



Ontario Energy Board Commission de l'énergie de l'Ontario



Performance Measurement: A Scorecard Approach

March 18, 2014 Webinar

Overview

- Purpose of today's session:
 - To give distributors an opportunity to ask questions to improve their understanding of the Scorecard and prepare for their annual Electricity Reporting and Record Keeping Requirements filing.
- Agenda:
 - Welcome & Opening Remarks
 - Staff Presentation on Implementation of the Scorecard
 - Distributor Q&A
 - Closing Remarks & Next Steps

The Renewed Regulatory Framework

- The Renewed Regulatory Framework is a comprehensive performance-based approach to regulation that promotes the achievement of:
 - customer focus;
 - operational effectiveness;
 - public policy responsiveness; and
 - financial performance
- to the benefit of existing and future customers.

The Renewed Regulatory Framework

- The Board remains committed to continuous improvement within the electricity sector.
- Individual distributors continuously improve with their ongoing efforts to improve services and/or processes that are valued by their customers.
- Over time and collectively, distributors will advance continuous improvement in the sector through achievement of benchmark performance on valued services and/or processes.

A Scorecard Approach to Assessing Outcomes

Performance Outcomes	Performance Categories	Performance Measures
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential Services Connected on Time Scheduled Appointments Met on Time Telephone Calls Answered on Time
	Customer Satisfaction	First Contact Resolution Billing Accuracy Customer Satisfaction Survey Results
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Public Safety (<i>measure to be determined</i>)
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted Average Number of Times that Power to a Customer is Interrupted
	Asset Management	Distribution System Plan Implementation Progress
	Cost Control	Efficiency Assessment Total Cost per Customer Total Cost per Km of Line
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation and Demand Management	Net Annual Peak Demand Savings (Percent of target achieved) Net Cumulative Energy Savings (Percent of target achieved)
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed on Time New Micro-embedded Generation Facilities Connected on Time
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities) Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio
		Profitability: Regulated Return on Equity Deemed (included in rates) Achieved

A Scorecard Approach to Assessing Outcomes

- **Comparability**
 - Scorecard an important tool for public reporting of performance in a transparent manner.
 - Initially, when implementing new measures experience will need to be gained prior to adopting uniform definitions.
 - However, Board intends that all measures will be uniform no later than 2018.

A Scorecard Approach to Assessing Outcomes

- Reporting and Publication
 - The Scorecard will use data that in many cases distributors already report to the Board.
 - Ownership of the data and Scorecard resides with the distributor.
 - The Board will take the data on each measure and will create distributor Scorecards.

A Scorecard Approach to Assessing Outcomes

- On-going Use of the Scorecard
 - To monitor individual distributor performance and eventually, to compare performance across the sector.
 - Evaluations and comparisons are critical to the Board's rate-setting and will provide a signal to the Board if corrective action is needed.

A Scorecard Approach to Assessing Outcomes

- Evolution

- As distributors and the Board gain experience under the scorecard approach and gain an improved understanding of customer preferences, refinements and improvements will be made.
- The Board will monitor the effectiveness of the Scorecard as a performance monitoring tool and work with stakeholders to ensure that it continues to support the Board's objectives.

Measures on the Scorecard

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Measures on the Scorecard

- Most leverage requirements already in place.
- Each will have an expected minimum level of performance – a target.
- Five new:
 - First Contact Resolution;
 - Billing Accuracy;
 - Customer Satisfaction Survey Results;
 - Public Safety; and
 - Distribution System Plan Implementation Progress.

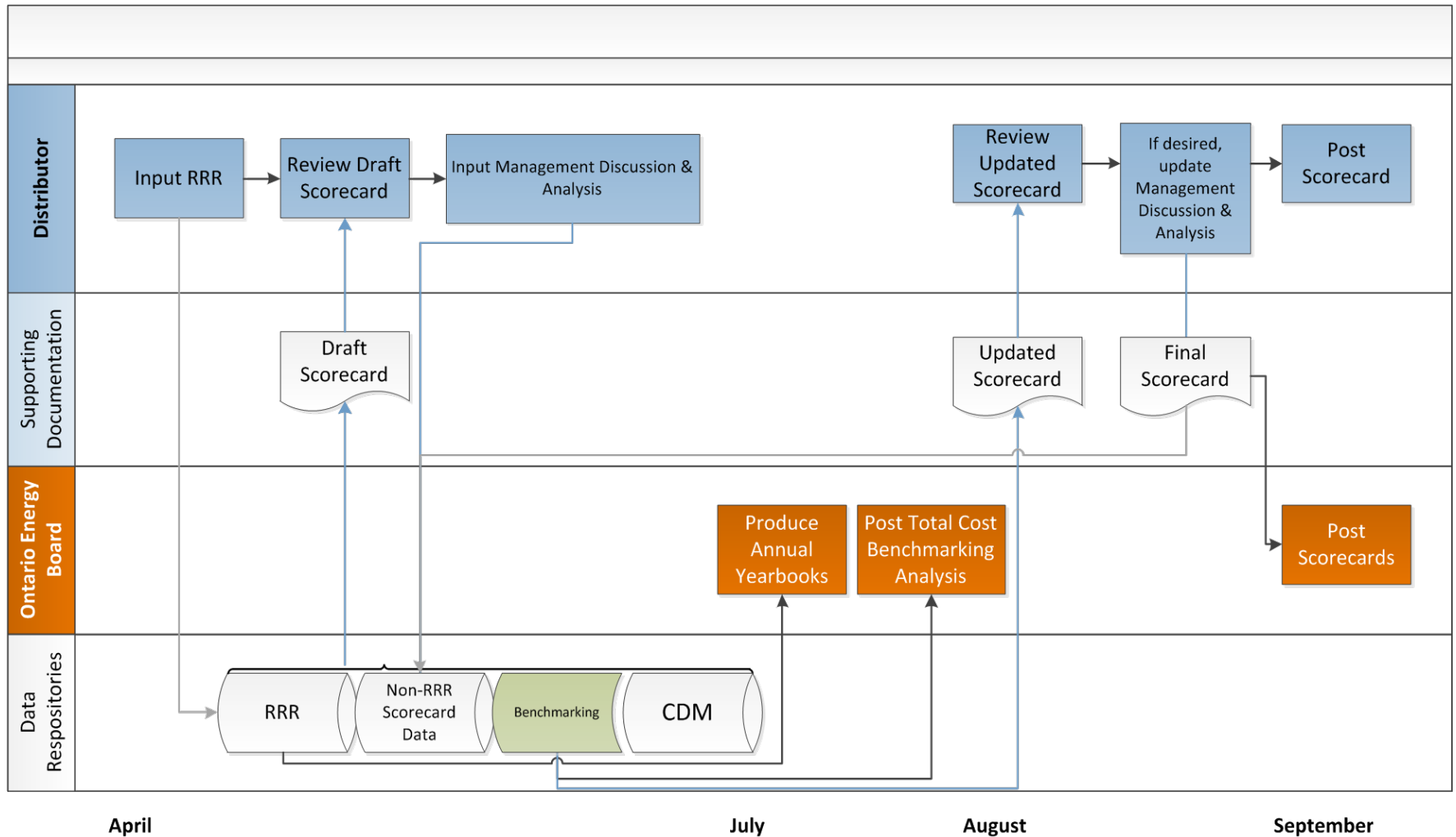
Measures on the Scorecard

- A Scorecard Relevant and Meaningful to All
 - The Scorecard has to be relevant and meaningful to all, including customers.
 - The Board has created a separate document describing the measures that includes:
 - a technical definition (consistent with any associated regulatory documents);
 - a plain language description; and
 - an indication as to how at this time the results reported are comparable.

Questions?



Implementation: The Annual Process



Questions?

