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BY EMAIL AND WEB POSTING

October 03, 2025

**TO: All Rate-Regulated Electricity Distributors
All Participants in Consultation Process EB-2021-0307
All Other Interested Parties**

**RE: Reliability Performance Targets (Reliability and Power Quality Review -
OEB File No. EB-2021-0307)**

What You Need to Know

- **The Ontario Energy Board (OEB) is providing reliability performance improvement target values and peer group assignments for all rate-regulated electricity distributors, based on 2020-2024 data.**
- **Each distributor now has specific System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) annual performance improvement targets.**
- **Targets will be applied when distributors file for new base rates effective in 2027 and beyond.**

On January 28, 2025, the Ontario Energy Board (OEB) issued a [letter](#) introducing an enhanced approach to setting reliability performance targets for all rate-regulated electricity distributors. With the incorporation of distributors' 2024 reliability performance data, this letter provides individual distributor reliability performance improvement targets based on the methodology defined in the January 2025 letter.

Performance Expectations

The individual distributor annual percentage improvement targets presented in the attached Appendix have been determined based on the methodology described in the

January 2025 letter. The annual percentage improvements are applied sequentially to the previous year's target SAIDI and SAIFI metric. The annual percentage improvements on SAIFI and SAIDI were calculated based on a baseline for SAIDI and SAIFI, which is based on the distributor's five-year average performance for each metric. These baselines were also adjusted by a percentage improvement factor, which was determined based on the distributor's historical performance trend and benchmarking results.

Updated Peer Group Assignments

Peer groupings, provided in the Appendix, reflect 2020-2024 SAIFI and SAIDI data. The percentage of underground lines required for a distributor to be classified as a "high" level of undergrounding is now 40% (it had previously been 35% in the January 2025 letter based on 2019-2022 data). This updated 40% threshold represents the 2020-2024 provincial median of underground levels across all distributors. The updated peer group assignments are based on the methodology defined in the January 2025 letter.

Implementation

Individual distributor performance targets should be incorporated into a distributor's rebasing application for determination of rates effective in 2027 and beyond, consistent with the implementation approach outlined in the January 2025 letter.

For distributors filing rebasing applications for 2027 rates, the OEB has used the 2020-2024 data to develop baselines and apply the established performance trend adjustments and updated benchmarking result adjustments to establish default annual performance improvement targets. For example, if a distributor's average SAIDI from 2020 to 2024 is 1.50 and its annual improvement target is 1%, the 2027 SAIDI target would be calculated as: $1.50 \times (1 - 0.01)^2 = 1.47$. The same calculation applies to SAIFI, using the distributor's assigned percentage improvement target. These annual percentage improvement targets will remain in effect and be applied sequentially until new targets are set through a distributor's next rebasing application.

Consistent with this approach, a distributor should include reliability performance targets set out in the Appendix in its scorecard for the rebasing year. For example, if a distributor's new base rates take effect in January 2027, its 2027 scorecard must include its 2027 reliability performance target.

For rebasing applications beyond 2027 rates, the OEB will update the historical trend and benchmarking results to reflect the most recent information. For example, rebasing applications for 2028 rates will use data from 2021 to 2025 to determine the performance targets.

As outlined in the January 2025 letter, distributors can propose alternative targets aligned with their proposed investment plans in their rebasing applications.

If you have any questions regarding this letter, please contact Industry Relations at IndustryRelations@oeb.ca.

Yours truly,

Brian Hewson
Vice President
Consumer Protection and Industry Performance

Attachments:

Appendix – Reliability Benchmarking Peer Groupings and Annual Performance
Percentage Improvement Targets

Appendix – Reliability Benchmarking Peer Groupings and Annual Performance Percentage Improvement Targets¹²

	Annual Performance Targets (% improvement)	
	SAIFI	SAIDI
Very Large with High Undergrounding		
Alectra Utilities Corporation	0.25%	1.00%
Hydro Ottawa Limited	0.00%	2.00%
Toronto Hydro-Electric System Limited	0.25%	1.00%
Southern Small with High Undergrounding		
EPCOR Electricity Distribution Ontario Inc.	0.00%	1.50%
InnPower Corporation	1.00%	1.50%
Halton Hills Hydro Inc.	0.50%	1.00%
Southern Large with High Undergrounding		
Milton Hydro Distribution Inc.	0.00%	1.00%
Oakville Hydro Electricity Distribution Inc.	0.00%	1.00%
Burlington Hydro Inc.	1.50%	2.00%
Enova Power Corp.	0.00%	1.00%
GrandBridge Energy Inc.	2.00%	1.00%
Niagara Peninsula Energy Inc.	0.50%	2.00%
Oshawa PUC Networks Inc.	0.00%	1.00%
Elexicon Energy Inc.	0.25%	1.50%
Newmarket-Tay Power Distribution Ltd.	0.00%	1.50%
Provincial		
Provincial Average		
Hydro One Networks Inc.	0.25%	1.50%
Eastern		
Cooperative Hydro Embrun Inc.	0.00%	0.00%
Lakefront Utilities Inc.	1.50%	0.25%
Ottawa River Power Corporation	0.25%	0.25%
Hydro Hawkesbury Inc.	0.50%	0.50%
Kingston Hydro Corporation	0.25%	0.00%
Hydro 2000 Inc.	0.00%	0.00%
Rideau St. Lawrence Distribution Inc.	0.00%	1.00%

¹ 53 rate-regulated distributors in total. The distributors not included in the benchmarking: Attawapiskat Power Corporation, Fort Albany Power Corporation, Kashechewan Power Corporation, Cornwall Street Railway Light and Power Company Limited, and Hydro One Remote Communities Inc

² Based on analysis of 2020-2024 data submitted to the OEB as per the Reporting and Record Keeping Requirements

	Renfrew Hydro Inc.	0.00%	0.00%
Northern Small			
	Atikokan Hydro Inc.	0.00%	0.00%
	Hearst Power Distribution Company Limited	0.25%	0.25%
	Sioux Lookout Hydro Inc.	0.00%	0.00%
	Fort Frances Power Corporation	0.00%	0.00%
	Northern Ontario Wires Inc.	1.50%	1.50%
	Algoma Power Inc.	2.00%	2.00%
	Lakeland Power Distribution Ltd.	0.00%	0.25%
Northern Large			
	North Bay Hydro Distribution Limited	0.00%	0.00%
	PUC Distribution Inc.	0.25%	2.00%
	Greater Sudbury Hydro Inc.	0.00%	1.00%
	Synergy North Corporation	0.25%	1.00%
Southwestern Large with High Undergrounding			
	Essex Powerlines Corporation	1.00%	0.50%
	London Hydro Inc.	0.00%	0.00%
	Entegrus Powerlines Inc.	0.00%	0.25%
	ENWIN Utilities Ltd.	0.50%	0.00%
Southwestern Small with High Undergrounding			
	Orangeville Hydro Limited	0.00%	0.00%
	Centre Wellington Hydro Ltd.	0.00%	0.00%
	Tillsonburg Hydro Inc.	0.00%	0.00%
	Grimsby Power Incorporated	2.00%	2.00%
	E.L.K. Energy Inc.	0.00%	0.00%
	Festival Hydro Inc.	0.25%	0.25%
	Wasaga Distribution Inc.	0.25%	2.00%
Southwestern Small with Low Undergrounding			
	ERTH Power Corporation	0.00%	0.00%
	Niagara-on-the-Lake Hydro Inc.	0.00%	0.00%
	Welland Hydro-Electric System Corp.	0.25%	0.25%
	Wellington North Power Inc.	0.00%	0.00%
	Westario Power Inc.	0.00%	0.25%
	Canadian Niagara Power Inc.	0.50%	0.50%
	Bluewater Power Distribution Corporation	0.25%	0.25%