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January 11, 2016

Kristen Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli

**Re: Report of the Board entitled Electricity Distribution System Reliability:
Major Events, Reporting on Major Events and Customer Specific
Measures**

Board File #: EB-2015-0182

This letter contains comments made on behalf of Canadian Manufacturers & Exporters (“CME”) in response to the Ontario Energy Board’s (the “OEB”) request for stakeholder input with respect to recommendations contained in its report dated December 7, 2015 and titled “Electricity Distribution System Reliability: Major Events, Reporting on Major Events and Customer Specific Measures” (the “Report”). The Report sets out proposals relating to the following distribution system reliability objectives:

1. An option for defining “Major Events” which will be excluded from the data used to assess reliability performance;
2. Options for the key activities/criteria that the OEB will use to monitor and assess the effectiveness of a distributor’s response to a Major Event; and,
3. An approach to begin the implementation of customer specific reliability measures.

CME’s members represent 75% of manufactured output in the Province of Ontario. The future success Ontario’s manufacturing sector depends on the promotion of a reliable, cost effective and economically sustainable electricity distribution system in Ontario. As such, CME’s members are vitally concerned with ensuring that Ontario’s electricity distributors are continuously improving

their reliability performance without an increase in cost to electricity consumers. This dual objective informs the following comments of CME with respect to the Report.

(1) Proposed Definition of Major Events

CME shares the view, expressed on page 10 of the Report, that the exclusion of “Major Events” from reliability data must not allow distributors to mask inherent problems such as deteriorating infrastructure, outdated design standards or inappropriate redundancy strategies. CME is also in agreement that a Major Event should be one that is on such a scale that there would be no reasonable debate that the event should or shouldn’t qualify.

Having reviewed the proposed definition contained at pages 10 and 11 of the Report, CME has concluded that, on the face of it, the definition achieves the forgoing objectives particularly to the extent that it emphasizes the unforeseeable and unavoidable nature of a true ‘Major Event’ and establishes an objective threshold for establishing that the scale of such an event is well outside of the normal range. Notwithstanding the foregoing, CME offers the following comments and suggestions in respect of the proposed definition of “Major Events:

- i) The OEB has asked stakeholders to comment on whether distributors should be able to recalculate their reliability performance results for the past five years by excluding Major Events as defined in the Report. CME submits that this exercise would be a useful method of testing the common understanding of the proposed definition and may be of assistance in identifying any areas of disagreement before the new definition of a Major Event is actually adopted as a means of normalizing reliability data.
- ii) While CME does not object to having distributors themselves identify outage events which they believe should qualify as ‘Major Events,’ CME submits that such decisions should remain subject to review by the OEB until such time as all stakeholders are comfortable that the proposed definition achieves its stated objectives.

(2) Monitoring Response to Major Events

CME is in agreement that, particularly to the extent that Major Events will be excluded from data used to assess reliability, it is important to ensure that distributors are reporting on how they are responding Major Events before, during and after they occur. CME also agrees that, following the occurrence of a Major Event, distributors have an obligation to determine whether they can and should make changes to their operations which will limit the impact of similar events in future.

CME has reviewed the list of questions proposed by the OEB which are intended to standardize reporting of a distributor’s response to a Major Event and agrees that these new reporting requirements are appropriate. CME submits, however, that some additional reporting regarding costs incurred in response to a Major Event would also be of assistance as this information could inform decisions about the reasonableness of future investments targeted at limiting the impact of similar Major Events in future.

(3) Customer Specific Reliability Measures

CME supports measures aimed at improving the reliability of service to customers who experience significantly below average reliability performance. Nevertheless, in light of the

proposal to proceed immediately with a pilot project which would involve having participating distributors begin monitoring and reporting on individual customer outages, and the proposed 2018 implementation date for customer specific reliability measures, CME is concerned that sufficient attention be paid to ensuring that the confidentiality of customer specific information is maintained, unless those customers expressly consent to public disclosure.

For participants in the manufacturing sector, significant competitive sensitivity attaches to information about energy consumption. CME would therefore urge the OEB to review and consider how to protect the confidentiality of such information when implementing measures requiring monitoring and reporting on individual customers.

CME respectfully requests an award of its reasonably incurred costs in connection with conducting its review of the Report and the preparation of these comments.

Yours very truly



Emma Blanchard

c. EB-2015-0182 Interested Parties
Paul Clipsham and Ian Shaw (CME)

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