

**Ontario Energy Board**  
P.O. Box 2319  
27th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone; 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



## VIA E-MAIL AND WEB POSTING

August 25, 2015

**To:** All Licensed Electricity Distributors  
All Participants in Consultation Process EB-2010-0249  
All Other Interested Parties

**Re: Initiative to Develop Electricity Distribution System Reliability Performance Targets**  
**Board File No.: EB-2014-0189**

---

Today the Ontario Energy Board (OEB) issued its Report of the Board – Electricity Distribution System Reliability Measures and Objectives. This Report sets out the direction that is being taken by the OEB to establish an expected level of electricity reliability performance by distributors.

These reliability expectations are in support of the OEB's Renewed Regulatory Framework. One of the outcomes of the renewed framework is operational effectiveness, which requires continuous improvement in productivity and cost performance; and that utilities deliver on system reliability and quality objectives.

Specific reliability performance objectives will set the level of performance a distributor is expected to deliver. Continuous improvement will be demonstrated by a distributor's ability to deliver improved reliability performance without an increase in costs, or maintain the same level of performance at a reduced cost.

The OEB will continue to use the system reliability indicators that are part of the performance Scorecard: the "Average Number of Hours that Power to a Customer is

Interrupted” and the “Average Number of Times that Power to a Customer is Interrupted. (SAIDI and SAIFI<sup>1</sup> respectively)

A set of measures with baselines<sup>2</sup> will be established for each distributor, based on its’ average performance over the previous 5 years. A distributor can also choose to propose different baselines, supported by rationale. In either case, these will remain in place for 5 years<sup>3</sup>. The distributor’s actual performance will be measured annually, based on a five year rolling average of their performance. This rolling average will be compared to the established baseline in order to monitor performance trends.

In order to ensure the measured distributor performance is related to conditions that are within the distributor’s control, outage events related to “Major Events” will be excluded from the data used to assess performance<sup>4</sup>. The definition of what constitutes a “Major Event” will be established in a separate consultation.

Along with defining Major Events, the OEB will be announcing a consultation related to a distributor’s response to a Major Event. This project will establish a process for measuring the effectiveness of the implementation of a distributor’s response plans.

The OEB will also move forward with the introduction of customer specific system reliability measures. A letter will be issued announcing consultations with industry stakeholders relating to the initiatives on Major Events and customer specific reliability measures at a later date.

If you have questions regarding this Report, please contact Paul Gasparatto at [paul.gasparatto@ontarioenergyboard.ca](mailto:paul.gasparatto@ontarioenergyboard.ca) or at 416-440-7724. The Board’s toll free number is 1-888-632-6273.

Yours truly,

*Original Signed By*

Kirsten Walli  
Board Secretary

---

<sup>1</sup> System Average Interruption Duration Index and System Average Interruption Frequency Index

<sup>2</sup>Baseline is an initial set of critical observations or data used for comparison

<sup>3</sup> In conjunction with the filing of Distribution System Plans. Please see discussions in section C.5 of this Report.

<sup>4</sup> The current practice of excluding “Loss of Supply” events will also continue.