



January 11, 2016

via RESS and Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON
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Dear Ms. Walli,

Re: Electricity Distribution System Reliability: Major Events, Reporting on Major Events and Customer Specific Measures – Board File Number EB-2015-0182

On December 7, 2015, the Ontario Energy Board (“Board” or “OEB”) issued its **Report of the Board on the Electricity Distribution System Reliability: Major Events, Reporting on Major Events and Customer Specific Measures** (the “Report”). The Report sets out proposals relating to three new initiatives, stemming from the OEB’s current and ongoing project, to establish distribution system reliability performance measures and expectations for Ontario electricity distributors. These initiatives are:

1. To develop a definition of a Major Event to be used to normalize reliability data that is reported to the OEB;
2. To develop criteria and new reporting requirements that will be used to evaluate a distributor’s response to a Major Event; and
3. To establish an approach to implementing “customer specific” system reliability measures.

OEB Staff along with the members of the System Reliability Working Group (the “Working Group”) worked together in exploring issues related to these new initiatives and provided feedback and recommendations to the OEB, in developing the proposals set forth in the OEB’s report. By way of this consultation, the OEB seeks stakeholder feedback on these initial proposals with specific focus on the set of questions provided.

The Group of Large Distributors’ (the “Group”)¹ submission is set out below in response to the OEB’s questions.

¹ The Group is comprised of the following electricity Local Distribution Companies (“LDC”): Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, Hydro Ottawa Limited, PowerStream Inc. and Veridian Connections Inc.

1. Defining a Major Event

The Group supports creating a definition of a Major Event and excluding a Major Event from reliability reporting to the OEB. For comparability purposes, the definition of a Major Event should have a common set of criteria to help LDCs determine whether an event is a Major Event, using criteria that is consistently understood and applied. In order to effectively review reliability performance, an LDC's normalized performance (excluding major events) is required to allow for more insightful year to year comparison of performance. The inclusion of Major Events in such statistics may obscure key contributors to reliability performance.

Question 1

What are the risks/benefits associated with normalizing data in this manner?

Response:

The Group supports normalizing the data by excluding Major Events. The inclusion of Major Events in reliability reporting distorts the actual reliability picture and misrepresents the variables that the LDC can control. It may create significant swings in year over year performance levels. By eliminating these events, their impact on performance is eliminated and true performance can be assessed under typical service conditions. Normalizing allows for a better indication of the true trends of an LDC's reliability and whether the actions and investments being taken by an LDC are effective. It also provides the OEB with better benchmark data to evaluate an LDC's system plans and investments and their impact on reliability.

Question 2

Is the OEB's proposal for a definition of a Major Event reasonable? What are the risks/benefits of OEB's proposal?

Response:

The Group believes that the OEB's proposal for a definition of a Major Event as being an event beyond the control of the LDC is reasonable. However, the Group does not agree that a major event meet all the four criteria of being: unforeseeable; unpredictable; unpreventable; and unavoidable in order to qualify for exclusion from reliability reporting. This sets too high a threshold and risks that few if any major events will qualify.

In this regard, the Group supports qualifying major events that are "beyond the control of the distributor" as stated in the Report but suggests that the definition of what constitutes a Major Event include but not be limited to those that are the result of natural forces or an action by a third party, including loss of supply events.

The Group agrees with the OEB's proposal to use the Canadian Electricity Association's ("CEA") Major Event Determination Reference Guide which provides LDCs with different options for assessing customers affected by an outage. The Group recommends that the OEB identify the Institute of Electrical and Electronic Engineers' ("IEEE") Standard 1366 as the default approach, with the LDC being required to justify using one of the non-default options.

The Group recommends that the OEB explicitly require LDCs to select a particular method with changes only occurring for circumstances within the LDC that warrant a change in methodology. The rationale for any changes could be filed as part of the reporting requirements, if necessary.

Question 3

Is it reasonable to have distributors themselves determine which outage events are Major Events, based on the principles set out in the proposal? Or should the OEB make a determination for each event?

Response:

The Group believes that LDCs should be able to determine which outage events are Major Events, based on the OEB's proposed definition as modified per the Group's comments above. In particular a Major Event is defined as an event that is considered beyond the control of the LDC and is characterized as either unforeseeable, unpredictable, unpreventable **or** unavoidable should qualify. Beyond the control of the LDC includes but is not limited to events that are the result of natural forces or an action of a third party or loss of supply. The Group recommends that the OEB not get involved in the determination of each Major Event. This would prove to be onerous and would result in unnecessary costs and a drain on the OEB and LDC productivity and resources. It is for these reasons that the Group recommends using the CEA's Major Event Determination Reference Guide and the three options contained therein.

Question 4

Are there any other approaches to normalizing data that the OEB should consider? If so, please describe along with the risks/benefits these other options offer?

Response:

The Group believes that the identification of Major Events and their removal from reliability performance indicators, as proposed, is the best option for normalization as it eliminates the fluctuation of year over year performance that these Major Events create and allows for better benchmarking of LDC performance. By eliminating these events, the LDC's true performance can be better assessed.

As previously mentioned, LDCs should select a particular methodology to be used consistently, which will allow for year over year comparability, should the OEB want this function.

Question 5

Once a definition of a Major Event is adopted, would distributors be able to recalculate their reliability performance results for the past five years, and file this information with the Board?

Response:

The Group members believe that it would be feasible to recalculate its historical reliability performance results for the past five years to exclude Major Events. However, in some cases the data provided may be based on a number of assumptions and may depend on the availability of information. IEEE method requires five complete years of daily reliability statistics. This means that in order to use the IEEE method, the data from five years ago would be based on a data set that is ten years old. If information is not available for five complete years, restating previous years would be done on a 'modified' IEEE basis. For instance, four years of data, or the number of years of available data, would have to be used versus five years which may skew historical comparisons.

2. Monitoring Response to Major Events

The Group does not oppose additional new reporting requirements and appreciates the long term benefit of information from this reporting that may inform future system planning. Various key objectives during an outage: actual response; ability to restore power and customer communication, are very difficult to measure and hence to compare. These new reporting requirements may provide more information that may lend greater insight to an LDC's performance during a Major Event.

Question 1

What are the risks/benefits of introducing these new reporting requirements?

Response:

While the Group is not opposed to additional reporting requirements that add value and insight to the Major Events, the Group believes the proposed additional reporting requirements are already addressed in the LDC's Emergency Plans. These Emergency Plans are filed with the IESO and reviewed and updated annually. In addition, most LDCs perform a "post mortem" analysis with a view to improve reaction time for the Major Event. These new reporting requirements present new risks in that the information provided may be taken out of context or misinterpreted by customers, or may not give a true understanding of an LDC's true performance. For example, as it relates to the magnitude of the Major Event, customer minutes of outage, does not always identify how well an LDC prepares or responds to a Major Event. There is a further risk that these proposed new reporting requirements, when added to the current OEB's Distribution System Code, as it relates to emergency response plans, could balloon into burdensome monitoring and reporting obligations that produce little value to the end customer relative to the potential costs. The Group is particularly concerned that these new reporting requirements will demand additional resources during a Major Event, and will compete with other critical tasks for scarce resources such as labour, at that time.

Question 2

Are the questions and reporting requirements proposed reasonable?

Response:

The Group respectfully submits that during Major Event outages, the whole company's focus is directed to restoring power and to effectively communicating to customers regarding the outage and estimated restoration time. As such, the Group agrees with the Working Group's recommendation that the scope of reporting should be limited to activities related to the publication of estimated restoration time, communication with customers, and details of the outage. In this regard, the Group does not object to responding to a common set of questions and believes there could be some benefit to establish a common baseline among LDCs. However, it should be acknowledged that any information provided in response to the OEB's questions to satisfy this reporting obligation would be retrospectively provided rather than recorded during the Major Event. To do otherwise would be contrary to the LDCs' mandate to be customer focused.

With respect to the timeframe for filing the reports with the OEB, the Group respectfully recommends that the OEB provide a 90 day timeline within which to report on any Major Events that may have occurred. LDCs could declare Major Events as part of their quarterly reporting.

Question 3

Are there any questions in the proposal that do not seem relevant?

Response:

The Group believes a number of these questions are not necessarily relevant in determining the effectiveness of an LDC's performance and do not relate to the expectations as laid out in Section 4.5.6 and Section 4.5.7 in the Distribution System Code. Many of the questions instead appear to be fact finding. Although fact finding may be a useful exercise it would not be appropriate to use the information to assess an LDCs' performance against the information in the absence of clear performance expectations.

In addition, the Group believes that recording all of this data during a major event will take manpower away from the actual event and instead devote, that much needed labour, into tracking this data for the Board, rather than focusing on getting customers connected quicker. The priority during these events should be restoring customer connection.

The Group believes that further consultation is required to develop the appropriate measures to gauge the effectiveness of an LDC's response and communication during a Major Event outage. Below are the Group's preliminary thoughts regarding the proposed questions.

A) Prior to the Event

Proposed questions to report activity prior to a Major Event are already addressed in the LDC's Emergency Plans. As previously mentioned, LDCs have Emergency Plans filed with the IESO and are reviewed and updated annually. Liability issues may arise if the expectation is set that critical load and life support customers are to be proactively contacted prior to a Major Event. Currently, critical loads, such as hospitals, are identified in critical infrastructure lists and are prioritized for restoration. Life support customers are not tracked due to the difficulty in keeping these records up to date.

B) During the Event

During an event the LDC is focused on managing the outage and restoration efforts. Many of the questions listed are not relevant given the current emergency practice of updating websites multiple times during a Major Event. Estimated times of restoration ("ETR") are also updated multiple times for multiple locations so the additional reporting requirements are not relevant or required.

C) After the Event

As previously stated, most LDCs perform post mortem analysis with a view to improving reaction time during an outage event. The questions proposed by the Board are a duplication of this practice.

Question 4

Are there other questions that should be included in a report evaluating a distributor's response to a Major Event?

Response:

With reference to the Group's response above, current Emergency Plans and post mortem reviews sufficiently addresses the evaluation of an LDC's response to a Major Event.

Question 5

Should the report include questions relating to calls answered by a live representative?

Response:

The Group believes that reporting on calls answered by a live representative is a narrow approach for an LDC to take in communicating to customers during an outage or Major Event. LDCs leverage multiple communication channels to ensure the customer has accurate information on a timely basis. As a result, reporting on calls answered by a live representative holds very little value in enhancing this process. Using tools that have the ability to reach a larger number of customers is a far more efficient and effective mechanism to communicate to customers.

Question 6

Should the OEB make these reports available through its' own web site?

Response:

No, the Group feels that customer communication and education should remain the domain of the LDC.

3. Customer Specific Reliability Measures

The Group supports the Working Group's recommendation to developing customer specific measures on a voluntary basis. A pilot project would provide greater insight into the system requirements needed to report at the customer level in addition to the capital required to implement these systems and processes.

Question 1

Is there any reason for not initiating a pilot project to review the implementation requirements for reporting customer level reliability data?

Response:

The Group supports initiating a pilot project to identify implementation requirements for reporting customer level reliability data and to identify what systems and processes are available, or needed, to monitor individual customer outages and to report on these outages. It will provide valuable insight into costs associated in compiling the required reliability data needed to report at this level.

Question 2

What are the risks/benefits of establishing a specific implementation date of 2018 for monitoring and reporting on individual customer outages?



Response:

Setting a specific implementation date of 2018 is optimistic and may cause concerns related to data accuracy as the accuracy of the information is highly dependent on the accuracy of the LDCs real time operating systems. Proper systems are required to perform this analysis. Addressing the issues that cause customers to receive poor service, as indicated by the statistics, are often uneconomical to resolve (cost benefit would not satisfy the prioritization process and guidelines as defined in the Distribution System Plan). The Group recommends that the OEB refrain from establishing a specific implementation date until the costs and value of customer specific reporting capability is known. In this regard, the Group concurs with the recommendation of the Working group to introduce these measures voluntarily first before formalizing them in regulations.

Question 3

Are there other options the OEB should consider to reach the goal of having customer specific reliability measures?

Response:

To attain accurate customer specific reliability measures, a certain level of system sophistication is required, which generally, most LDCs do not have. The economic cost of developing these systems is a major barrier for implementing these metrics. At this time, given the available systems, the feeder level reliability is the best approach to identify and measure customer reliability metrics.

The Group appreciates the opportunity to provide comments on the proposals developed by the OEB. If you have any questions or concerns, please do not hesitate to contact the undersigned.

Sincerely,

[Original signed on behalf of the Group by]

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