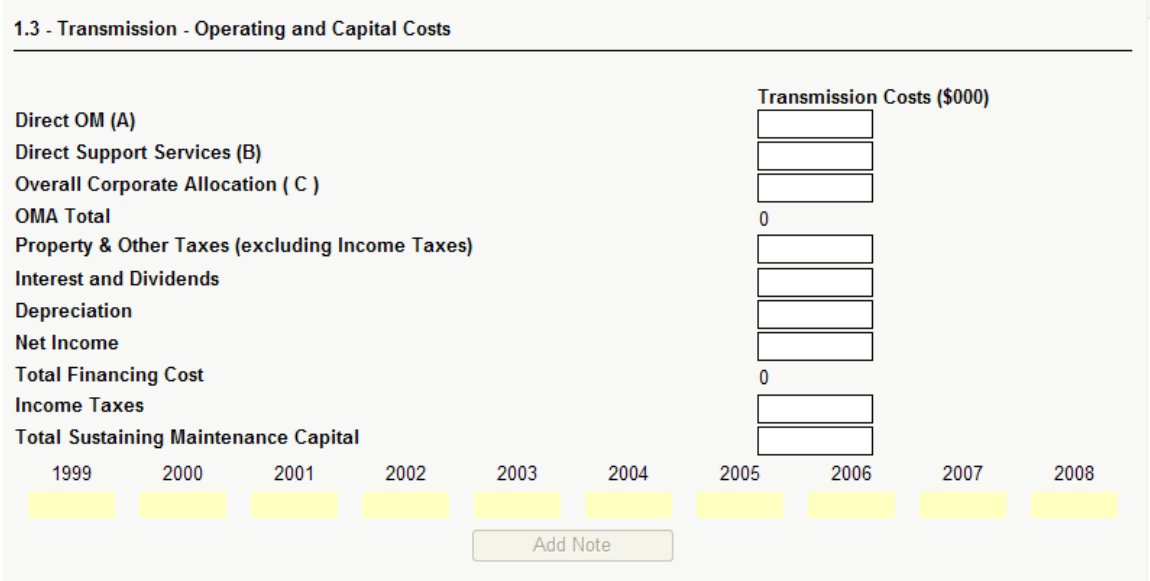
	Customer Service	Corporate Services	Non-standard Operations	Corporate Overall
Labour Cost ($000)				
Employees	**SCH34003**	**SCH35003**	SCH36003	SCH30003
Contractors	**SCH34004**	**SCH35004**	SCH36004	SCH30004
Total Labour Cost	**SCH34001**	**SCH35001**	SCH36001	SCH30008
Full-Time Equivalents				
Employees	SCH34005	**SCH35005**	SCH36005	SCH30005
Contractors	SCH34006	**SCH35006**	SCH36006	SCH30006
Total FTE	SCH34002	**SCH35002**	SCH36002	SCH30009
Training Hours (Internal Employee)	SCH34007	**SCH35007**	SCH36007	SCH30007

The schedule shows the data input format, where the fields to be input are indicated by the SCH numbers in the cells. These fields are the data points. Data points are used in calculating key performance indicators (KPIs). **Appendix B** shows the definition of each KPI, giving the relationship of each data point in the formula. Each data point may also be used alone as a raw data report, and a complete list of these may be found in **Appendix C**.

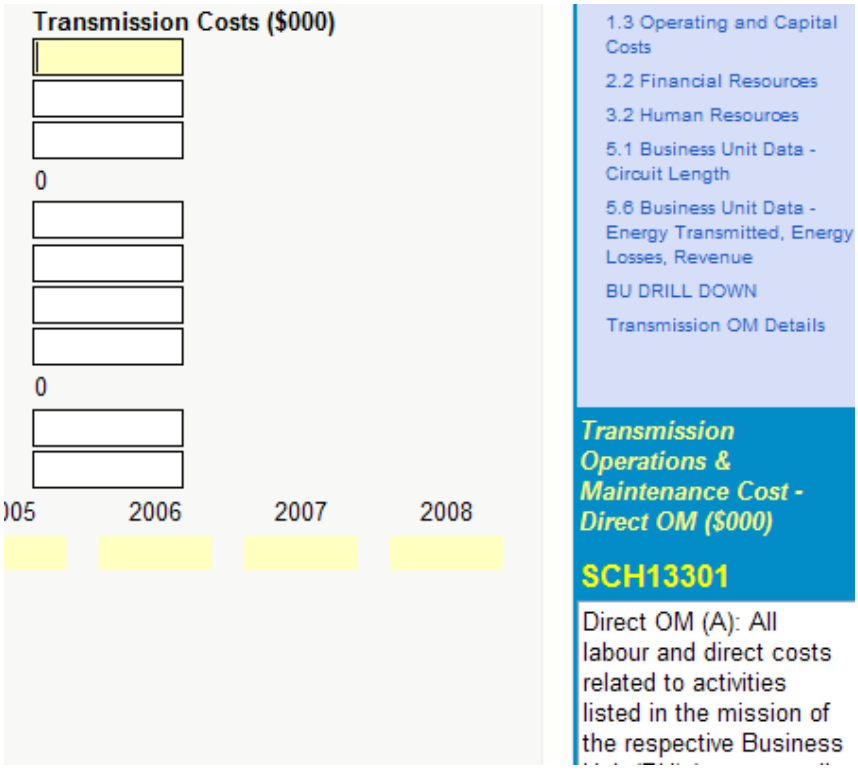
Note that cells shown here in **white-on-black** are no longer collected.

Each schedule includes rows and columns that indicate where each data point is to be filled in. The row and column labels are terms defined by schedule in **Appendix D**.

Looking again at the Transmission menu on the right side of the screen, notice that not every schedule is listed. Only the applicable schedules are included. Choosing the first option, “1.3 Operating and Capital Costs” brings up the following screen.

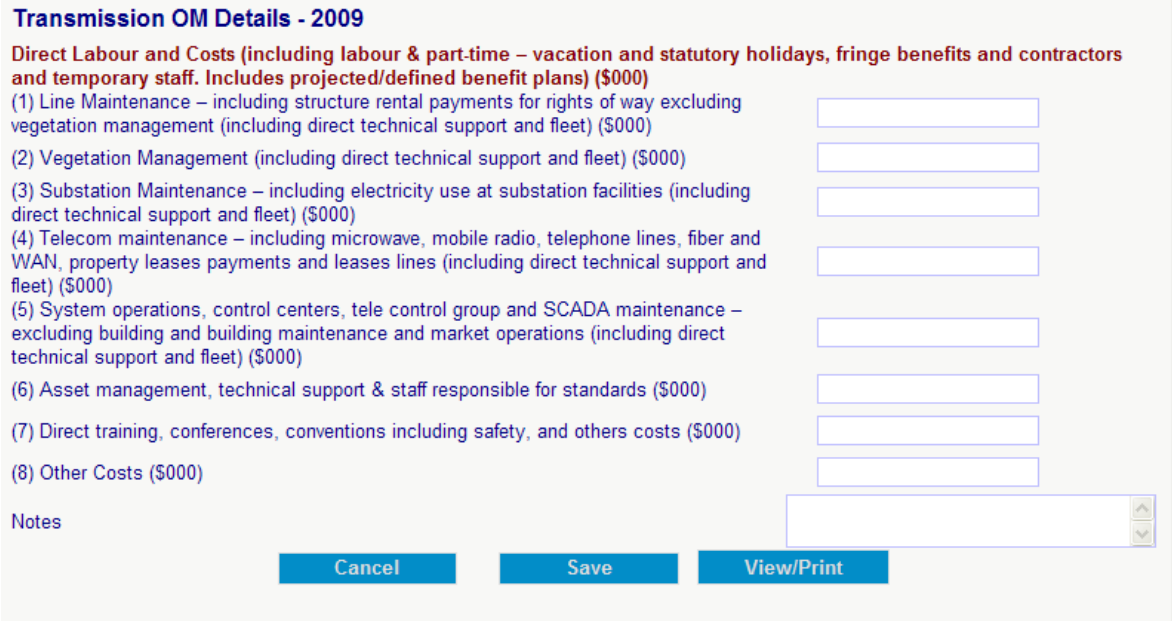


When clicking in a fill-in field, notice that the data point number and definition are shown below and to the right. For example, the first field, “Direct OM (A)” brings up the following data point number and definition:



The fields in yellow show the amounts filled in for the years shown. If you enter an amount that varies by more than 10% from the previous year, an asterisk will appear requesting an explanatory note, with an indication of where to enter the note.

The last item under the menu to the right is BU DRILL DOWN. In the Transmission section, there is an option for Transmission OM Details. Below is the information request screen for Transmission OM:



It is important to record data for the appropriate year. For utilities with a December 31st fiscal year-end, please record data as results for that year. For utilities with a March 31st fiscal year-end, please record data as results for the prior calendar year. For example, for fiscal year ending March 31st, 2011, record the data as fiscal year 2010 results.

Data is to be supplied in actual year dollars according to the definition of terms in this manual. If there are any assumptions or exceptions to the data submitted:

- please notify, in writing, to excellence@electricity.ca AND
- please specify accordingly in the applicable note fields available at various levels:
  - Business Unit Note,
  - Schedule Note, or
  - Data point Note

The following appendices are located in this manual:

Appendix A: Data Collection Schedules
Appendix B: KPI Formulas and Definitions
Appendix C: Input / Raw Schedule
Appendix D: Definitions of Terms
Appendix E: List of KPIs
Appendix F: Customer Service BU Detailed Benchmarking Data
Appendix G: Definitions/Examples/Background on Total Sustaining Maintenance Capital for the Transmission BU
Appendix H: Distribution Total Sustaining Maintenance Capital Costs

Naming Convention for Ratio and Raw Report Codes

Ratio (KPI) Reports:

example: CS_CU02R

→ CS - Customer Services Business Unit
CP - Corporate Overall
PS - Power Supply
TR - Transmission
DB - Distribution
SS - Corporate Services

→ CU - Customer Stakeholder Category
SH - Shareholder,
EM - Employee

→ 02 - Sequential number

→ R - Code for programming use

Raw (Input) Reports:

example SCH15005

→ SCH - Indicates a raw data input (Schedule)

→ 1 - Operating & Financing Costs
2 - Financial Resources
3 - Human Resources
4 - Power Supply
5 - Transmission
6 - Distribution
7 - Customer Service
8 - Corporate Services

→ 5005 - sequential number

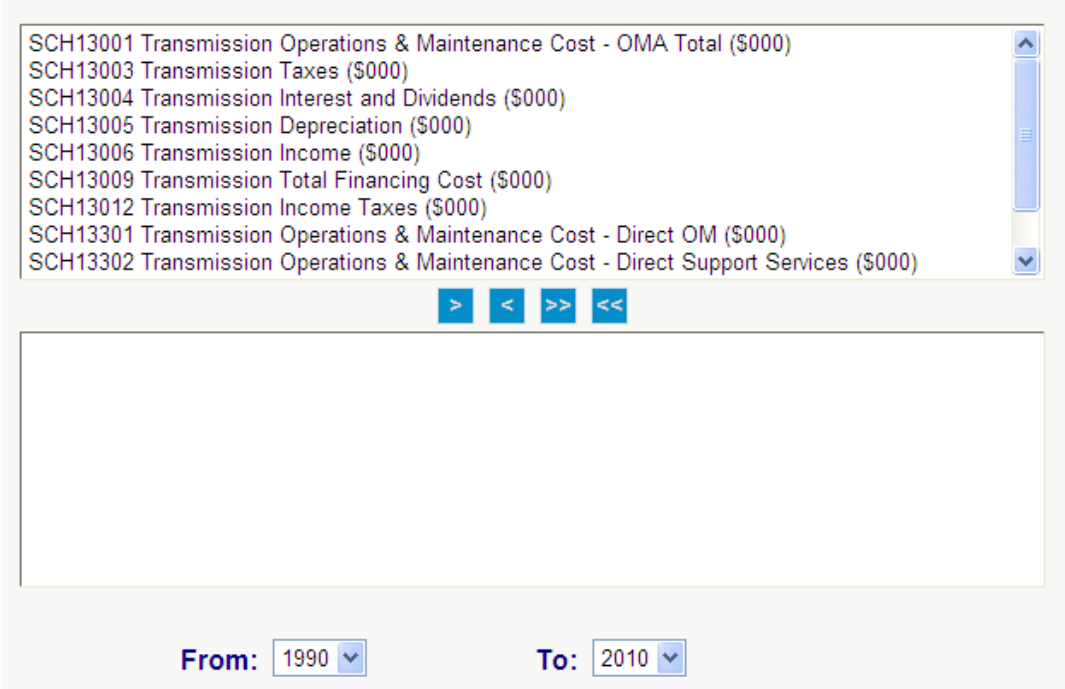
NOTE: The above individual Raw Input references have been included in the schedule tables.

Reports

Several types of reports may be created from the data that has been entered.

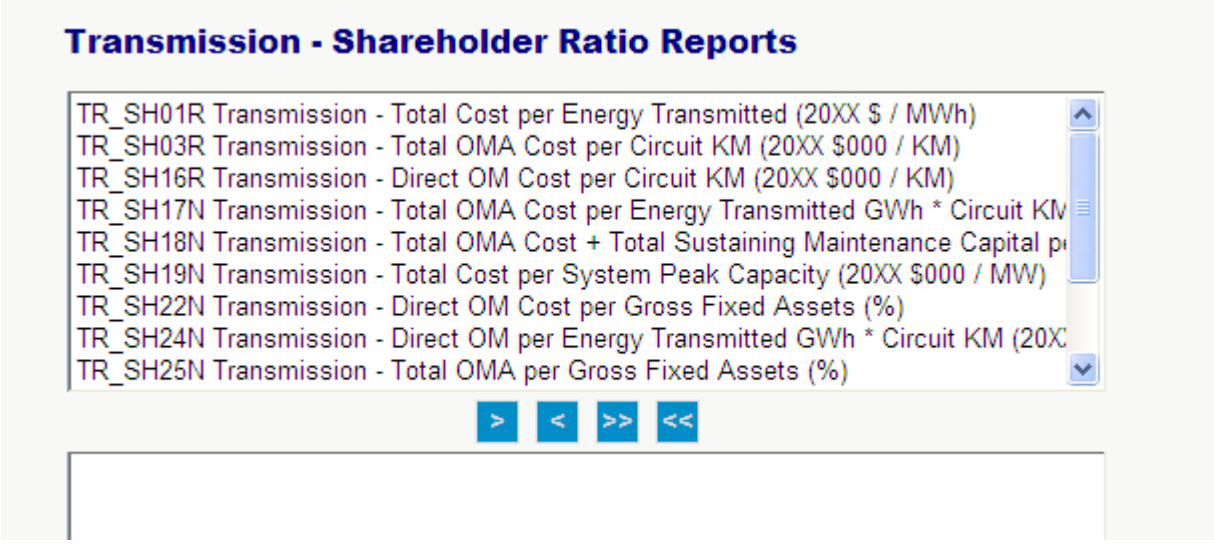
From the same left-side menu, the report options are Raw Data Reports, Ratio (KPI) Reports and KPI Analysis.

The **Raw Data Reports** display the data points used in each schedule for the chosen business unit. In the following screenshot, the data points for schedule 1 for Transmission are shown. Use the arrow keys to move the desired data points to the search screen, then choose the year(s) needed to bring up the report and enter *Continue*.



The resulting report may be exported to Excel for further analysis.

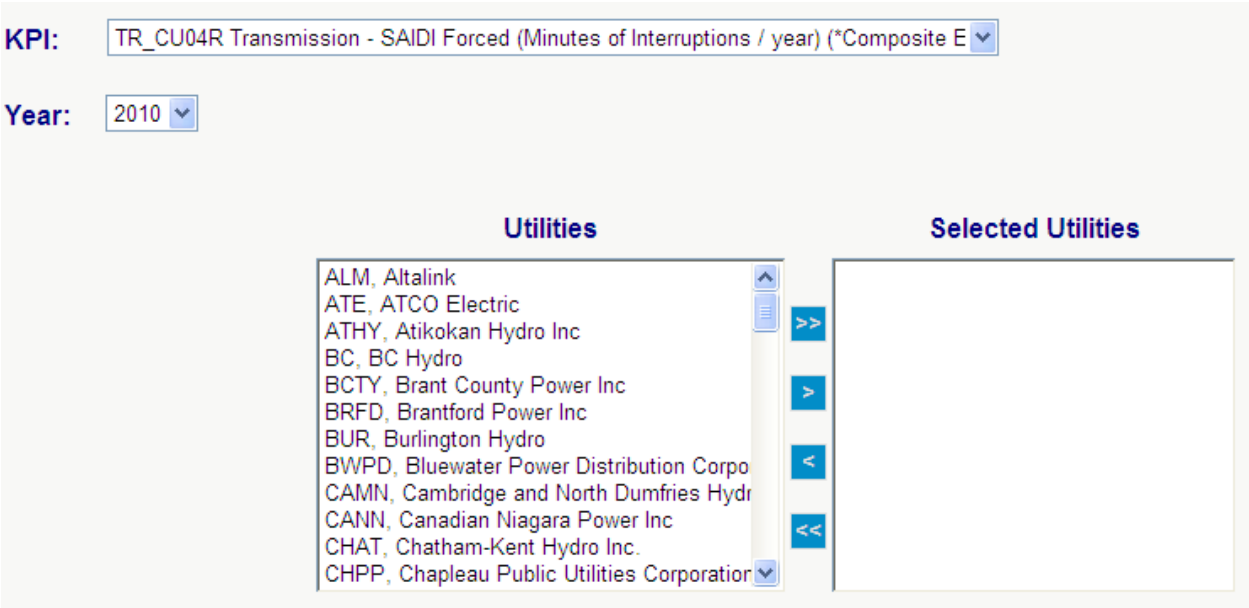
The **Ratio/KPI Reports** bring up the actual calculated KPI numbers. After choosing the business unit, choose the type of KPI (customer, employee or shareholder) to get the list of relevant KPIs:



The arrows will move the desired KPIs to the search field. Choose the year(s) needed, and enter *Continue* to receive the report. This can be exported to Excel for further analysis.

The **KPI Analysis** reports allow a particular KPI to be examined by selected utility. After choosing the business unit, choose the type of KPI (customer, employee or shareholder) to bring up the appropriate KPIs.

The KPI can be chosen with the drop-down menu, and arrow keys move the selected utilities into the search box. Choose the year needed and enter *Continue* to bring up the report. The report can be exported to Excel for further analysis.



Under the Analysis section, the **Participation Matrix** is a tool that reveals which utilities entered data for each data point. Choose the business unit and year, then enter *Continue* to get the report. Values will not be shown; rather, checked boxes show whether data has been entered.

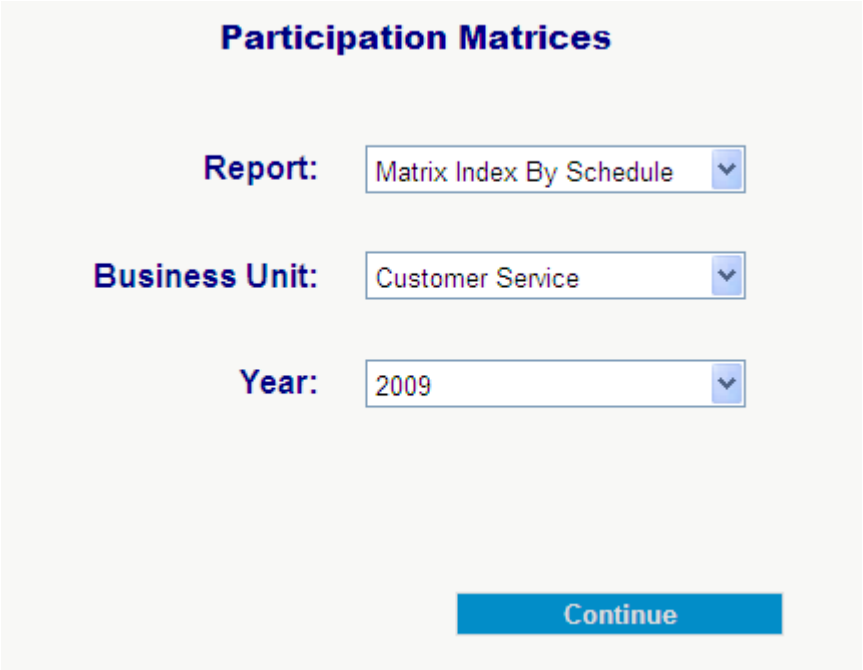


Exhibit “C”

Views of the Board

The revised capitalization policy responds to the Board's suggested course of action for AltaLink in Decision 2005-019 as noted above. The Board accepts AltaLink's revised capitalization policy as presented in Appendix I of the Application.

6.5 System Performance and Reliability

AltaLink discussed the performance of its transmission system and the company's performance using a number of reliability, safety and operational efficiency measures and indices. Concerns were raised about the amount of data measures and information provided for operational efficiency or benchmarking purposes, and the observed increasing reliability trends (decreasing system reliability).

6.5.1 Benchmarking

In Decision 2005-019, the Board directed AltaLink to file annually all benchmarking information the Canadian Electricity Association (CEA) collects from AltaLink and its peers. The Board also directed AltaLink to file this information with the Board, regardless of whether AltaLink chose to file it with the CEA.[155]

AltaLink advised that the CEA instructed its member utilities that they may use the CEA's composite value benchmarking data in 2006. After 2006, member utilities are not authorized to release any of the CEA's benchmarking data to external parties outside of the utility. The CEA is concerned that the data collected for operational benchmarking is not reported accurately or consistently enough by all members to be released for use in a regulatory setting which may then be used inappropriately for determining revenue requirement.

In discussing its operational efficiency, AltaLink proposed the following two benchmarking measures that could be used to assess how efficiently AltaLink operates facilities once they are put in service, and the sustaining costs to manage those assets once in service. These measures are the following:

$$\frac{\text{Operating (operations and maintenance) expenses}}{\text{Gross Plant Assets}}$$

$$\frac{\text{Operating (operations and maintenance) expenses + Sustaining Capital}}{\text{Gross Plant Assets}}$$

AltaLink viewed these measures as being good indicators of overall operating efficiency over time and indicated that it would provide the EUB with operational benchmark data information using these measures in its annual Report on Finance and Operations.

IPCAA noted that AltaLink's proposed measures related to the efficiency of operating expenses and neglected to measure what IPCAA described as capital efficiency, which is the cost of constructing facilities relative to costs incurred by other utilities. IPCAA requested that the Board direct AltaLink to provide all benchmarking results from the CEA when they are available.

[155] Decision 2005-019, page 25

CG argued that AltaLink had not adequately responded to the Board's Direction. CG noted that AltaLink discussed its two operational efficiency measures without reference to the benchmarking measures CEA would collect data on. CG contended that the information reported to CEA, which is referenced in the Board's direction, would extend beyond the two measures contained in AltaLink's Application. CG asserted that a utility should be able to prepare benchmarking data to allow interested parties to review its operating efficiency from year to year and over GTA periods based on its own operations. In CG's view, these measures should be the industry measures provided to CEA and should be available to be included in the GTA application. CG concluded that the data provided by AltaLink in this GTA was insufficient for benchmarking purposes and the assessment of operational efficiency. CG submitted that the Board should direct that data such as the costs per FTE and costs per kilometre of transmission line[156] (measures of costs based on activity levels) provided in AltaLink's 2004-07 GTA should be provided as part of each GTA. CG further submitted that AltaLink should be directed to report all measures provided to CEA and which CEA tracks for the industry, regardless of whether AltaLink actually files such information with CEA.

Views of the Board

Now that the CEA has restricted its member utilities from releasing any of the CEA's benchmarking data to external parties outside of the utility, the Board recognizes that AltaLink is not in a position to fully comply with the Board's direction in Decision 2005-019 which stated:

> "… the Board is interested in reviewing peer comparative data and directs AltaLink to file with the Board on an annual basis, all of the AltaLink benchmarking information that the CEA is attempting to collect from AltaLink and its peer group, regardless as to whether AltaLink chooses to file such information with the CEA on an annual basis."

Therefore, the Board relieves AltaLink from complying with this direction.

The Board considers that the data AltaLink provides to the CEA is outside of the CEA's prohibition on its member utilities with respect to the release of the composite value benchmarking data. The Board continues to believe that there is merit in receiving the information that AltaLink provides to the CEA composite value benchmarking process and agrees with CG that the filing of such information would contribute to the development of a useful database of benchmarking measures that could form part of an overall framework for assessing AltaLink's productivity/ and cost efficiency.

Accordingly, the Board directs AltaLink to file with the Board on an annual basis, all of the AltaLink benchmarking information that the CEA is attempting to collect from AltaLink and to report all measures provided to CEA and which CEA tracks for the industry, regardless of whether AltaLink chooses to file such information with the CEA on an annual basis. AltaLink should also file all information necessary to assist in the understanding of the filed information.

The Board views the inclusion of information on AltaLink's proposed operational efficiency measures in AltaLink's annual Report on Finance and Operations as a useful addition to that report. Moreover, the Board considers that similar types of measures, which are determined in the future to add value to this report, should also be included as they are identified and approved.

[156] AltaLink 2004-07 GTA; CAL.AML-071(a) attachment

Accordingly, the Board directs AltaLink to include in future annual Reports on Finance and Operations information related to the two operational efficiency measures discussed in this Decision.

It is not clear from the current record what the Operating Expenses, Gross Plant Assets and Sustaining Capital components of AltaLink's proposed operational efficiency indices are comprised of. Therefore, for clarity, the Board directs AltaLink to include in its Refiling an example using historical data which illustrates how the proposed operational efficiency measures would be computed. The example should clearly show the major cost components that make up each of the Operating Expenses, Gross Plant Assets and Sustaining Capital amounts used in the formulae.

The Board further directs AltaLink to include the major components that make up each of the Operating Expenses, Gross Plant Assets and Sustaining Capital components of the operation efficiency benchmark indices when these measures are reported on in the Annual Report on Operations.

While the filing of measures such as the costs per FTE and costs per kilometre of transmission line as proposed by CG may be of some assistance, the Board is not convinced at this time that it is necessary to direct that this information be provided as part of each GTA. The Board considers that the requirement to file this information for each GTA could be more appropriately addressed in the context of the Minimum Filing Requirements process. In any event, if these metrics are considered to be necessary for the proper evaluation of the GTA, they can be requested through the interrogatory process.

6.5.2 Transmission System Reliability

In response to Board Directions 2 and 3 in Decision 2005-019 which requested that AltaLink submit past performance levels for safety and reliability and historical levels of performance deemed to be acceptable, AltaLink provided the following information:

Table 11. Reliability and Performance Targets

Reliability Targets – All kV	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2007 - 2008 Target
SAIFI System Average Interruption Frequency Index	1.15	0.77	0.90	1.29	1.42	1.15	0.94 – 1.34
SAIDI System Average Interruption Duration Index	0.63	0.36	0.89	1.19	1.01	1.73	0.37 – 1.22
SARI System Average Restoration Index	1.12	1.31	2.20	1.92	1.64	3.82	0.80 - 2.52

Source: Table 6.7.4b, Application p. 6-98

AltaLink acknowledged that although the transmission delivery point reliability statistics showed AltaLink's transmission system performance remains favourable relative to North American and Canadian utilities, the indices (SAIDI, SAIFI and SARI) have trended upward during the past five years. AltaLink indicated that it is continuing to make the necessary investments in its facilities to turn this trend around and noted that many factors are at play in causing power outages, some of which are within AltaLink's scope of control, while others are outside AltaLink's control. AltaLink stated that it has generally found that, as the system is aging,