

Ontario Energy Board



EB-2010-0379

Report of the Board

**Performance Measurement for Electricity
Distributors: A Scorecard Approach**

March 5, 2014

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Executive Summary

The Ontario Energy Board's (the "Board") Renewed Regulatory Framework is a comprehensive performance-based approach to regulation that promotes the achievement of four performance outcomes to the benefit of existing and future customers: customer focus, operational effectiveness, public policy responsiveness, and financial performance. The framework aims to align customer and distributor interests, continues to support the achievement of important public policy objectives, and places a greater focus on delivering long term value for money.

For distributors, a focus on delivering value will put a greater emphasis on understanding customer satisfaction and the cost/value trade-offs that customers are willing to make. This will help them to better plan their investments to focus on improvements valued by their customers. Distributors are expected to achieve continuous improvements that reduce costs and deliver service levels that their customers value. For customers, the Board's performance-based approach aims to encourage distributors to operate effectively, continually seek ways in which to improve their productivity and performance and, importantly, better engage with their customers to better understand and respond to their needs, and demonstrate the value that they deliver.

The Board remains committed to continuous improvement within the electricity sector. Individual distributors achieve continuous improvement through 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.

To facilitate performance monitoring and eventually distributor benchmarking, the Board will use a scorecard approach to effectively translate the four outcomes into a coherent set of performance measures. This approach effectively organizes performance information in a manner that facilitates evaluations and meaningful comparisons. Providing a longer-term view on performance, the Scorecard will present the five most recent years of available data for each measure. The Scorecard is designed to track

and show an individual distributor's performance gains over a period of time and at a point in time. Furthermore, the Scorecard will be published and made available in the public domain. Therefore, it needs to be relevant and meaningful to all, including customers. The Scorecard will allow customers to gain a better sense of how well their distributor is performing. Over time, this approach will also let customers see how their distributor compares to others.

This Report sets out the Board's policies on the measures that will be used by the Board to assess a distributor's effectiveness and improvement in achieving the four performance outcomes. These measures are summarized in Table 1.

Table 1: Measures of the Four Performance 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 (measure to be determined)	
	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

Most of the measures included on the Scorecard leverage measures and reporting requirements that are already in place. Five new measures are also included to underscore the Board's renewed focus on value to customers and effective planning and asset management. These new measures are: First Contact Resolution; Billing Accuracy; Customer Satisfaction Survey Results; Public Safety; and Distribution System Plan Implementation Progress.

The Board is consulting with the Electrical Safety Authority and will consult with stakeholders to identify a measure that is readily available for use as the Public Safety measure on the Scorecard.

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.

Distributors will be expected to report and post their performance results annually commencing in April 2014. Where new measures have been introduced, mandatory reporting will not be required until April 2015. The Board acknowledges that some distributors may already be collecting data on some of the new measures. Those distributors are asked to report their results with their annual Electricity Reporting and Record Keeping Requirements filings commencing April 30, 2014. Distributors that have not yet implemented the new measures are required to have all new measures in place by July 1, 2014. All distributors will be required to report on their performance results against all Scorecard measures with their annual Electricity Reporting and Record Keeping Requirements filings of April 30, 2015.

Each measure included on the Scorecard will have an established minimum level of performance that a distributor is expected to achieve. Where a performance target (i.e., expected level of performance) for a measure has been previously established by the Board that target will continue to be used at this time. Where a new measure is being implemented and therefore no data has yet been collected, the Board will not yet establish a performance target, preferring to monitor distributor performance and data, until sufficient experience has been gained.

Performance targets take into consideration the level of service customers should reasonably be expected to receive from all distributors at rates the Board has determined are reasonable. Distributors are expected to meet the Board's requirements and, as already noted, achieve continuous improvements that reduce costs and deliver service levels that their customers value. Over time, year-over-year improvements will differentiate distributor performance levels relative to the norm and superior performance levels in the sector. This information can be used by the Board to ensure performance targets continue to be appropriate and continue to spur continuous improvement.

The Scorecard and public reporting of distributor performance in a transparent manner is an important tool for customers to better assess the value they receive from their distributor, and how that compares to other distributors. Comparability is an important element to enable that assessment. Most measures included on the Scorecard have definitions that were set by the Board in prior consultations and distributors are reporting results to the Board on a consistent basis. These results will be comparable across distributors.

The new measures will also ultimately have definitions established by the Board to ensure consistency in reporting and comparability of results. The Board recognizes that in this initial period of implementation of the Scorecard when implementing new measures experience will need to be gained by the Board and stakeholders prior to adopting uniform definitions. During this period of transition, the Board will be less prescriptive with respect to most of the new measures, allowing distributors some initial discretion on definition and implementation. The Board accepts that during this period of transition results reported to the Board on those measures may not be uniform and may not be as readily comparable across distributors. However, the Board intends that all measures will be uniform no later than 2018 (once at least three years of data is received) so that results will be comparable thereafter.

To avoid duplication of effort and reduce potential for errors in data, the Scorecards will use data from distributors that in many cases they already report to the Board. While the Board will use that data to produce consistent Scorecard reports for distributors, ownership of the data and Scorecard resides with the distributor.

Public reporting of the Scorecards will commence in 2014. Following completion of the annual Electricity Reporting and Record Keeping Requirements filings all distributor Scorecards will be posted on the Board's web site. In addition, distributors will be expected to post their Scorecards on their company web sites. Any necessary changes to the Electricity Reporting and Record Keeping Requirements will be in place in time to facilitate this.

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1 Introduction

The Renewed Regulatory Framework is a comprehensive performance-based approach to regulation that promotes the achievement of outcomes to the benefit of existing and future customers. The framework aims to align customer and distributor interests, continues to support the achievement of important public policy objectives, and places a greater focus on delivering long term value for money.

Under the Board's performance based approach, a distributor is expected to demonstrate continuous improvement in achieving the four outcomes set out in the October 18, 2012 Report of the Board entitled "A Renewed Regulatory Framework for Electricity Distributors: A Performance Based Approach" (the "RRF Report"), namely:

Customer Focus: services are provided in a manner that responds to identified customer preferences;

Operational Effectiveness: continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives;

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); and

Financial Performance: financial viability is maintained; and savings from operational effectiveness are sustainable.

For distributors, a focus on delivering value will put a greater emphasis on understanding customer satisfaction and the cost/value trade-offs that customers are willing to make. This is fundamental to achievement of all four outcomes. It will help them to better plan their investments to focus on improvements valued by their customers - in core distribution business services and overall productivity. Distributors

are expected to achieve continuous improvements that reduce costs and deliver service levels that their customers value.

For customers, the Board's performance-based approach is about ensuring that distributors operate effectively, that they continually seek ways in which to improve their productivity and performance and, importantly, that they better engage with their customers to better understand and respond to their needs, and demonstrate the value that they deliver.

As contemplated in the RRF Report, to facilitate performance monitoring and eventually distributor benchmarking, the Board will use a scorecard approach to translate the four outcomes into a coherent set of performance measures. This approach organizes performance information in a manner that facilitates evaluations and meaningful comparisons.

This Report sets out the Board's policies in relation to measuring and monitoring distributors' performance against the performance outcomes under the Board's Renewed Regulatory Framework. It identifies the measures that will be used, as well as any associated targets, and establishes the scorecard approach to facilitate performance monitoring.

Chapter 2 of this Report discusses the Board's expectations in relation to Scorecard comparability, reporting and publication, on-going use and evolution. Chapter 3 identifies the Scorecard measures that will be used to assess electricity distributor performance in relation to the customer focus, operational effectiveness, public policy responsiveness, and financial performance outcomes detailed in the RRF Report. Descriptions of the measures are included in Appendix A. Chapter 4 addresses the form and implementation of the annual Scorecard, and includes an example of the Scorecard. Performance measure data specifications and the calculations that will be used for the Scorecard are included in Appendix B.

Background

With the release of the RRF Report the Board commenced initiatives to implement the policy direction provided in that Report.

The Board established a stakeholder Working Group in late 2012 to help develop proposals in relation to the performance-related and rate-setting¹ matters identified in the RRF Report.

On December 6, 2012, Board staff issued its proposals on the measures that might best reflect a distributor's effectiveness and/or continuous improvement in achieving the four performance outcomes and on a scorecard to effectively organize how distributors report on their performance. Board staff held a Stakeholder Meeting on January 10, 2013 to provide stakeholders with an opportunity to discuss staff's proposals. A product of that meeting was the identification of issues and areas of concern that could be considered by the Working Group.

The Working Group met several times over the first three months of 2013.

On July 4, 2013, the Board invited comments on a *Staff Report to the Board on Performance Measurement and Continuous Improvement for Electricity Distributors* (the "Staff Report"). The Staff Report set out recommendations in relation to performance measures and the development of the Scorecard.

The Board invited comments on all of the recommendations set out in the Staff Report, and indicated that it would be assisted in particular by stakeholder comments in response to certain questions that it set out in an attachment to the letter accompanying the Staff Report.

¹ With respect to rate-setting, the Board issued its Report of the Board entitled "[Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors](#)" on November 21, 2013.

The Board received written comments from the following stakeholders:

- [Association of Major Power Consumers in Ontario](#)
- [Canadian Manufacturers & Exporters](#)
- [Coalition of Large Distributors](#)
- [Consumers Council of Canada](#)
- [Cornerstone-Hydro Electric Concepts Association](#)
- [Electricity Distributors Association](#)
- [Entegrus Powerlines Inc.](#)
- [Enwin Utilities Ltd.](#)
- [Halton Hills Hydro Inc.](#)
- [Hydro One Networks Inc.](#)
- [Oakville Hydro Electricity Distribution Inc.](#)
- [Power Workers' Union](#)
- [School Energy Coalition](#)
- [Toronto Hydro-Electric System Limited](#)
- [Vulnerable Energy Consumers Coalition](#)

Comments made by stakeholders throughout this consultation have been considered by the Board in developing the policies set out in this Report, and are available from the Board's web site. This Report makes reference to stakeholder comments to the extent necessary, but does not contain an exhaustive description of those comments. While some proposals raised by stakeholders may not be implemented at this time, they may be considered for future iterations of the Scorecard.

2 A Scorecard Approach to Assessing Outcomes

The Board's expectations in relation to Scorecard comparability, reporting and publication, on-going use and evolution are discussed in this chapter. The Board is addressing these matters to clarify its vision of a scorecard approach to assessing outcomes. Some stakeholders and distributors expressed concerns in relation to the Board's use of the Scorecard and its launch. The set of performance measures that will be on the Scorecard and certain implementation matters are addressed in later chapters.

The Board remains committed to continuous improvement within the electricity sector. Individual distributors achieve continuous improvement through 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 effectively organizes performance information in a manner that facilitates evaluations and meaningful comparisons. It provides a comprehensive view on performance through a focused set of measures that align with, and reflect a distributor's effectiveness in achieving, the Board's performance outcomes. That view can be at any point in time and over a period of time. Providing a longer-term view on performance, the Scorecard will present the five most recent years of available data for each measure. This period of time aligns with the planning and rate-setting timeframes set out in the RRF Report and will better reveal trends of continuous improvement.

Comparability

The Scorecard is an important tool for public reporting of distributor performance in a transparent manner. This is important for customers to be able to assess the value they receive from their distributor and how that compares to other distributors. Comparability is an important element to enable that assessment.

Most measures included on the Scorecard have definitions that were set by the Board in prior consultations and distributors are reporting results to the Board on a consistent basis. These results will be comparable across distributors.

New measures will also ultimately have definitions established by the Board to ensure consistency in reporting and comparability of results. The Board recognizes that in this initial period of implementation of the Scorecard when implementing new measures experience will need to be gained by the Board and stakeholders prior to adopting uniform definitions. During this period of transition, the Board will be less prescriptive with respect to some of the new measures, allowing distributors discretion on definition and implementation. The Board accepts that during this period of transition results reported to the Board on those measures may not be uniform and may not be as readily comparable across distributors. Where the Board has decided to be non-prescriptive as to how a new measure is defined and/or implemented, the Board encourages the sector to collaborate to develop the necessary tools for distributors to administer the measure. Over time distributor-to-distributor comparisons should be possible as common approaches are identified that coalesce around “best practices”. In fact, the Board intends that all measures will be uniform no later than 2018 (once at least three years of data is received) so that results will be comparable thereafter.

Reporting and Publication

To avoid duplication of effort and reduce potential for errors in data, the Scorecard will use data that in many cases distributors already report to the Board through the Board’s Electricity Reporting and Record Keeping Requirements (the “RRR”), or the Board’s filing requirements. The Scorecard is not intended to replace a distributor’s corporate scorecard. Distributors will continue to be required to report their performance results on an annual basis. The Board will take the data reported by distributors on each measure and will create distributor Scorecards. While the Board will create consistent Scorecard reports for distributors, ownership of the data and Scorecard resides with the distributor. The annual Scorecard process is discussed further in Chapter 4.

Where new measures are being introduced, mandatory reporting will not be required until April 2015. The Board acknowledges that some distributors may already be collecting data on some of the new measures. Those distributors are asked to report their results with their annual RRR filings commencing April 30, 2014, and to describe how they are measuring the results in the management discussion and analysis section of their Scorecard. Distributors that have not yet implemented the new measures are required to have all new measures in place by July 1, 2014. All distributors will be required to report on their performance results against all Scorecard measures with their annual RRR filings of April 30, 2015.

The Scorecard will be published and made available in the public domain. Public reporting of the Scorecards will commence in 2014. Following completion of the annual RRR filings all distributor Scorecards will be posted on the Board's web site. In addition, each distributor will be expected to post their individual Scorecard on their company web site.

On-going Use of the Scorecard

The Scorecard will be used to monitor individual distributor performance and eventually, to compare performance across the distribution sector. It needs to be relevant and meaningful to all, including customers.

The Scorecard will allow customers to gain a better sense of how well their distributor is performing. Over time, it will also let the customer see how their distributor compares to others.

For the Board, evaluations and comparisons will be critical to the Board's rate-setting approach under the Renewed Regulatory Framework. In particular, they will be used to provide a signal to the Board if corrective action is needed. The Board recognizes the need to avoid undue uncertainty for distributors as to when corrective action may be taken and, as discussed in Chapter 3, will examine the potential for setting ranges around targets.

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.

3 Measures on the Scorecard

This chapter identifies the Scorecard measures that will be used to assess electricity distributor performance in relation to the customer focus, operational effectiveness, public policy responsiveness, and financial performance outcomes detailed in the RRF Report.

The measures identified for inclusion on the Scorecard are considered by the Board to be most meaningful in terms of monitoring a distributor's effectiveness and continuous improvement in achieving the four stated outcomes in the RRF Report. Consistent with the criteria identified in the RRF Report, the performance measures selected are customer-focused, encourage continuous improvement, and are measurable at a point in time and over a period of time.

The measures are organized into performance categories that effectively align them with the four performance outcomes. These categories are for the most part based on the Board's existing standards and measures for electricity distributors.

Most of the measures leverage measures and reporting requirements that are already in place. The measures and reporting requirements already in place will continue to be meaningful to the Board's oversight of distributor obligations. Five new measures are also included to underscore the Board's renewed focus on value to customers and effective planning and asset management. As previously noted, where the Board has decided to be non-prescriptive as to how a new measure is defined and/or implemented, the Board encourages the sector to collaborate to develop the necessary tools for distributors to administer the measure. While results will not be comparable across distributors at this time, over time distributor-to-distributor comparisons should be possible as common approaches are identified that coalesce around "best practices". In fact, the Board views the next few years as a transition period and intends that all measures will be uniform no later than 2018 (once at least three years of data is received) so that results will be comparable thereafter.

Targets

Each measure included on the Scorecard will have an established minimum level of performance – a target – that a distributor is expected to achieve. Where a performance target for a measure has been previously established by the Board that target will continue to be used at this time. Where a new measure is being implemented and therefore no data has yet been collected, the Board will not establish a performance target at this time, preferring to monitor distributor performance and data, until sufficient experience has been gained.

Performance targets take into consideration the level of service customers should reasonably be expected to receive from all distributors at rates the Board has determined are reasonable. Distributors are expected to meet the Board's requirements and standards and, as already noted, achieve continuous improvements that reduce costs and deliver service levels that their customers value. Over time, year-over-year improvements will differentiate distributor performance levels relative to the norm and superior performance levels in the sector. This information can be used by the Board to ensure performance targets continue to be appropriate and continue to spur continuous improvement.

Where the Board expects distributors to achieve a specific level of performance or performance that falls within a specific range as set by the Board, the target is referred to as a **target** or a **target range**, respectively. Where the Board has implemented a target through a code² (as is currently the case, for example, for the service quality requirements discussed below), or condition of licence, both which make a target enforceable, the target is referred to as a **standard** in this Report.

² Codes set out minimum requirements for licensed electricity distributors, as applicable in relation to various regulated activities and in relation to interactions with unregulated affiliate companies. Compliance with the Board's codes is a condition of license and non-compliance is subject to a compliance review process.

A Scorecard Relevant and Meaningful to All

As previously noted, the Scorecard has to be relevant and meaningful to all, including customers. The Board sought stakeholder comments on how the results presented on the Scorecard might be summarized in a manner that might be most easily understood by customers.

The Vulnerable Energy Consumers Coalition commented that in order for the Scorecard to be meaningful to customers it must aim for simplicity in terms of format and understandability. Hydro One Networks Inc. commented that the key is to use measures that are relevant to and easily understood by customers. As an example, Hydro One Networks Inc. suggested that the Board might use terms such as Customer Interruptions instead of industry ones such as System Average Interruption Frequency Index and Customer Minutes Lost rather than System Average Interruption Duration Index. The Board agrees and has endeavoured to use terms for the measures on the Scorecard that will be more easily understood by customers.

The Power Workers' Union commented that a separate page with descriptions and explanations of the performance measures and how the results should be interpreted is necessary in order for the Scorecard to be understood by customers. The Board sees merit in the Power Workers' Union's recommended definitions document and has created a separate document that includes both a technical definition (consistent with any associated regulatory documents) and a plain language description for each of the measures, as well as an indication as to whether at this time the results reported are comparable year-over-year for an individual distributor, across distributors, or both. The document has been prepared for distributors to provide them with consistent descriptions of the measures and to help communicate what, at this time, is comparable and what is not. The document is provided in Appendix A.

The technical definitions provided in Appendix A describe a distributor's regulatory obligations and responsibilities with respect to the measures and targets on the Scorecard. The plain language descriptions are provided to distributors for them to use

to help their customers understand what the performance measures are intended to measure and the relevance of the associated targets.

3.1 Customer Focus

How well is a distributor providing its services in a manner that responds to identified customer preferences?

Board staff recommended that a distributor's performance in relation to customer focus outcomes be assessed by four service quality and three customer satisfaction measures.

3.1.1 Service Quality

The Board currently monitors service quality through a number of existing quantitative measures. Board staff recommended that four of the Board's existing service quality requirements and associated standards (i.e., targets) set out in the Board's Distribution System Code ("DSC") and reported on by distributors per the RRR³ be included on the Scorecard as follows:

1. Connection of New Low Voltage Services
2. Appointments Scheduled
3. Appointments Met
4. Telephone Accessibility

The Board set a minimum level of service performance for each of these measures when it established the measures. At that time, the Board noted that "the standards represent the minimum acceptable performance; a distributor should continue to establish its operating performance at any level better than the minimum standard,

³ Specific DSC and RRR references are provided in Appendix A.

taking into consideration the needs and expectations of its customers and of cost implications". (Emphasis added)⁴

The Board agrees that including its existing measures is appropriate. However, the Board will not require that the Scorecard include Appointments Scheduled. The Board prefers to focus on the outcome-based measure of Appointments Met that is generally important to all customers (i.e. did you show up when you said you would?).

The remaining three measures will be relabelled for the Scorecard to improve understandability and transparency for customers. For display on the Scorecard, the measures will appear as: New Residential Services Connected on Time; Scheduled Appointments Met on Time; and Telephone Calls Answered on Time, respectively.

The Board's existing standards for these measures will be included as targets on the Scorecard.

Stakeholder Views

There was general stakeholder support for Board staff's recommendation that the Board's existing service quality requirements and standards be included on the Scorecard. Similar measures exist in service quality frameworks in other jurisdictions and these particular measures have been tracked by distributors in Ontario for many years.

With respect to the targets associated with these measures, stakeholders generally commented that existing standards continue to be appropriate.

The Power Workers' Union and the Vulnerable Energy Consumers Coalition also commented that before changing existing or establishing new requirements, "Willingness to Pay" surveys and research should be carried out to help the Board

⁴ Ontario Energy Board. "RP-1999-0034 Decision with Reasons in the matter of a proceeding under sections 19(4), 57, 70, and 78 of the *Ontario Energy Board Act, 1998* S.O. 1998, c. 15, Sched. B to determine certain matters relating to the Proposed Electric Distribution Rate Handbook for licensed electricity distributors." January 18, 2000. pp. 47-53

determine the value to customers of various service quality standards to assess performance levels that would be indicative of customer satisfaction. Both of these stakeholders referred to the Pollara customer survey that was conducted as part of the Board's consultation on Electricity Distribution System Reliability Standards (EB-2010-0249) and suggested that the Board may wish to consider undertaking a similar initiative, focusing on customer service standards. The Vulnerable Energy Consumers Coalition also commented that, going forward, another potential source of information on customer value will be the customer satisfaction surveys that the Staff Report recommended be undertaken by all distributors.

The Board notes discussion with stakeholders on the importance of focusing standards on elements of service that customers will value. Stakeholders suggested that, to ensure such a focus, customer surveys which canvass customer experience and views on satisfaction, importance of services, and "Willingness to Pay" should be conducted as part of the work to establish a standard. These surveys should also take into account the interests of future customers.

The Board agrees that targets or standards might best be informed by "Willingness to Pay" survey results and will undertake such research in the future. The Board also believes that performance levels should align with the customer value balance between the level of service that customers desire and their perceptions of the reasonable price that they are willing to pay for that level of service.

3.1.2 Customer Satisfaction

With respect to customer satisfaction, Board staff recommended that the following three measures be implemented and included on the Scorecard:

1. Customer Satisfaction Survey Results
2. First Contact Resolution
3. Billing Accuracy

Customer Satisfaction Survey Results

Board staff recommended that all distributors survey customers as to their level of satisfaction and report the results to the Board for the Scorecard. Board staff also recommended that a common framework be established by the Board to guide distributor surveys.

The Board has determined that distributors will be required to survey customer satisfaction and report the results for the Scorecard. Distributors will have discretion to determine how to conduct their customer satisfaction surveys (e.g., annual perception survey, on-going transactional survey, focus group, telephone, “in-house”, outsourced, joint, etc.). However, the Board expects distributors’ to adhere to the following principles:

- Surveys will, at a minimum, canvass customer satisfaction in the following key areas: (a) power quality and reliability; (b) price; (c) billing and payment; (d) communications; and (e) the customer service experience.
- Distributors will follow good survey practices (examples may include: survey goals are clear and specific; selected samples well represent the population to be studied; care is taken in matching question wording to the concepts being measured and the population studied; appropriate statistical analytic and reporting techniques are used; all methods of the survey are disclosed to allow for evaluation and replication; etc.), having regard to the body of literature on the subject.

The Board may refine these principles from time to time based on distributor experience and customer feedback.

Distributors will be required to report their results on a biennial basis (i.e., every second year), at a minimum. This measure will be labeled on the Scorecard as Customer Satisfaction Survey Results. As distributors will have discretion as to how they implement this measure, they will be required to describe how they are conducting their customer surveys in the management discussion and analysis section of the Scorecard.

The Board believes that in the absence of a standardized survey tool and with limited experience it is premature to set a broad customer satisfaction target. The Board recognizes that how and where distributors “set the bar” for their measures of customer satisfaction may vary. For example, some distributors may set a goal of improving their customer satisfaction results *by a certain percentage*, while others may set a goal of *achieving a specific percentage*. A distributor may include discussion of any specific target that it sets for itself against this measure in the management discussion and analysis section of its Scorecard.

Stakeholder Views

Distributors indicated that they use many different methods to assess customer satisfaction. Some distributors conduct annual customer satisfaction surveys, while others conduct surveys biennially or triennially. Some distributors carry out customer satisfaction surveys in combination with transactional customer experience surveys. Methods include, for example, the Ontario UtilityPULSE survey, interactive voice response surveys, on-line/web-based surveys, focus groups, and face-to-face interviews. Many stakeholders commented that as a consequence of this, customer satisfaction survey results will not be comparable unless the surveys include common elements and/or questions.

The Board accepts that distributors use different tools to assess customer satisfaction (e.g., perception surveys, transactional surveys, focus group surveys, town hall meeting surveys, in-depth interview surveys, etc.). At this time, the Board thinks that the costs of requiring all distributors to conduct the same survey may outweigh the benefits of allowing distributors to tailor their surveys to meet the needs and characteristics of their respective customer bases. The Board recognises that allowing flexibility in survey type and frequency permits distributors to use their surveys to measure other performance outcomes of interest to their organisations. For example, members of the Coalition of Large Distributors and Hydro One Networks Inc. use different survey types and frequencies depending on the purpose of the survey. They use customer satisfaction surveys periodically to gauge customer satisfaction and regular transactional surveys to

measure the customer experience in real-time. Some distributors, including Hydro Ottawa Limited and Toronto Hydro-Electric System Limited, also use in-depth market research to get a better understanding of what customers want and how best to communicate with them. The Board also accepts that allowing flexibility means that results should be used to measure a distributor's continuous improvement (i.e., period-over-period improvements). However, to provide some level of comparability, ensure that areas of significance to customers and the Board are probed consistently by all distributors, and ensure that the survey results are empirically sound, the Board has established a set of principles that it expects distributors to adhere to when they undertake their customer satisfaction surveys.

Most stakeholders saw merit in distributors sharing research and information about good survey practices. The School Energy Coalition suggested that the Board encourage distributors, through either the Electricity Distributors Association or the Ontario Energy Association, to develop and implement a standardized annual customer satisfaction survey, to be carried out province-wide and reported by each distributor on their Scorecard. The Consumers Council of Canada commented that many distributors appear to outsource to the same firm with respect to customer surveys, and suggested that the Electricity Distributors Association could take a lead role in assessing customer engagement practices undertaken by its members. The Board encourages the sector to work together to further develop the necessary tools to help distributors assess customer satisfaction.

The Coalition of Large Distributors expressed concern over the cost of conducting a survey on an annual basis and suggested that biennial surveys may be more appropriate. The Coalition argued further that annual surveys are too frequent to show marked changes in results. The Board accepts this argument and thinks that biennial reporting of results, as a minimum, is appropriate.

First Contact Resolution

First Contact Resolution is a measure of a distributor's effectiveness at satisfactorily addressing customers' complaints. Board staff recommended that First Contact Resolution results be reported for the Scorecard along with a description in the management discussion and analysis section of how the results are gathered.

The Board has determined that distributors will be required to measure First Contact Resolution and report their results annually for the Scorecard. Distributors will be permitted discretion as to how they implement this measure, but will be required to describe their measure in the management discussion and analysis section of the Scorecard.

The Board believes that it is premature to set a target for this new measure. Therefore, a target will not be set by the Board. A distributor may include discussion of any specific target that it sets for itself against this measure in the management discussion and analysis section of its Scorecard.

Stakeholder Views

Stakeholders generally supported a First Contact Resolution measure on the Scorecard. The measure is identified as a key concern for customers in the surveys and research reviewed by staff. Furthermore, some distributors are already tracking the measure.

Distributors currently use different methods to assess First Contact Resolution, including for example: how many calls get escalated to higher levels of management; how many calls are resolved without escalation; the percentage of calls resolved without a repeat call on the same issue within 30 days; and/or asking the customer through a specific question on a transactional survey (e.g., "Did your question get answered at the time you contacted us?"). Many of the approaches submitted by distributors appear reasonable. In light of this and at present, the Board is not persuaded that there is "a

single right way” to measure First Contact Resolution, and therefore will not establish a uniform measure at this time.

Most stakeholders re-iterated the merits of sharing information among distributors. The Board agrees that best practices will emerge with distributors sharing information and experience in the sector.

Billing Accuracy

Board staff recommended that the Board initiate further work to define and implement a uniform measure for Billing Accuracy.

The Board has determined that distributors will be required to measure Billing Accuracy and report their results annually for the Scorecard. The Board will develop and implement a uniform measure for billing accuracy in the summer of 2014 and subsequently establish a target for the measure.

Billing accuracy must be measured and must be comparable across distributors. The Board believes strongly that measures and standards must be in place to focus distributors on key concerns for customers. Billing is an area where customers expect zero-defect delivery. Furthermore, billing accuracy was identified as a key concern for customers in the surveys and research reviewed by staff. When billing is wrong, disputed bills anger customers, generate unnecessary re-work, delay payment and erode customer confidence.

Stakeholder Views

There was general support among stakeholders for a Billing Accuracy measure on the Scorecard. Distributors indicated that they are currently measuring this different ways, including by counting the number of bills that they have had to cancel, adjust and/or re-issue.

As the methodologies identified by distributors are not exactly the same, the Board will develop and implement a uniform measure of Billing Accuracy in consultation with stakeholders. Stakeholder comments filed in this consultation along with additional information filed by distributors this April with their Scorecards will be considered in that process. Also in that process, the Board will set a target for the new measure. The Board intends to have a uniform measure in place by July 1, 2014 so that distributors may begin reporting results with their annual RRR filing at the end of April, 2015.

3.2 Operational Effectiveness

How well is a distributor progressing in achieving continuous improvement in productivity and cost performance and delivering on system reliability and quality objectives?

Board staff recommended one safety measure, three system reliability measures, one asset management measure, and three overall cost performance measures to help the Board assess a distributor's operational effectiveness.

3.2.1 Safety

Board staff recommended that the Board initiate a consultation process to further examine options for and to develop a quantifiable public safety measure for the Scorecard. Board staff also recommended that as part of the Board's development of a Public Safety measure, the Board's existing service quality requirement in relation to Emergency Response set out in the Board's DSC and reported on by distributors under the RRR should be considered.

The Board will include a Public Safety measure on the Scorecard. The Board is consulting with the Electrical Safety Authority and will consult with stakeholders to identify a measure that is readily available for use. The Board expects that the measure will have a target.

When the measure is identified, distributor data in relation to it will be collected through the RRR and included on the Scorecard. In the meantime, a placeholder will appear on the Scorecard for this measure.

Stakeholder Views

Distributors raised concerns with a Public Safety measure. In particular, distributors questioned the Board's mandate in this area and encouraged the Board to leave public safety to the Electrical Safety Authority or other appropriate entity. Many distributors identified employee safety as an important measure that they already track.

The Board acknowledges that there are other entities in Ontario whose specific mandates relate to safety. However, 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. The Board will therefore include a Public Safety measure on the Scorecard, and has initiated consultation with the Electrical Safety Authority.

3.2.2 System Reliability

Board staff recommended that two of the Board's existing service reliability indicators be included on the Scorecard (i.e., System Average Interruption Duration Index (Loss of Supply) and System Average Interruption Frequency Index (Loss of Supply)).⁵ Board staff also recommended that the existing performance guidelines associated with these two indicators, that a distributor remain within the range of its historical performance, should be displayed on the Scorecard as the distributor-specific targets (or target ranges as described on page 7). Board staff also noted that the Board is undertaking a separate consultation process to establish standards for these measures and to examine the potential to establish new customer specific reliability measures. Staff recommended that once implemented by the Board, these standards and measures should be included on the Scorecard.

⁵ Specific RRR references are provided in Appendix A.

The Board agrees that including its existing measures and target ranges on the Scorecard is appropriate. The measures will be relabelled for the Scorecard to improve understandability and transparency for customers. For display on the Scorecard, the measures will appear as: Average Number of Hours that Power to a Customer is Interrupted, and Average Number of Times that Power to a Customer is Interrupted, respectively.

Since the Board's target ranges pertain to the distributor's own historical performance, they will be displayed in the "distributor-specific target" column of the Scorecard. As noted by Board staff, consultation is underway to establish standards for these measures that would replace and/or refine the existing target ranges and also to examine the potential to establish new customer specific reliability measures. Upon completion of the consultations, the Board will make its determinations on those matters, and reflect them as appropriate on the Scorecard.

Stakeholder Views

There was general stakeholder support for including the Board's existing system reliability indicators and performance guidelines on the Scorecard as recommended by Board staff. While these indicators have been refined over the years, they have been tracked in Ontario for many years.

3.2.3 Asset Management

Board staff recommended that the Board initiate a consultation process to further examine options for and to develop a quantifiable distribution system plan execution measure for the Scorecard. Board staff suggested that work initiated by the Distribution Network Investment Planning Working Group⁶ provide a starting point for the consultation.

⁶ With the release of the RRF Report, the Board announced a working group selected to provide advice to Board staff on implementation matters in relation to Distribution Network Investment Planning. Working

The Board has determined that distributors will be required to measure Distribution System Plan Implementation and report their progress annually for the Scorecard. Distributors will be permitted discretion as to how they implement this measure, but will be required to describe their measure in the management discussion and analysis section of the Scorecard. The Board asks distributors to focus on the one measure that they believe most effectively reflects their performance in system plan implementation.

The Board believes that it is premature to set a target for this new measure. Therefore, a target will not be set by the Board. A distributor may include discussion of any specific target that it sets for itself against this measure in the management discussion and analysis section of its Scorecard.

Stakeholder Views

The Coalition of Large Distributors questioned the need to implement a uniform measure for distribution system plan implementation and suggested that the Board consider allowing the use of distributor-specific measures for this component.

The Board is aware that the Distribution Network Investment Plan Working Group was unable to agree upon a uniform measure for distribution system plan implementation. Discussions did identify; however, that measurement of how well distributors have executed their plans may, and perhaps should consider two aspects: planned versus actual expenditures; and the degree of completion of the plan (i.e., did the planned work get done?). It was recognized that overall good asset management can be assessed effectively through safety, reliability and cost control measures. It is unclear to the Board that further consultation at this time will produce a suitable outcome. Therefore, at this time, the Board concludes that the Coalition of Large Distributors' suggested approach is sensible.

group meeting materials are available on the Board's web site at [Distribution Network Investment Planning \(EB-2010-0377\)](#).

Over the next five years, with the filings to the Board and with information sharing in the sector, the Board will assess and consider a uniform measure relating to the efficacy of a distributor's implementation of its distribution system plan. As noted previously, the Board intends that all measures will be uniform no later than 2018 so that results will be comparable thereafter.

3.2.4 Cost Control

With respect to overall cost performance, Board staff recommended that the Scorecard include each distributor's overall efficiency assessment as reflected in its assigned group along with each distributor's total cost benchmarking assessment.⁷ Board staff also recommended that additional total cost benchmarking-related information be included on the Scorecard. Furthermore, Board staff recommended that unit cost measures of OM&A and Net Plant be included on the Scorecard and that they be calculated based on number of customers, energy (kWh) delivered, and circuit kilometers of line.

The Board has determined that each distributor's overall efficiency assessment as reflected in its assigned stretch factor group number will be included on the Scorecard.

Each distributor's Total Costs (per Customer and per Km of Line) will also be on the Scorecard. The Board notes that research carried out by Pacific Economics Group Research, LLC⁸ in support of the Board's total cost benchmarking found that total costs do not vary significantly with kWhs delivered. Therefore, the Board does not see value

⁷ These assessments are described in Report of the Board entitled "[Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors](#)", issued on November 21, 2013.

⁸ Pacific Economics Group Research, LLC. [Empirical Research in Support of Incentive Rate-Setting: Final Report to the Ontario Energy Board](#). Issued on November 21, 2013 and updated on December 20, 2013.

in including unit costs based on kWh deliveries on the Scorecard. The total cost amounts used will be those computed in the total cost benchmarking analysis.⁹ This will ensure that the total cost measures on the Scorecard are consistent with the overall efficiency assessment result that will also be on the Scorecard.

Targets will not be set for these measures. Implicit in the Board's overall efficiency assessment is that being assigned to the most efficient group (i.e., Group 1) is preferable to being assigned to the least efficient group (i.e., Group 5). The assessment has been designed to span a spectrum of relative distributor performance over time. There may always be at least one distributor assigned to each of the five groups. Therefore, it does not seem reasonable or necessary to impose a stronger target for distributors. Similarly, it is not reasonable to set targets for the unit cost measures. In general, distributors total cost levels vary with their individual circumstances and over time.¹⁰ However, public reporting on distributor cost control in a consistent manner will showcase those distributors that are achieving sustained and continuous improvement year over year.

The Board notes that its approach to benchmarking to assess overall efficiency based on total costs only came into effect in 2013 and was carried out for the first time on the distributors 2012 reported costs. Therefore, Efficiency Assessment values will not appear on the Scorecard prior to 2012.

Stakeholder Views

Stakeholders in general expressed concern that staff's recommended measures would not be meaningful to customers and that there were too many measures. Specifically,

⁹ On November 21, 2013 the Board issued its Report of the Board entitled "[Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors](#)" (EB-2010-0379). In that report, the Board determined that distributors will be assigned to one of five groups with stretch factors based on their efficiency as determined through an econometric total cost benchmarking model. Furthermore, the Board determined that the approach would be based on a distributor's actual costs relative to its predicted costs as estimated by the benchmarking model.

¹⁰ Distributor total cost benchmarking and analysis is discussed in the Pacific Economics Group Research, LLC. Report entitled "[Empirical Research in Support of Incentive Rate-Setting: Final Report to the Ontario Energy Board](#)" issued on November 21, 2013 and updated on December 20, 2013.

stakeholders suggested that total cost, instead of OM&A and Net Plant Costs, should be shown on the Scorecard. The Board agrees and is adopting an approach that is more streamlined and focused on total cost control to:

- align with the Board's move to using total costs to assess performance;
- leverage cost amounts already used in the benchmarking analysis; and
- establish measures that are more customer friendly – “total cost” is common terminology that is more easily understood.

OM&A and Net Plant Costs (among other cost measures) will continue to inform Board analyses and can be calculated using the RRR data that distributors have filed with the Board and the total cost benchmarking data.

3.3 Public Policy Responsiveness

How well is a distributor delivering on its obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board)?

To help the Board assess a distributor's public policy responsiveness, Board staff recommended two measures associated with the Ministerial Directive on conservation and demand management and two measures associated with the connection of renewable generation.

3.3.1 Conservation and Demand Management

Board staff recommended that Net Annual Peak Demand Savings (MW) and Net Cumulative Energy Savings (GWh) measures and targets be included on the Scorecard.

The Board anticipates a continued focus for electricity distributors on conservation programs to achieve demand and energy savings and believes this should be reflected on the Scorecard. Therefore, the Board has determined that at this time Net Annual Peak Demand Savings (Percent of target achieved) and Net Cumulative Energy Savings (Percent of target achieved) measures and associated targets will be included on the Scorecard.

Since each distributor has its own targets, they will be displayed in the “distributor-specific target” column of the Scorecard. The Board notes that these targets came into effect in 2011 and therefore values will not appear on the Scorecard prior to 2011.

Furthermore, the Board notes that demand and energy savings are reported by the Ontario Power Authority eight to nine months after the year end; therefore, there will be a time lag of one year for distributor’s reporting of these results.

Stakeholder Views

There was general stakeholder support for including these measures on the Scorecard. They both stem from specific government policy initiative. The Minister of Energy and Infrastructure issued a directive to the Ontario Energy Board in 2010 with regard to electricity conservation and demand management targets to be met by licensed electricity distributors by the end of 2014. On March 14, 2011, the Board issued its Decision and Order for revised 2011-2014 Conservation and Demand Management Targets ([Decision and Order](#)). Each licensed electricity distributor must, as a condition of its licence, meet its respective conservation and demand management targets as established in Appendix A to that Decision and Order.

The Vulnerable Energy Consumers Coalition suggested that the measures be displayed on the Scorecard as a percent of the target achieved figure as this may be more useful and relevant. The Board agrees. To show a distributor’s progress towards its targets the results will be shown as percent of target achieved.

3.3.2 Connection of Renewable Generation

Board staff recommended that two of the Board's existing connection of renewable generation requirements set out in the DSC and reported on by distributors¹¹ be included on the Scorecard, as follows:

1. The percentage of renewable generation Connection Impact Assessments completed within applicable timeline (prescribed by Ontario Regulation 326/09 made under the *Electricity Act, 1998*)
2. Connection of New Micro-Embedded Facilities

The Board agrees that including its existing measures and standards on the Scorecard is appropriate. The measures will be relabelled for the Scorecard to improve understandability and transparency for customers. For display on the Scorecard, the measures will appear as: Renewable Generation Connection Impact Assessments Completed on Time; and New Micro-embedded Generation Facilities Connected on Time, respectively.

The Board notes that distributor reporting requirements in relation to Renewable Generation Connection Impact Assessments Completed on Time came into effect in 2009, and the New Micro-embedded Generation Facilities Connected on Time came into effect in 2013. Therefore, values will not appear on the Scorecard prior to these years.

Stakeholder Views

There was general stakeholder support for including these measures on the Scorecard. They both stem from specific government policy initiatives.

¹¹ Specific DSC and RRR references are provided in Appendix A.

3.4 Financial Performance

How well is a distributor maintaining its financial viability and achieving sustainable savings from operational effectiveness?

Board staff proposed that three measures be included on the Scorecard to help the Board assess a distributor's financial performance:

1. Current Ratio
2. Total Debt to Equity Ratio
3. Achieved Regulated Return on Equity

The Board has determined that the three financial ratios recommended by Board staff will be calculated as set out in Appendix B and will be included on the Scorecard. In addition, the Deemed Regulated Return on Equity that is embedded in rates will be displayed on the Scorecard.

The Board notes that reporting on the achieved Regulated Return on Equity and the deemed Regulated Return on Equity has been an RRR requirement since 2011. Therefore, values will not appear for these ratios prior to that year.

The Board will not set targets for these ratios. Financial ratios have indicative guidelines associated with them, but should not be strictly interpreted as targets. There is no "right" level for financial ratios. To a large extent, they depend on the distributor's financial philosophy, i.e., its attitude toward financing projects (through issuing debt or through current rates, reserve margins and investments).

Stakeholder Views

Stakeholders supported including these ratios on the Scorecard. However, some stakeholders commented that customers may not understand the ratios.

The Board sought stakeholder comment on whether its allowed Regulated Return on Equity should be included as a target on the Scorecard and, if it were, which value

would be appropriate: the recent value determined by the Board in its annual Cost of Capital Parameter Update (e.g., in the example of Board staff's recommended Scorecard, this would be the value for 2012); or the value that is embedded in the distributor's base rates. In response, most stakeholders commented that it is not appropriate for the deemed Regulated Return on Equity to be a target on the Scorecard because while there is an opportunity for the distributor to earn it, it is not a guaranteed return which the word "target" might imply. However, were the Board to display the allowed return on the Scorecard, then stakeholders commented that the appropriate value to use would be the deemed Regulated Return on Equity that is embedded in a distributor's base rates.

The Board believes that the deemed Regulatory Return on Equity should be displayed on the Scorecard because an incentive regulation off-ramp trigger mechanism has been set by the Board that uses it. The trigger mechanism is a dead band of ± 300 basis points around the deemed Regulated Return on Equity and exists for all rate setting approaches under the Renewed Regulatory Framework. When a distributor performs outside of this earnings dead band (i.e., the distributor's achieved Regulated Return on Equity exceeds the dead band), a regulatory review may be initiated. Therefore, the Board believes it is appropriate that both values be displayed on the Scorecard.

3.5 Measure Refinement and Improvement over Time

Board staff recommended a set of performance measures that it believes effectively reflect and align with the four outcomes.

The Coalition of Large Distributors suggested that the Board also consider "optional performance measures" on the Scorecard. These were identified by the Coalition as functions and services that some distributors provide which increase costs but are valuable to customers (e.g., 24/7 control room operations, 24/7 trouble truck response capability, web site services such as electronic billing and payments, automatic payments, credit card payments, and other self-serve options, such as arrangements for moving in or moving out, etc.). The Coalition recommended that a table of the services

listed above (and others as appropriate) be added to the Scorecard, enabling the distributor to simply tick or toggle a yes or no box alongside each service.

Distributors are encouraged to differentiate themselves through sustained continuous improvement, innovation and services to their customers that are valued by those customers. Therefore and at this time, the Board encourages distributors to include discussion of their service offerings in the management discussion and analysis section of their Scorecards that are of particular importance and value to their customers, perhaps in the context of their customer satisfaction survey results.

Over time, as distributors differentiate themselves and actually raise the bar in response to rising minimum service expectations of customers, that change should be reflected on the Scorecard. At this time, it is uncertain how best to show that change. 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.

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4 Implementation

Chapter 3 set out the Board's determinations on the performance measures that best reflect a distributor's effectiveness and continuous improvement in achieving the performance outcomes detailed in the RRF Report. This Chapter addresses the form and implementation of the annual Scorecard.

The Staff Report included several implementation considerations for the Board on matters including:

- data sources
- data specifications and calculations
- the annual process for producing Scorecards

Stakeholders generally did not comment on these matters.

As previously noted, the Scorecard will use data that in many cases distributors already report to the Board through the Board's RRR, or the Board's filing requirements.

Compliance with the Board's RRR is an important part of a distributor's legal obligations. The RRR is built on the "collect once, use many times" principle – it is an important repository of distributor data that the Board uses and relies on for a variety of purposes, including now the Scorecard. While the Board acts as steward to the RRR data for distributors, each distributor is clearly the owner of its RRR data and is responsible for its accuracy.

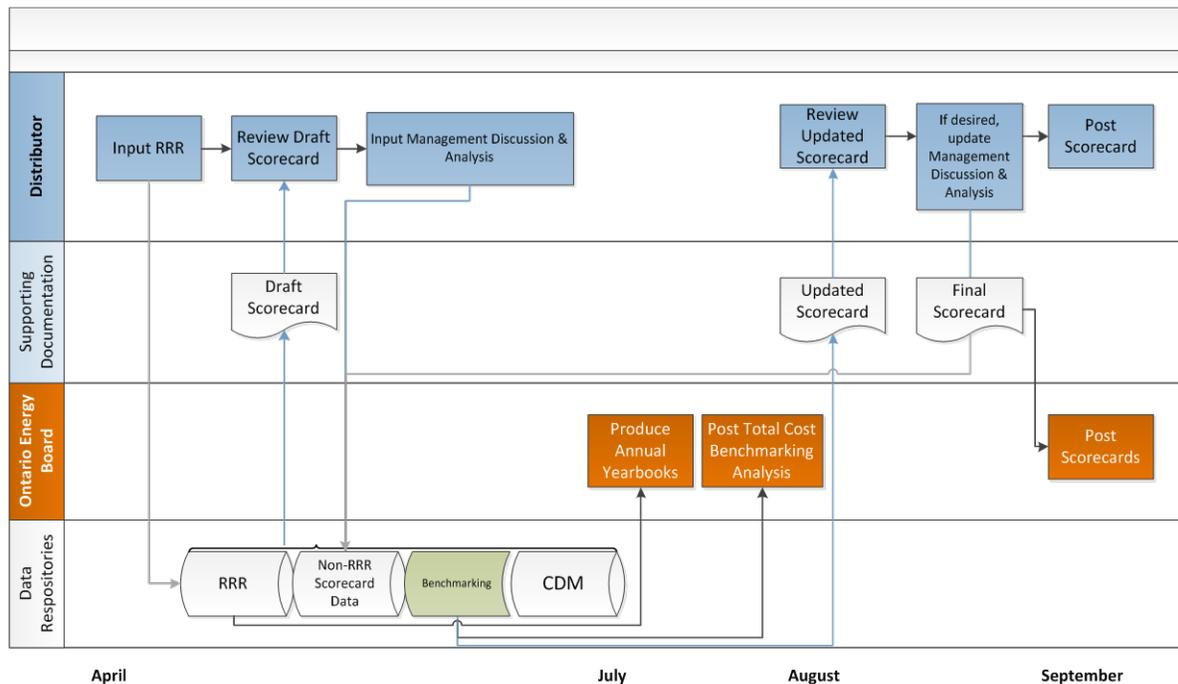
The Board will take the data reported by distributors on each measure and will create distributor Scorecards. While the Board will create consistent Scorecard reports for distributors, ownership of the data and Scorecard resides with the distributor.

Appendix B sets out the Scorecard performance measure data specifications and calculations.

4.1 Annual Scorecard Process

As noted previously, each year distributors will report their performance results for the Scorecard. The Board will take the data reported by distributors on each measure and will create distributor Scorecards. The overall process is illustrated in Figure 1. An example of the Scorecard is provided in Figure 2 on page 37.

Figure 1: Annual Scorecard Process



The process has been designed to promptly provide a distributor with a draft of its Scorecard in May for review when the distributor inputs its RRR data. To ensure that the information on the Scorecard is consistent with the information in the Board’s databases, the Scorecard cannot be finalized by the distributor until after the Board completes the work needed to produce the annual yearbooks and to finalize the annual distributor total cost benchmarking analysis. Therefore, a revised draft of the distributor’s Scorecard will be available for the distributor to review in August when the benchmarking results are published. At both times (i.e., in May and in August), distributors will have the opportunity to input/update the management discussion and analysis section of the Scorecard.

In summary, the process and timelines for production and posting of the Scorecards are:

- Distributors complete and file their annual RRR filings by April 30.
- At that time, distributors can select an option in the RRR system to have a draft Scorecard generated for review. The distributors can also select the option in the RRR system to input information into the management discussion and analysis sections of their Scorecards.
- The Board's Annual Yearbook of Electricity Distributors and Total Cost Benchmarking Analysis will be released in July.
- At that time, distributors can select an option in the RRR system to have a revised draft Scorecard generated for review. The distributors can again select the option in the RRR system to input information into the management discussion and analysis sections of their Scorecards.
- Distributors complete their annual Scorecard process by the end of August. To complete the process, distributors will select an option in the RRR system to "sign off" on the Scorecard. At that time, the Board will consider the Scorecard as final. A distributor that wishes to revise previously reported RRR data may do so as set out in the Board's [Process for Revising Data Filed under the Board's Reporting and Record Keeping Requirements](#).
- The final annual Scorecards will be published in September. Distributors will post their final Scorecard on their web site. The Board will post all distributors Scorecards on the Board's web site.

4.2 Scorecard Layout

The first column of the Scorecard lists the four performance outcomes as set out in the RRF Report: Customer Focus, Operational Effectiveness, Public Policy Responsiveness, and Financial Performance. The second column identifies performance categories that effectively align the measures with the four outcomes. As noted earlier, these categories are for the most part based on the Board's existing

standards and measures for electricity distributors. The third column lists the Scorecard measures in each performance category.

With respect to the remaining columns on the Scorecard, the Board is adopting a relatively simple approach that presents the five most recent years of available data for each measure. In addition, as described briefly below, performance measure targets and a distributor's achieved directional trends against those targets will be displayed on the Scorecard.

As discussed in Chapter 3, each measure included on the Scorecard will have an established minimum level of performance – a target – that a distributor is expected to achieve. Measure targets that apply to all distributors will appear in the industry-wide target column of the Scorecard (i.e., service quality and connection of renewable generation). Where a target has been set by the Board for an individual distributor, it will be displayed in the distributor-specific target column (i.e., system reliability and conservation and demand management).

For measures that have targets, a simple graphic symbol will indicate the directional trend being achieved (i.e., up, down or flat). The trend calculation will be the simple slope of the straight line drawn through the data points. The trend indicator will be green if the value reported in the most current year is “on target” (i.e., target is met or exceeded), and it will be red if the target has not been met. Trend indicators will not apply to the conservation and demand management measures because the targets have been set for a four-year period.

The purpose of the management discussion and analysis section of the Scorecard is to allow distributors to provide “notes” to accompany their Scorecards, similar to the notes provided in Financial Statements. This is a common feature of scorecards and will help customers and the Board better understand a distributor's results by providing some context in which those results are reported.

4.2.1 Example of the Scorecard

Figure 2: Illustration of the Scorecard

Distributor Name									Target	
Performance Outcomes	Performance Categories	Measures	2008	2009	2010	2011	2012	Trend	Industry	Distributor-specific for 2012
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential Services Connected On Time	97.80%	98.70%	100.00%	100.00%	100.00%	↑	90%	
		Scheduled Appointments Met On Time	99.90%	99.30%	100.00%	97.30%	97.40%	↔	90%	
		Telephone Calls Answered On Time	72.90%	69.00%	82.10%	82.90%	82.50%	↑	65%	
	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 [measure to be determined]	Consultation with ESA will identify a measure that is readily available for use.							
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted	0.92	1.05	1.05	2.44	1.31	↑		at least within 1.05 and 2.44
		Average Number of Times that Power to a Customer is Interrupted	0.75	0.82	0.77	1.40	1.13	↑		at least within 0.77 and 1.40
	Asset Management	Distribution System Plan Implementation Progress								
	Cost Control	Efficiency Assessment					3			
		Total Cost per Customer	\$ 65	\$ 64	\$ 63	\$ 62	\$ 61			
	Total Cost per Km of Line	\$ 3,528	\$ 3,506	\$ 3,488	\$ 3,369	\$ 3,338				
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 & Demand Management	Net Annual Peak Demand Savings (Percent of target achieved)				15%	19%			85.26
		Net Cumulative Energy Savings (Percent of target achieved)				38%	66%			374.73
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time			100.00	100.00	100.00		Applicable timeline prescribed by Ontario Regulation 326/09 made under the <i>Electricity Act, 1998</i>	
		New Micro-embedded Generation Facilities Connected On Time							90%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.10	1.24	1.45	1.43	1.18			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.31	1.26	1.22	1.32	1.37			
		Profitability: Regulatory Return on Equity Deemed (included in rates)				8.57%	9.42%			
		Profitability: Regulatory Return on Equity Achieved				7.86%	9.41%			

Legend: ↑ up
 ↓ down
 ↔ flat
 ● target met
 ● target not met

Distributor: Acme Distribution, Inc.

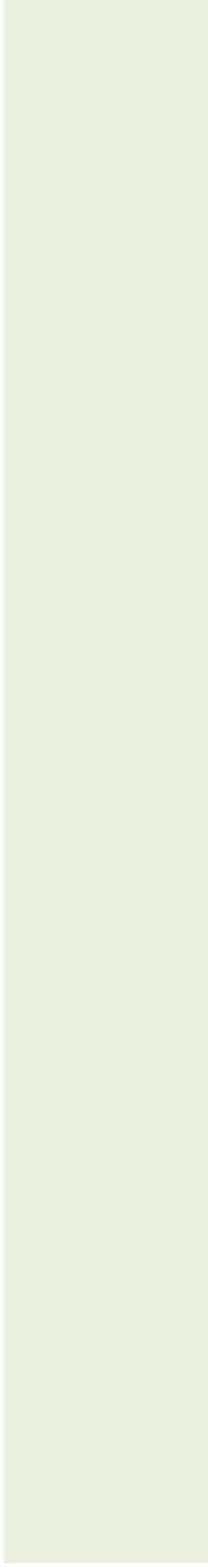
This section allows distributors to provide “notes” to accompany their scorecard filings (e.g., similar to notes provided in a Financial Statement).

Service Quality

For example, “The service quality improved / fell”



Customer Satisfaction



Safety

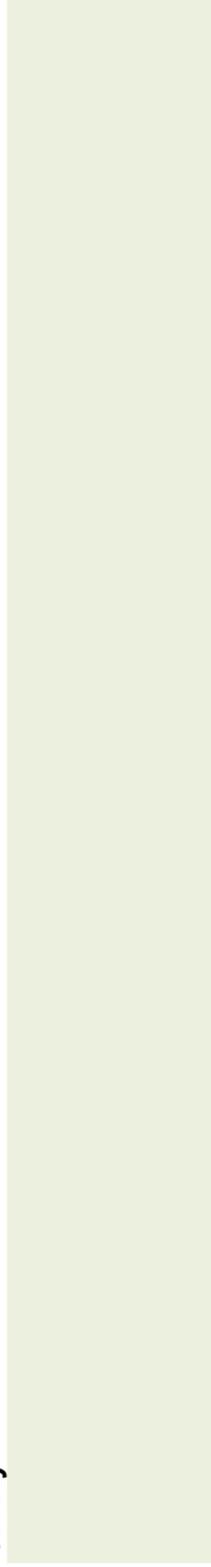
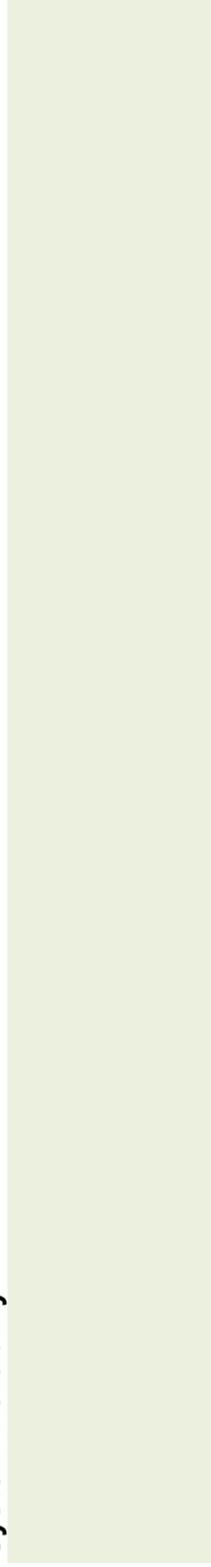
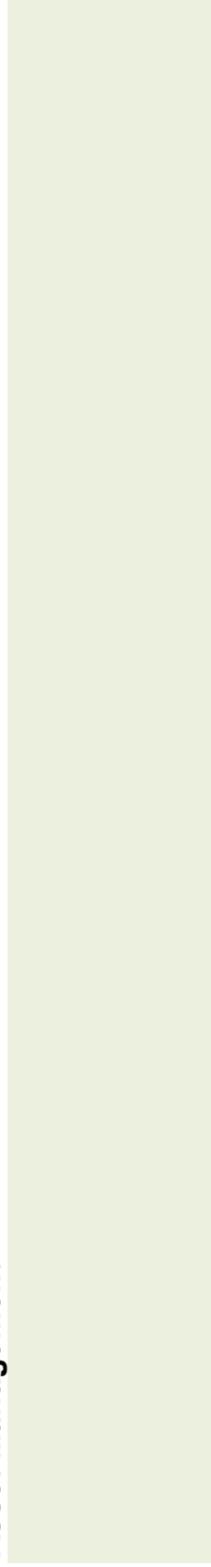


Figure 3: Illustration of the Scorecard (... continued)

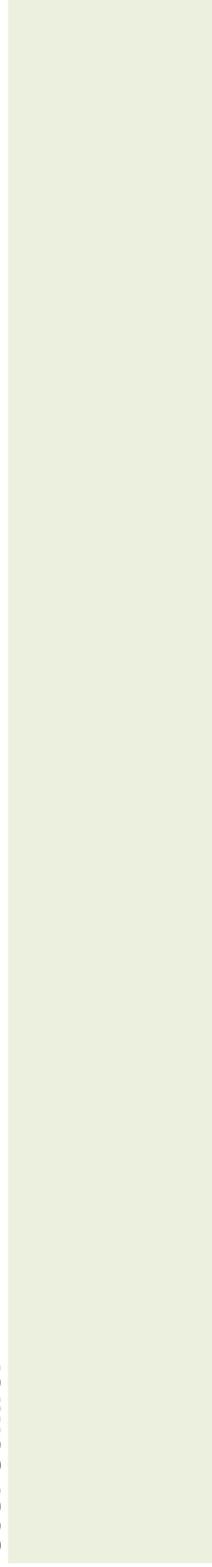
System Reliability



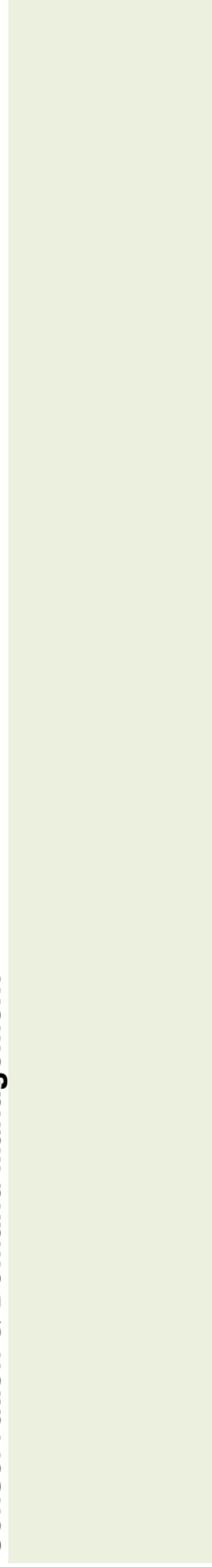
Asset Management



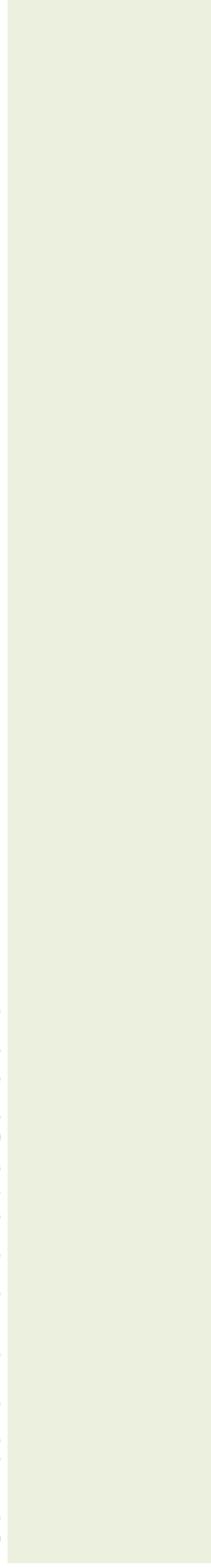
Cost Control



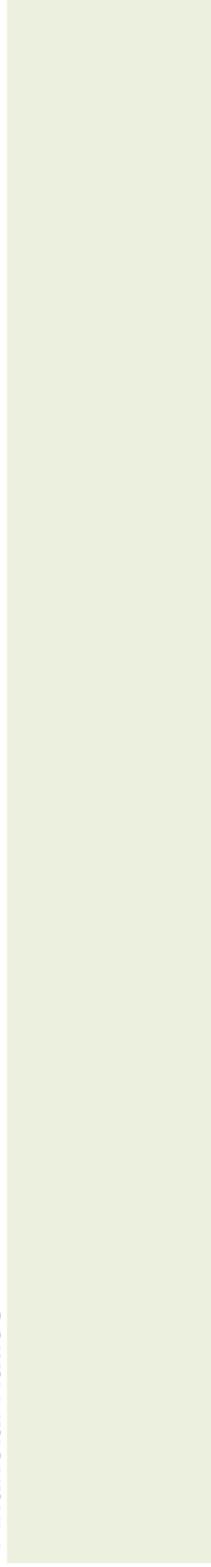
Conservation & Demand Management



Connection of Renewable Generation



Financial Ratios



Appendix A: Performance Measure Descriptions

Measure		Technical Definitions	Plain Language Description	How Measure may be Compared
Customer Focus				
Service Quality	New Residential Services Connected on Time	<p>A connection for a new service request for a low-voltage (<750 volts) service must be completed within five business days from the day on which all applicable service conditions are satisfied, or at such later date as agreed to by the customer.</p> <p>This requirement must be met at least 90% of the time on a yearly basis.</p> <p>Connection of New Services (Distribution System Code [DSC] s7.2, Electricity Reporting & Record Keeping Requirement [RRR] s2.1.4.1.1)</p>	<p>The utility must connect new service for the customer within five business days, 90 % of the time, unless the customer agrees to a later date. This timeline depends on the customer meeting specific requirements ahead of time (such as no electrical safety concerns in the building, customer’s payment information complete, etc.)</p>	<p>✓ Year-over-Year</p> <p>✓ Distributor¹²-to-Distributor</p>
	Scheduled Appointments Met on Time	<p>A distributor must offer to schedule the appointment during the distributor’s regular hours of operation within a window of time that is no greater than four hours (i.e., morning, afternoon or, if available, evening). The distributor must then arrive for the appointment within the scheduled timeframe.</p> <p>This requirement must be met at least 90% of the time on a yearly basis.</p> <p>Appointments Met (DSC s7.4, RRR s2.1.4.1.3)</p>	<p>For appointments during the utility’s regular business hours, the utility must offer a window of time that is not more than four hours long, and must arrive within that window, 90 % of the time.</p>	
	Telephone Calls Answered on Time	<p>Qualified incoming calls to the distributor’s customer care telephone number must be answered within the 30-second time period established under section 7.6.3 of the DSC (s7.6.1). For qualified incoming calls that are transferred from the distributor’s IVR system, the 30 seconds shall be counted from the time the customer selects to speak to a customer service representative. In all other cases, the 30 seconds shall be counted from the first ring (s7.6.3 of the DSC)</p> <p>This requirement must be met at least 65% of the time on a yearly basis.</p> <p>Telephone Accessibility (DSC s7.6, RRR s2.1.4.1.5)</p>	<p>During regular call centre hours, the utility’s call centre staff must answer phone calls within 30 seconds of receiving the call directly or of having the call transferred to them, 65 % of the time.</p>	

12 To maintain consistency for the purposes of this Report, “distributor” has been used here. Use of “utility” would be appropriate when this column is used in conjunction with plain language descriptions .

	Measure	Technical Definitions	Plain Language Description	How Measure may be Compared
Customer Satisfaction	First Contact Resolution	<p>Distributors use a range of approaches to assess their effectiveness at addressing customers' needs / concerns. While all distributors will be required to report on their success in addressing customers' needs the first time they contact the distributor, distributors are not required to use the same approach.</p> <p>Please see the management discussion and analysis section of the distributor's scorecard.</p>	<p>Utilities should aim to address their customers' needs as quickly as possible. Ideally, their concerns and issues can be resolved the first time the customer contacts the utility.</p> <p>The utility must report on its success at meeting a customer's needs the first time the utility is contacted. Different tools can be used to measure this.</p>	<p>✓ Year-over-Year ✗ Distributor-to-Distributor</p>
	Billing Accuracy	<p>Distributors use a number of ways to measure the accuracy of the bills that they issue to their customers. While all distributors will be required to report on their Billing Accuracy, distributors are not required to use the same way of measuring it.</p> <p>Please see the management discussion and analysis section of the distributor's scorecard.</p>	<p>An important part of business is ensuring that customer's bills are accurate.</p> <p>The utility must report on its success at issuing accurate bills to its customers.</p>	<p>✓ Year-over-Year ✓ Distributor-to-Distributor</p>
	Customer Satisfaction Survey Results	<p>Distributors use a range of approaches to assess (i.e., survey) customer satisfaction (e.g., perception surveys, transactional surveys, focus group surveys, town hall meeting surveys, in-depth interview surveys, etc.). While all distributors will be required to report the results of their surveys, distributors are not required to use the same tools.</p> <p>Please see the management discussion and analysis section of the distributor's scorecard.</p>	<p>Utilities use different ways to determine how satisfied their customers are with the service they receive.</p> <p>The utility must report the results of whatever customer satisfaction surveys it uses.</p>	<p>✓ Year-over-Year ✗ Distributor-to-Distributor</p>

Measure		Technical Definitions	Plain Language Description	How Measure may be Compared
Operational Effectiveness				
Safety	Public Safety measure	<i>The Board is consulting with the Electrical Safety Authority and will consult with stakeholders to identify a measure that is readily available for use on the Scorecard.</i>		
System Reliability	Average Number of Hours that Power to a Customer is Interrupted	<p>System Average Interruption Duration Index (Loss of Supply) is an index of system reliability that expresses the average amount of time, per reporting period, supply to a customer is interrupted. It is determined by dividing the total monthly duration of all interruptions experienced by all customers (excluding interruptions caused by Loss of Supply events), in hours, by the average number of customers served:</p> <p>= (Total Customer Hours of Interruptions – Total Customer Hours of Interruptions caused by Loss of Supply events)/ Average Number of Customers Served.</p> <p style="text-align: center;">System Average Interruption Duration Index (Loss of Supply) (RRR s2.1.4.2.2)</p>	An important feature of a reliable distribution system is recovering from power outages as quickly as possible. The utility must track the average length of time, in hours, that its customers have experienced a power outage over the past year.	<p>✓ Year-over-Year</p>
	Average Number of Times that Power to a Customer is Interrupted	<p>System Average Interruption Frequency Index (Loss of Supply) is an index of system reliability that expresses the number of times per reporting period that the supply to a customer is interrupted. It is determined by dividing the total number of interruptions experienced by all customers (excluding interruptions caused by Loss of Supply events), by the average number of customers served:</p> <p>= (Total Customer Interruptions – Interruptions caused by Loss of Supply events) / Average Number of Customers Served</p> <p style="text-align: center;">System Average Interruption Frequency Index (Loss of Supply) (RRR s2.1.4.2.4)</p>	Another important feature of a reliable distribution system is reducing the frequency of power outages. The utility must also track the number of times its customers have experienced a power outage over the past year.	<p>✓ Distributor-to-Distributor</p>
Asset Management	System Plan Implementation Progress	<p>Distributors use a range of approaches to measure their effectiveness at implementing their distribution system plan. While all distributors will be required to report their results to the Board, distributors are not required to use the same measure.</p> <p>Please see the management discussion and analysis section of the distributor’s scorecard.</p>	<p>Utilities use different ways to determine that their work continues to be “on track” with their system plans.</p> <p>The utility must report the results of whatever measure it uses.</p>	<p>✓ Year-over-Year</p> <p>✗ Distributor-to-Distributor</p>

	Measure	Technical Definitions	Plain Language Description	How Measure may be Compared												
Cost Control	Efficiency Assessment	<p>A total cost benchmarking evaluation is used to produce a single efficiency ranking of Ontario's distributors. The efficiency ranking is then segmented into five groups based on the size of the difference between each distributor's actual costs and its predicted costs as estimated in the benchmarking evaluation. Distributors whose actual costs are lower than their predicted costs are considered more efficient.</p> <table border="1" data-bbox="558 451 1253 621"> <thead> <tr> <th>Group</th> <th>Demarcation Points for Relative Cost Performance</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Actual costs are 25% or more below predicted costs</td> </tr> <tr> <td>2</td> <td>Actual costs are 10% to 25% below predicted costs</td> </tr> <tr> <td>3</td> <td>Actual costs are within +/-10% of predicted costs</td> </tr> <tr> <td>4</td> <td>Actual costs are 10% to 25% above predicted costs</td> </tr> <tr> <td>5</td> <td>Actual costs are 25% or more above predicted costs</td> </tr> </tbody> </table>	Group	Demarcation Points for Relative Cost Performance	1	Actual costs are 25% or more below predicted costs	2	Actual costs are 10% to 25% below predicted costs	3	Actual costs are within +/-10% of predicted costs	4	Actual costs are 10% to 25% above predicted costs	5	Actual costs are 25% or more above predicted costs	<p>The utility must manage its costs successfully in order to help assure its customers they are receiving value for the cost of the service they receive.</p> <p>Utilities' total costs are evaluated to produce a single efficiency ranking. This is divided into five groups based on how big the difference is between each utility's actual and predicted costs. Utilities whose actual costs are lower than predicted are considered more efficient and will be assigned to Group 1 or Group 2. Utilities that are considered average performers will be assigned to Group 3. Utilities whose actual costs are higher than predicted will be assigned to Group 4 or Group 5.</p>	<ul style="list-style-type: none"> ✓ Year-over-Year ✓ Distributor-to-Distributor
	Group	Demarcation Points for Relative Cost Performance														
	1	Actual costs are 25% or more below predicted costs														
2	Actual costs are 10% to 25% below predicted costs															
3	Actual costs are within +/-10% of predicted costs															
4	Actual costs are 10% to 25% above predicted costs															
5	Actual costs are 25% or more above predicted costs															
Total Cost per Customer	<p>Total cost is calculated as the sum of a distributor's capital costs and OM&A costs, including certain adjustments to make the costs more comparable between distributors, per reporting period. This amount is then divided by the total number of customers that the distributor serves.</p>	<p>A simple measure that can be used as a comparison with other utilities is the utility's total cost per customer.</p> <p>Total cost is a sum of all the costs incurred by the utility to provide service to its customers. The amount is then divided by the utility's total number of customers.</p>														
Total Cost per Km of Line	<p>Total cost is calculated as the sum of a distributor's capital costs and OM&A costs, including certain adjustments to make the costs more comparable between distributors, per reporting period. This amount is then divided by the total number of customers that the number of kilometers of line that the distributor operates to serve its customers.</p>	<p>Another simple measure is the utility's total cost per length of line.</p> <p>Total cost is a sum of all the costs incurred by the utility to provide service to its customers. The amount is then divided by the number of kilometers of line the utility operates to serve its customers.</p>														

Public Policy Responsiveness	Measure	Technical Definitions	Plain Language Description	How Measure may be Compared
Conservation and Demand Management	Net Cumulative Energy Savings (percent of target achieved)	The Minister of Energy and Infrastructure issued a directive to the Ontario Energy Board in 2010 with regard to electricity Conservation and Demand Management targets ¹³ to be met by licensed electricity distributors by the end of 2014.	Customers can reduce the amount of power they use through conservation efforts.	
	Net Annual Peak Demand Savings (percent of target achieved)	The targets were established to encourage distributors to help their customers reduce electricity consumption and peak provincial electricity demand.	A utility has targets that it must meet by the end of 2014 to help customers in these efforts. The Ontario Energy Board has set these targets, at the request of the Government of Ontario.	
Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed on Time	Section 25.37 of the <i>Electricity Act, 1998</i> requires that connection assessments for renewable energy generation facilities be completed by electricity distributors within prescribed timelines, and also requires distributors to report quarterly to the Board on their ability to meet those timelines. Ontario Regulation 326/09 (Mandatory Information re Connections) sets out details regarding the timing of, and reporting on, connection assessments. % of Connection Impact Assessments Completed for Renewable Generation Facilities >10 kW (RRR s2.1.15(a))	The utility must complete a connection impact assessment for a renewable generator within a certain timeline, and must report to the Board on how well it met those timelines.	<ul style="list-style-type: none"> ✓ Year-over-Year ✓ Distributor-to-Distributor
	New Micro-embedded Generation Facilities Connected on Time	For generation facilities that are 10 kW or less, the Board established a connection measure in amendments to the Distribution System Code that came into effect on June 13, 2013 (EB-2012-0246). A distributor shall connect an applicant's micro-embedded generation facility to its distribution system within 5 business days of which all applicable service conditions are satisfied, 90 percent of the time on a yearly basis, or at such later date as agreed to by the customer Micro-embedded Generation measure (DSC s 6.2.7 and 6.2.7A)	The utility must connect smaller generators producing less than 10kW of power within five business days, 90 percent of the time, unless the customer agrees to a later date. These generators are known as "micro-embedded generation facilities." The timeline depends on the customer meeting specific requirements ahead of time.	

¹³ On March 14, 2011, the Board issued its Decision and Order for revised 2011-2014 Conservation and Demand Management (CDM) Targets (Decision and Order). The CDM targets are set out in Appendix A to this Decision and Order.

Financial Performance	Measure	Technical Definitions	Plain Language Description	How Measure may be Compared
Financial Ratios	Liquidity: Current Ratio	<p>A financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months.</p> <p>= Current Assets/Current Liabilities</p> <p>RRR s2.1.7 and Accounting Procedures Handbook</p>	<p>A common way of measuring the financial health of a company is through financial ratios.</p> <p>This first ratio measures whether or not the utility has enough resources (assets) to pay its debts (liabilities) over the next 12 months.</p>	<p>✓ Year-over-Year</p> <p>✓ Distributor-to-Distributor</p>
	Leverage: Total Debt to Equity Ratio	<p>Leverage ratios show the degree to which a company is leveraging itself through its use of borrowed money.</p> <p>= Total Debt (incl. short-term and long-term debt)/Total Equity</p> <p>RRR s2.1.7 and Accounting Procedures Handbook</p>	<p>This measures the degree to which the utility is leveraging itself through its use of borrowed money.</p>	
	Profitability: Deemed Return on Equity (included in rates)	<p>The Board-approved Return on Equity that is embedded in the distributor's base rates.</p> <p>RRR s.2.1.5.6</p>	<p>Return on Equity is the rate of return that the utility is allowed to earn through its distribution rates, as approved by the Ontario Energy Board.</p>	<p>Not applicable</p>
	Profitability: Achieved Regulated Return on Equity	<p>The distributor's achieved Regulated Return on Equity earned in the preceding fiscal year. The reported return is calculated on the same basis as was used in establishing the distributor's base rates.</p> <p>This measures the use of assets and control of expenses to generate a rate of return.</p> <p>RRR s.2.1.5.6</p>	<p>This shows the utility's actual Return on Equity earned each year.</p>	<p>✓ Year-over –Year</p> <p>✓ Distributor-to-Distributor</p>

Appendix B: Performance Measure Data Specifications

Measure	Data		Calculation
	Source	Item	
New Residential Services Connected on Time (i.e., Connection of New Low Voltage Services (DSC s7.2))	RRR 2.1.4.1.1	Distributor Name	For each year, Percentage of (b) with respect to (a) for Distributor Name
		Year	
		a) Total number of new low voltage services connected in each month	
		b) Number of new low voltage services connected in each month for which the service quality requirement set out in section 7.2 of the Distribution System Code was met	
Scheduled Appointments Met on Time (i.e., Appointments: Met (DSC s7.4))	RRR 2.1.4.1.3	Distributor Name	For each year, Percentage of (b) with respect to (a) for Distributor Name
		Year	
		a) Total number of appointments described in section 7.4 of the Distribution System Code requested or required in each month	
		b) Number of appointments in each month for which the service quality requirement set out in section 7.4 of the Distribution System Code was met	
Telephone Calls Answered on Time (i.e., Telephone Accessibility (DSC s7.6))	RRR 2.1.4.1.5	Distributor Name	For each year, Percentage of (b) with respect to (a) for Distributor Name
		Year	
		a) Total number of qualified incoming calls in each month	
		b) Number of qualified incoming calls in each month for which the service quality requirement set out in section 7.6 of the Distribution System Code was met	
First Contact Resolution	<i>RRR will be created by Apr. 2014</i>	<i>Distributor Name, Year, Result</i>	<i>For each year,</i>
			<i>Result</i>
Billing Accuracy	<i>RRR will be created by Apr. 2014</i>	<i>Distributor Name, Year, Result</i>	<i>For each year,</i>
			<i>Result</i>
Customer Satisfaction Survey Results	<i>RRR will be created by Apr. 2014</i>	<i>Distributor Name, Year, Result</i>	<i>For each year,</i> <i>Result</i>
Public Safety measure	<i>The Board is consulting with the Electrical Safety Authority and will consult with stakeholders to identify a measure that is readily available for use on the Scorecard.</i>		
Average Number of Hours that Power to a Customer is Interrupted (i.e., System Average Interruption	RRR 2.1.4.2.2	Distributor Name	For each year, $((a) - (b))/(c)$ for Distributor Name
		Year	
		a) Total customer-hours of interruptions in each month	
		b) Total customer-hours of interruptions in each month caused by a Loss of Supply	
		c) Average number of customers served in each month	

Measure	Data		Calculation
	Source	Item	
Duration Index (Loss of Supply))		d) Adjusted SAIDI, being ((a) - (b))/(c)	
Average Number of Times that Power to a Customer is Interrupted (i.e., System Average Interruption Frequency Index (Loss of Supply))	RRR 2.1.4.2.4	Distributor Name Year a) Total number of customer interruptions in each month b) Total number of customer interruptions in each month caused by a Loss of Supply c) Average number of customers served in each month d) Adjusted SAIFI, being ((a) - (b))/(c)	For each year, ((a) - (b))/(c) for Distributor Name
System Plan Implementation Progress	<i>RRR will be created by Apr. 2014</i>	<i>Distributor Name, Year, Result</i>	<i>For each year, Result</i>
Efficiency Assessment	The Board's annual efficiency assessment will be published in a Report of the Board ¹⁴	Distributor Name, Year, Group	For each year, Group for Distributor Name
Total Cost	Benchmarking Database	Distributor Name Year Total Cost (Column G)	
- per Customer	Benchmarking Database	Customer Numbers (Column L)	For each year Total Cost / Customer Numbers for Distributor Name
- per Km of Line	Benchmarking Database	Circuit km (Column R)	For each year Total Cost / Circuit km for Distributor Name

¹⁴ The 2013 efficiency assessment is included in the Report of the Board entitled "[Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors](#)" on November 21, 2013.

Measure	Data		Calculation
	Source	Item	
Net Cumulative Energy Savings (Percent of target achieved)	Conservation and Demand Management Report – Annual Results	Distributor Name, Year, Cumulative GWh Achieved, GWh Target, Cumulative GW Achieved, GW Target	For each year, Cumulative GWh Achieved / GWh Target for Distributor Name
Net Annual Peak Demand Savings (Percent of target achieved)		The Minister of Energy and Infrastructure issued a directive to the Board in 2010. The Directive required the Board to take steps to establish electricity CDM Targets to be met by licensed electricity distributors. On March 14, 2011, the Board issued its Decision and Order for revised 2011-2014 Conservation and Demand Management (CDM) Targets (Decision and Order). The CDM targets are set out in Appendix A to this Decision and Order.	For each year, Cumulative GW achieved / GW Target for Distributor Name
Renewable Generation Connection Impact Assessments Completed on Time (i.e., % of Connection Impact Assessments completed for renewable generation facilities >10 kW within the applicable timeline prescribed by Ontario Regulation 326/09 made under the <i>Electricity Act, 1998</i>)	RRR 2.1.15(a)	Distributor Name	For each year, SUM (iii) / SUM (i) for Distributor Name
		Year	
		i. the number of Connection Impact Assessments (“CIA”) completed in the quarter; iii. of the CIAs completed as reported under (i) above, the number that were completed within the applicable timeline prescribed by Ontario Regulation 326/09 made under the <i>Electricity Act, 1998</i>	
New Micro-embedded Generation Facilities Connected on Time (i.e., Micro-embedded connection measure (DSC s6.2.7A))	RRR will be created by Apr. 2014	<i>EXAMPLE</i>	<i>EXAMPLE</i>
		Distributor Name	For each year, Percentage of (b) with respect to (a) for Distributor Name
		Year	
		a) Total number of new micro-embedded generation facilities connected in each month b) Number of new micro-embedded generation facilities connected in each month for which the timeline set out in section 6.2.7A of the DSC was met c) Percentage of (b) with respect to (a)	

Measure	Data		Calculation
	Source	Item	
Liquidity: Current Ratio (Current Assets/Current Liabilities)	RRR 2.1.7 and APH	Distributor Name	For each year, SUM of Current Assets / SUM of Current Liabilities for Distributor Name
		Year	
		Current Assets: Cash & cash equivalents Accounts 1005 to 1070	
		Current Assets: Receivables Accounts 1100-1170	
		Current Assets: Inventory Accounts 1305-1350	
		Current Assets: Inter-company receivables Accounts 1200+1210	
		Current Assets: Other current assets Accounts 1180-1190 +2290 if debit + 2296 if debit	
		Current Liabilities: Accounts payable & accrued charges Accounts 2205-2220+2250-2256+2294	
		Current Liabilities: Future income tax liabilities - current Account 2296 credit	
		Current Liabilities: Other current liabilities Accounts 2285 + 2290 if credit +2292+2264	
		Current Liabilities: Inter-company payables Accounts 2240+2242	
Current Liabilities: "Loans and notes payable, and current portion of long term debt" Accounts 2225+2260-2262+2268-2272			
Leverage: Total Debt to Equity Ratio	RRR 2.1.7 and APH	Distributor Name	For each year, (Total debt) / Shareholders' Equity for Distributor Name
		Year	
		Total debt: Accounts 2225,2242, 2260, 2262, 2270 2505,2510, 2515,2520,2525, 2530,2550	
		Shareholders' Equity Accounts 3005 to 3090	
Profitability: Deemed Regulated Return on Equity	RRR 2.1.5.6	Year	2011 onward, as reported for Distributor Name
		Deemed Regulated Return on Equity (ROE) embedded in base rates included in 2.1.5.6 as part of calculation	
		Distributor Name	
Profitability: Achieved Regulatory Return on Equity	RRR 2.1.5.6	Year	2011 onward, as reported for Distributor Name
		2.1.5.6 Regulated Return on Equity (ROE)	