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BY FAX ONLY

January 20, 2004

TO: **ALL LICENSED ELECTRICITY DISTRIBUTORS**

RE: **EXCLUSION OF IMPACT OF AUGUST 14, 2003 BLACKOUT ON 2003
RELIABILITY STATISTICS**

Licensed Electricity Distributors are due to file their service quality and reliability statistics for the 2003 calendar year by January 31, 2004, in accordance with the Reporting and Record-keeping Requirements (RP-2002-0140).

Several electricity distributors have contacted the Board and staff requesting that the impact of the August 14, 2003 Blackout be excluded from the reported reliability statistics. The premise underlying the request for exclusion of the August 14 Blackout is that this was an atypical service interruption which was beyond the distributors' ability to control, and that inclusion of this event results in skewed statistics that are not representative of service reliability.

The Board stated in its Decision with Reasons RP-1999-0034:

The Board considers that service interruptions as experienced by customers, regardless of cause, should be reported to the Board. The Board notes that the cause of service interruption is to be documented as well. In any instances of service interruptions, the Board will take into account exogenous factors that impact on the reported performance. (*Para 5.0.21*)

However, the Board considers that the August 14, 2003 Blackout was a major event which impacted many customers and distributors in Ontario, and the initiation of the Blackout was beyond any distributors' control. Furthermore, the time taken for restoration was also impacted by efforts to restart generation and to energize the provincial grid in a controlled manner.

The Board considers that inclusion of the August 14 Blackout in the August 2003 statistics would provide a distorted picture. Further, since at present distributors are expected to maintain reliability performance within the range of the most recent 3 years, inclusion would also distort the expected range of performance for the near future. The Board notes that this consideration is specific to the August 14, 2003 Blackout and does not establish a precedent for exclusion of other major events that a distributor considers impacting its performance.

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The Board directs distributors who were impacted by the August 14, 2003 Blackout to exclude the impacts of the Blackout from the 2003 reliability statistics reported in the Distributor Quarterly Filing ("DQF") in accordance with Section 2.1.4 of the Reporting and Record Keeping Requirements. However, the Board considers it important that data showing the impact of the August 14 Blackout should be filed, and directs electricity distributors to report their annual SAIDI, SAIFI and CAIDI including the August 14 Blackout in the Comments page of section 2.1.4 of the DQF filing.

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Electricity distributors whose reliability was unaffected by the August 14 Blackout should report their SAIDI, SAIFI and CAIDI as normal.

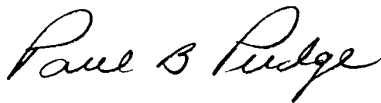
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For further information on this matter, please contact Keith Ritchie at 416-440-8124 or ritchike@oeb.gov.on.ca.

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Yours truly,

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Paul B. Pudge
Assistant Secretary