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BY EMAIL AND WEB POSTING

March 31, 2015

To: All Electricity Distributors

Re: New Requirement for Certification of the Electricity Distributors' Reporting and Record Keeping Requirements

The Ontario Energy Board (the OEB) Reporting and Record Keeping Requirements (RRR) set the minimum reporting and record keeping requirements for electricity distributors. On March 5, 2014, the RRR was amended to implement a new electricity distributor scorecard to make information about distributor performance easily available, accessible, and comparable. In keeping with these new RRR requirements, the OEB completed four performance audits of electricity distributors to assess the quality of certain RRR data and scorecard measures filed with the OEB. These performance audits were conducted to assist the OEB in carrying out its oversight and performance monitoring of distributors.

A. Audit Findings

The OEB audit team (the Audit) completed audits of data collection, verification, and reporting practices of four Ontario electricity distributors. Some of the key OEB audit findings are summarized below.

The four distributors audited did not have adequate data collection practices, processes, and systems for certain annual RRR filings to ensure the integrity and accuracy of distributor performance reported to the OEB. For example, one distributor did not include a number of outages incurred in the calculation of service reliability reported to the OEB. Two distributors incorrectly included appointments where customer presence was not required in calculation appointments met on time. One distributor did not properly and consistently record the dates on which all service connections were met. One distributor incorrectly included the calls that were received outside of its regular hours of operation in calculation of telephone calls answered on time. As a result, these RRR data reported to the OEB by these distributors were not accurate. Furthermore, some of the required supporting documentation and records were not available to substantiate the information reported in the RRR.

Through the Distribution System Code (DSC), the OEB has established minimum service quality requirements for performance indicators such as new residential/small business services connected on time, scheduled appointments met on time, and telephone calls answered on time. Breaches of the service quality requirements were also identified in the audits. For example, three distributors did not offer scheduling of appointments during a window of time that is no greater than 4 hours. One distributor included and reported the calls from both regulated and non-regulated activities for the telephone calls answered on time.

B. Licence Obligations

Service quality requirements codes for electricity distributors are set out in section 7 of the DSC. These requirements established minimum standards of service to be provided by all local distribution companies. The OEB expects that distributors will adhere to the established standards. A distributor must also be able to demonstrate that it is in fact achieving the required standard by maintaining and producing, when requested, supporting records and verifiable data.

Measuring, tracking, and accurate record keeping and reporting are essential to enable the OEB to effectively discharge its public interest and consumer protection mandate. The RRR data required to be reported to the OEB has remained largely unchanged since its inception in 2003 for electricity distributors. In a letter dated June 4, 2009, regarding electricity distributors' service quality data and reporting, the OEB reminded distributors of their obligations to maintain accurate and reliable service quality information.

The OEB reminds distributors that maintaining accurate records is a requirement of a distributor's licence. Section 14.1 of the distribution licence, Provision of Information to the Board, requires and indicates that, "The licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time."

The OEB further reminds distributors that ownership and accountability for the data and the accuracy of information reported to the OEB rests with each distributor. The OEB will continue to monitor and audit, as required, quality assurance and quality control processes of the distributors with respect to reporting and record keeping practices.

C. New Requirement for Executive Certification of RRR filings

To underscore the importance that the OEB places on the accuracy and integrity of distributor reporting, particularly in the context of the new performance based regulatory framework, effective immediately, the OEB requires that any filing with the OEB required under the DSC, or as a condition of licence be certified by an executive signing officer of the company (e.g., Chief Executive Officer, Chief Financial Officer). The new executive certification is required for both quarterly and annual RRR filings.

While this new requirement applies to the electricity distributors, the OEB intends to adopt a similar standard regarding RRR filings for natural gas distributors, electricity transmitters, electricity retailers, and gas marketers.

Sincerely,

Original Signed By

Kirsten Walli
Board Secretary