



August 12, 2013

Board Secretary
Ontario Energy Board
27th Floor/ P.O. Box 2319
2300 Yonge St.
Toronto, ON M4P 1E4

Dear Ms. Walli,

**Re: EB-2010-0379 Performance Measurement and Continuous Improvement for
Electricity Distributors**

Halton Hills Hydro Inc. ("HHHI") thanks the Board for the opportunity to respond to questions posed by the Board in proceeding EB-2010-0379, Performance Measurement and Continuous Improvement for Electricity Distributors.

Below, please find HHHI's comments in response to the questions posed by the Board in Attachment A to the letter dated July 4, 2013.

Any additional questions or clarifications can be directed towards Tracy Rehberg-Rawlingson, Regulatory Affairs Officer, Halton Hills Hydro Inc., (519) 853-3700 extension 257, tracyr@haltonhillshydro.com.

Yours truly,

(Original signed)

Tracy Rehberg-Rawlingson
Regulatory Affairs Officer
Halton Hills Hydro Inc.

Cc: Arthur A. Skidmore, President & CEO
David J. Smelsky, CFO
Don Matthews, Manager of Engineering and Operations

Ontario Energy Board Proceeding EB-2010-0379
Performance Measurement and Continuous Improvement for Electricity Distributors

Halton Hills Hydro Inc. (“HHHI”) thanks the Board for the opportunity to respond to questions posed by the Board in Attachment A of the letter dated July 4, 2013.

Existing Service Quality Requirements

1. **The existing service quality requirements (whether as mandatory requirements or as reported indicators) have been in place for a number of years. Do the prescribed performance standards set by the Board for distributors continue to be appropriate? Why? Why not?**

HHHI recognizes the relevance of the current prescribed performance standards, however, for the purposes of measuring service quality, HHHI asks that the Board consider whether the requirements are measuring efficiency or effectiveness.

For example, the Telephone Accessibility and Telephone Call Abandon Rate requirements measure how quickly Customer Service Representatives (“CSRs”) can answer telephone calls. This requirement looks at the efficiency of the CSRs. However, to meet these requirements, the CSRs may be required to limit the time spent on individual calls, thereby reducing the effectiveness of their customer interaction and the customer’s satisfaction with the experience.

Customer Satisfaction Surveys

2. **If Board staff’s recommended approach were implemented:**
 - a. **How might the sharing of information amongst distributors be facilitated to encourage “good survey practices”?**

It is difficult for HHHI to formulate a response as there is no comprehensive definition of “good survey practices”. HHHI would require more details around what information would be shared (survey questions, rating determinants, final results) before offering a response on how the information could be used to encourage other distributors to use “good survey practices.

- b. **How would the Board know that a distributor’s survey has been designed and implemented following “good survey practices”?**

HHHI believes that with a comprehensive definition of “good survey practices”, distributors would be able to design and implement an acceptable survey. The survey itself should include:

- Consistent areas of questions (i.e. billing, reliability, safety, customer service, etc.); and
- The use of required standard questions in addition to any questions the distributor would like to ask; and
- A requirement to use only OEB approved consultants to administer the surveys; and
- Consistent format (i.e. phone, print or on-line); and

- Be truly random with required percentage of responses and confidence levels.

A statement from a Board approved consultant confirming that “good survey practices” were followed should be sufficient to assure the Board that the survey was designed and implemented properly.

3. The Staff Report notes that the results of locally undertaken customer satisfaction surveys may not be readily comparable across distributors. What are the implications, if any, of customer satisfaction surveys not being comparable across distributors?

In the Staff Report to the Board, dated July 4, 2013 in proceeding EB-2010-0379, page 2 states:

“To facilitate performance monitoring and distributor benchmarking, the Board also states in its Report that it will use a scorecard approach to link directly to the performance outcomes...The scorecard will be used to monitor individual distributor performance and to compare performance across the distribution sector. The scorecard effectively organizes performance information in a manner that facilitates evaluations and meaningful comparisons, which are critical to the Board’s rate-setting approach under the renewed regulatory framework”

To fairly compare the results of the customer satisfaction surveys and thus, fairly compare distributor’s scorecards, there must be consistent content and format as previously discussed in Question 2 above. Distributors could still ask additional questions involving local issues, however, these additional results should not be included in the scorecard reporting as this would create an inconsistency and the comparison between distributors would no longer be accurate.

4. To help the Board understand distributor’s existing practices, the Board asks all distributors to provide with their written comments an overview of how they conduct their customer satisfaction surveys.

HHHI engaged the services of a consultant experienced in electricity industry surveys. A set of questions were developed for the survey with the guidance of the consultant. HHHI provided a random list of customers in all classes with which the consultant used to conduct phone surveys. A report of the results was presented to HHHI by the consultant, including provincial and national averages. It is expected that HHHI will conduct these surveys every three (3) years.

1st Contact Resolution

5. If Board staff’s recommended approach were implemented, how might the sharing of information amongst distributors be facilitated to encourage the pursuit of “best practices” in relation to 1st Contact Resolution?

The sharing of information and results in relation to 1st Contact Resolution would encourage the pursuit of excellence. Additionally, distributors could have opportunity to consult with other distributors who excel at 1st Contact Resolution in an effort to improve their own results.

6. **To help the Board understand distributors' existing practices, the Board asks distributors that currently measure 1st Contact Resolution to provide an overview of their approach in the written comments.**

HHHI does not currently measure 1st Contact Resolution.

Billing Accuracy

7. **To help the Board understand distributors' existing practices, the Board asks distributors that currently measure Billing Accuracy to provide an overview of their approach in their written comments.**

Currently, HHHI measures Billing Accuracy based on total bills cancelled each month. Examples of cancelled bills could include incorrect consumption (distributor responsibility) or a customer does not report a move until a month after the house closing (customer responsibility).

Should the Board wish to measure Billing Accuracy, the Board would need to provide an exhaustive list of examples that would be either included or excluded if the Board intends to use the data to compare distributors.

Regulatory Return on Equity

8. **Should the Board's allowed ROE be included as a "target" on the Scorecard? Why?**

HHHI feels that including the Board's allowed ROE as a "target" serves no value to the customer.

- a. **If the Board's allowed ROE were included on the Scorecard, which value would be appropriate: the recent value determined by the Board in its annual Cost of Capital Parameter Update (e.g., in the illustration of Board staff's recommended Scorecard, this would be the value for 2011); or the value of the ROE that is embedded in the distributor's base rates? Please provide a rationale for your response.**

The ROE that is embedded in the distributor's base rates is the only value relevant to customers. Providing this value will provide more transparency and be easier for customers to understand.

The Scorecard

9. **The Scorecard has to be relevant and meaningful to all, including consumers. How might the results be presented on Board staff's recommended Scorecard be summarized in a manner that might be most easily understood by consumers?**

HHHI believes that the results should be separated into Public and Corporate indicators.

Public indicators would be primarily customer focused results including Customer Satisfaction, Service Quality and Conservation and Demand Management.

Corporate indicators would include those measures that directly relate to the financial well-being of the distributor. Measures for Corporate indicators would include Asset Management, Overall Cost performance and Financial Ratios.

Conclusion

In conclusion, HHHI is committed to utilizing HHHI's own Corporate Scorecard and the Board's Scorecard in the continuous improvement to become "Best in Class".