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January 2, 2008

Via E-Mail

To: All Licensed Electricity Distributors

Re: Electricity Reporting and Record Keeping Requirements Request Regarding Reporting on Reliability Indices – Exclusion of “Loss of Supply”

Distributors are required by the Electricity Reporting and Record Keeping Requirements to report on three reliability indices – SAIDI, SAIFI and CAIDI – relating to the frequency and duration of outages. These indices are described in section 15.2 of the 2006 Electricity Distribution Rate Handbook (the “Handbook”) as reproduced in Appendix A, and are calculated based on total outages regardless of the cause. Nonetheless, in accordance with the Handbook distributors are expected to monitor and record the cause(s) of outages, including at a minimum the causes identified in Table 15.2 of the Handbook. One such cause is referred to as “Loss of Supply”, which targets customer interruptions that are due to problems in the bulk electricity supply system.

Many distributors have expressed to Board staff the view that distributors should be able to report their reliability performance data exclusive of interruptions due to “Loss of Supply”. While resolution of this issue is best left to be addressed in the context of the Board’s review of its service quality regulation regime,¹ it would be useful for distributors to start reporting on their SAIDI, SAIFI and CAIDI data both inclusive and exclusive of interruptions caused by “Loss of Supply” as soon as possible.

To that end, we are modifying the electronic form E2.1.4 used to collect SAIFI, SAIDI and CAIDI data in the Board’s Regulatory Information Filing System to enable distributors to also report their reliability data excluding outages caused by “Loss of Supply”. Distributors are encouraged to include this data, on a voluntary basis, as part of their filing for 2007 which is due on January 31, 2008.

Please direct any questions to Kelli Dobson, Audit Information Analyst, at 416-440-7624.

Yours truly,

A handwritten signature in black ink, appearing to read "Bill Cowan".

Bill Cowan
Chief Regulatory Auditor

¹ The Board’s commitment to implementing an effective service quality regulation regime in association with incentive regulation was identified in the Board’s December 20, 2006 *Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario’s Electricity Distributors* and is also reflected in the Board’s 2007-2010 Business Plan.

APPENDIX A

Excerpt from the 2006 Electricity Distribution Rate Handbook

15.2 Service Reliability Indices

Service reliability indices measure system outage statistics. The monitoring and reporting of service reliability indices are intended to encourage distributors to maintain or improve the existing service reliability performance of its electrical distribution system.

15.2.1 System Average Interruption Duration Index (SAIDI)

SAIDI is an indicator of system reliability that expresses the length of outage customers experience in the year on average. All planned and unplanned interruptions of one minute or more should be used to calculate this index. It is defined as the total hours of power interruptions normalized per customer served, and is expressed as follows:

$$SAIDI = \text{Total Customer Hours of Interruption} / \text{Total Number of Customers Served}$$

A distributor is required to monitor this index monthly and to report to the Board on an annual basis.

A distributor that has at least 3 years of data on this index should, at minimum, remain within the range of its historical performance.

The monthly information is to be reported as follows:

- (1) total customer-hours of interruptions
- (2) total number of customers served
- (3) SAIDI [(1)/(2)]

15.2.2 System Average Interruption Frequency Index (SAIFI)

SAIFI is an indicator of the average number of interruptions each customer experiences. All planned and unplanned interruptions of one minute or more should be used to calculate this index. It is defined as, the number of interruptions normalized per customer served, and it is expressed as follows:

$$SAIFI = \text{Total Customer Interruptions} / \text{Total Number of Customers Served}$$

A distributor is required to monitor this index monthly and to report to the Board on an annual basis.

A distributor that has at least 3 years of data on this index should, at minimum, remain within the range of their historical performance.

The monthly information is to be reported as follows:

- (1) total number of customer interruptions
- (2) total number of customers served
- (3) SAIFI [(1)/(2)]

15.2.3 Customer Average Interruption Duration Index (CAIDI)

CAIDI is an indication of the speed at which power is restored. All planned and unplanned interruptions of one minute or more should be used to calculate this index. It is defined as the average duration of interruptions in the year, and it is expressed as follows:

$$CAIDI = SAIDI \text{ (Total Customer Hours of Interruption) } / SAIFI \text{ (Total Customer Interruptions)}$$

A distributor is required to monitor this index monthly and to report to the Board on an annual basis.

A distributor that has at least 3 years of data on this index should, at minimum, remain within the range of their historical performance.