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BY E-MAIL AND WEB POSTING

May 13, 2015

To: All Licensed Electricity Distributors
All Other Interested Parties

Re: Public Safety Scorecard Measure for Licensed Electricity Distributors

In the *Report of the Board on Scorecard on Performance Measurement for Electricity Distributors: A Scorecard Approach* (EB-2010-0379) dated March 5, 2014 (Scorecard Report), the Ontario Energy Board (OEB) stated that, “looking at the scorecard from a customers’ point of view, safety of the distribution system is very important, and the Board believes that customers would find that public safety is an important aspect of overall value for money.”¹ The OEB further stated that it would consult with the Electrical Safety Authority (ESA) and will include a public safety measure on the scorecard. The Board expected that the measure will have a target.

The ESA formed a stakeholder engagement working group which included a number of licenced electricity distributors. The ESA held meetings with its working group over the period of October 2014 to April 2015 to develop and recommend a public safety measure to the OEB. The ESA also sought input from stakeholders over a broader public consultation period from January 26, 2015 to March 4, 2015, and received comments from many licenced electricity distributors and other stakeholders. In addition, the ESA engaged with the OEB and sought feedback throughout its consultation processes.

The ESA’s working group concluded its work in April 2015. To monitor both the effort and impact electricity distributors are having on improving public electrical safety, the

¹ EB-2010-0379, *Report of the Board on Scorecard on Performance Measurement for Electricity Distributors: A Scorecard Approach*, March 5, 2014, page 21.

ESA recommended to the OEB in April 2015 a scorecard public safety measure that includes three components: Public Awareness of Electrical Safety, Compliance with Ontario Regulation 22/04, and the Serious Electrical Incident Index. The OEB reviewed the ESA's proposed measure and subsequently accepted the ESA's recommendations for the definitions, approach to establishing performance targets, and implementation dates for tracking and reporting related to the public safety measure.

Although the OEB stated in the Scorecard Report that it would consult stakeholders on the public safety measure, the OEB decided not to conduct its own stakeholder consultation due to the comprehensive nature of the ESA's stakeholder consultation activities.

Public Safety Measure

Component A - Public Awareness of Electrical Safety

The Public Awareness of Electrical Safety component of the public safety measure is expected to measure the level of awareness of key electrical safety precautions among public within the electricity distributor's service territory. It measures the level of effort placed by distributors on preventing electrical accidents. The ESA is expected to consult with distributors and the Electricity Distributors Association (EDA) to develop biennial (i.e., every second year) standardized questions for survey of statistically representative sample of distributor's service territory's population. The LDCs will execute the survey every two years. The ESA will complete the preparation work for the survey in 2015. The ESA will monitor the effectiveness of the surveys and update survey questions, if required. The OEB expects that the first reporting of this component of the public safety measure will be shown on the scorecards for 2015.

The performance target for Public Awareness of Electrical Safety will be established once three years of data is gathered from the distributors.

Component B – Compliance with Ontario Regulation 22/04

The Compliance with Ontario Regulation 22/04 component of the public safety measure is expected to address the level of distributor compliance to Ontario Regulation 22/04, Electrical Distribution Safety. It includes audit of compliance submitted by distributor, declaration of compliance submitted by distributor, reports evaluated (e.g., due diligence inspections, audits, public safety concerns, etc.), and outcome (e.g., compliant, needs improvement, non-compliant).

The performance target for level of compliance with Ontario Regulation 22/04 is for the distributor to be fully compliant with Ontario Regulation 22/04.

Component C - Serious Electrical Incident Index

The Serious Electrical Incident Index component of the public safety measure is intended to address the resultant impact in improving public electrical safety on the distribution networks over time. It measures the number of and rate of serious electrical incidents occurring on a distributor's assets and is normalized per 10, 100 or 1,000 km of line. Both the actual number and the rate per km of line will be shown on the scorecard.

The performance target for Serious Electrical Incident Index will be set based on distributor's specific performance target using the distributor's historical data and prior performance.

Implementation Dates for Tracking and Reporting

For the purposes of the 2014 scorecard, the ESA will provide to the OEB the performance results regarding level of compliance with Ontario Regulation 22/04 and serious electrical incident index on behalf of distributors. However, the ESA will provide individual compliance and serious electrical incident data to each distributor for validation before sending this data to the OEB in July 2015. Thus, distributors will not be required to file these two measures directly with the OEB for the 2014 scorecards.

Starting in 2016, all electricity distributors will be required to directly file the performance results on the public safety measure to the OEB as a part of their annual Reporting & Record Keeping Requirement (RRR) filings (i.e. due by April 30 of the preceding calendar year). The results will be reported under section RRR 2.1.19 (d) Public Safety. The electricity distributors are expected to work with the ESA regarding validation of the data.

The OEB is amending the RRR section 2.1.19 (d) to include the definitions for the public safety measure and performance targets as outlined in Attachment A of this communication letter.

The OEB takes this opportunity to thank the ESA and its working group for the work in developing the scorecard public safety measure.

All enquiries regarding the public safety scorecard measure for licensed electricity distributors should be directed to Industry Relations Enquiry at:
IndustryRelations@ontarioenergyboard.ca.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Attachment A: Final Amendments to RRR section 2.1.19 (d)

Attachment A

For the purposes of Public Safety, RRR section 2.1.19 (d), the following definitions and targets apply:

“Public Awareness of Electrical Safety” means the level of public awareness within the electricity distributor’s service territory of electrical safety information and precautions related to distribution network assets.

The performance target for Public Awareness of Electrical Safety will be established once three years of data is gathered from the electricity distributors. The target for Public Awareness of Electrical Safety will be set after the information for years 2015 to 2017 is collected from electricity distributors. The target will be shown on the scorecard for the 2018 performance data.

“Compliance with Ontario Regulation 22/04; Electrical Distribution Safety” means the level of the electricity distributor’s compliance with Ontario Regulation 22/04- Electrical Distribution Safety as measured by:

- *Evaluation of annual audit of compliance submitted by electricity distributor (section 4-8) and declaration of compliance (sections 3,9-12)*
- *Evaluation of Due Diligence Inspection (DDIs) and Reports of Public Safety Concerns*

The performance target for level of compliance with Ontario Regulation 22/04 is for the distributor to be fully compliant with Ontario Regulation 22/04.

“Serious Electrical Incident Index” means the number of non-occupational (general public) serious electrical incidents involving electricity distributor owned assets as defined by Ontario Regulation 22/04 - Electrical Distribution Safety, as measured by the number of and rate of serious electrical incidents occurring on an electricity distributor's assets per 10, 100 or 1000 km of line.

The performance target for Serious Electrical Incident Index will be set based on distributor’s specific performance target using the distributor’s historical data and prior performance.