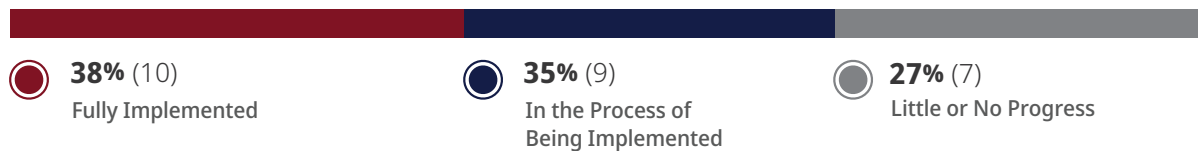


Follow-Up on the 2022 Performance Audit:

Ministry of Energy and Ontario Energy Board Electricity Oversight and Consumer Protection

// Overall Conclusion

26 Recommended Actions



The Ministry of Energy (Ministry) and the Ontario Energy Board (OEB), as of October 3, 2024, have fully implemented 38% of actions we recommended in our 2022 audit **Ontario Energy Board: Electricity Oversight and Consumer Protection**. They have made progress in implementing 35% of the recommendations. However, they have made little or no progress on 27% of the recommendations.

The Ministry and the OEB have fully implemented recommendations such as developing educational materials about Unit Sub-Meter Providers (USMPs) to help customers understand these providers; developing performance metrics and targets to evaluate the effectiveness of the low-income energy programs within their responsibility; developing procedures to continuously monitor the impact of relevant regulatory efficiency initiatives on very small Local Distribution Companies (LDCs); reviewing the OEB's customer service metrics and targets and updating them as needed; and developing performance metrics to measure the efficiency of the OEB's compliance activities.

The Ministry and the OEB have made progress in implementing recommendations such as performing an analysis to verify customer concerns and assess whether prices charged by USMPs are fair; completing the Distribution Rate Protection (DRP) program analysis to identify and evaluate options that can improve the robustness of the mechanism in determining program eligibility; and reviewing the deemed capital structure and return on equity formula and thereafter at defined intervals (for example, every three to five years).

The Ministry has made little or no progress on recommendations, including evaluating options to increase the OEB's oversight role over electricity procurement activities within an established timeline (for example, within a year); developing an expedited timeline to complete its review of the long-term energy planning process and releasing the next Long-Term Energy Plan within 12 months; including all major energy sources in the planning process; and recognizing and assigning the OEB a role in long-term energy planning.

The OEB has made little or no progress on developing and publishing performance metrics for USMPs to provide customers with insight into USMP performance.

The status of actions taken on each of our recommendations is described in this report.

// **Status of Actions Taken on Recommendations**

We conducted assurance work between April 2024 and August 2024. We obtained written representation from the Ministry and the OEB that effective October 3, 2024, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

1. Decisions Made Outside of the OEB's Regulatory Process Have Impacted Electricity Prices and Consumers

In our original audit, we found that while one of the primary objectives of the OEB is to protect consumer interests in electricity prices, the OEB has no authority to regulate almost 34% of charges on an average residential bill. Among all generating assets, the OEB only sets the rates for electricity generated by certain assets owned and operated by Ontario Power Generation. Rates for electricity from other generating assets are mostly governed by electricity supply contracts managed by the Independent Electricity System Operator (IESO); the OEB has no regulatory authority over those contracts.

Recommendation 1: Action Items 1 and 2

To enhance consumer protection over electricity prices and strengthen public trust in the regulatory system, we recommend that the Ministry of Energy:

- evaluate options within an established timeline (for example, within a year) that will increase the Ontario Energy Board's oversight role over electricity procurement activities so that future decisions impacting electricity rates are financially prudent and consistent with the anticipated demand for electricity; and
- consult with stakeholders during the evaluation process and implement the selected option with an established timeline.

Status:  **Little or no progress.**

Details

We found that the Ministry has not evaluated options that will increase the OEB's oversight role over electricity procurement activities. The Ministry also has not consulted with stakeholders and implemented the selected option with an established timeline.

The Ministry informed us that the Province will plan for an electrified future based on the advice of the Electrification and Energy Transition Panel (Panel), which released its final report, titled *Ontario's Clean Energy Opportunity*, in January 2024. The Panel undertook a consultation process with energy sector stakeholders, Indigenous partners and the public to develop its report with 29 recommendations. A number of the recommendations related to the OEB's role, including the potential for the OEB in overseeing the electricity procurement activities.

The Ministry advised us that it is reviewing the Panel's recommendations, exploring opportunities to move to a more integrated planning process later in 2024 and outlining their next steps to address our recommendation.

2. The Long-Term Energy Planning Process Lacks Independent Oversight and Does Not Include Non-Electricity Energy Sources

In our original audit, we found that the Ontario Power Authority, which merged with the IESO in 2015, was required by legislation to prepare a 20-year energy plan called an Integrated Power System Plan (IPSP) for the OEB to review and approve. However, the OEB was required to stop its review of the 2007 IPSP and no further IPSP was submitted to the OEB for review and approval. Instead, in 2010, 2013 and 2017 the Ministry issued Long-term Energy Plans (LTEPs) in place

of IPSPs. None were subject to the OEB's review to ensure they were financially prudent. The government still had not set a definite timeline for the next LTEP. The Ministry was required by a regulation under the *Electricity Act, 1998* to issue the next LTEP by February 2021. However, the regulation was revoked on January 1, 2021, and a new LTEP still has not been issued.

Recommendation 2: Action Items 1, 2, 3 and 4

So that energy planning better protects the interests of energy consumers, we recommend that the Ministry of Energy:

- develop an expedited timeline to complete its review of the long-term energy planning process within 12 months;
- develop an expedited timeline to release the next Long-Term Energy Plan within 12 months;
- include all major energy sources in the planning process; and
- recognize and assign the Ontario Energy Board (OEB) a role in long-term energy planning that reflects the OEB's role and expertise as the regulator of the energy sector, including protecting the interests of consumers.

Status:  **Little or no progress.**

Details

We found that the Ministry has not developed an expedited timeline to complete its review of the long-term energy planning process and, as a result, has not released the next long-term energy plan that includes all major energy sources. The Ministry also has not recognized and assigned the OEB a role in long-term energy planning that reflects the OEB's role and expertise as the regulator of the energy sector.

As previously noted in Recommendation 1, the Ministry informed us that the Province will plan for an electrified future based on the advice of the Panel, which released its final report, titled *Ontario's Clean Energy Opportunity*, in January 2024. A number of the recommendations related to the OEB's role, including the potential for the OEB in overseeing the electricity procurement activities.

The Ministry is reviewing the Panel's recommendations, exploring opportunities to move to a more integrated planning process later in 2024, and outlining next steps to address our recommendation.

3. Price and Service Protection for Local Distribution Companies and Unit Sub-Meter Provider Customers Varies

In our original audit, we found that multi-unit buildings in Ontario could obtain sub-metering services from USMPs to provide electricity meters to each unit, but the OEB had no oversight over USMP prices. Specifically, unlike rates charged by LDCs, USMP charges were not subject to the OEB's regulation. Instead, the rates to be charged to occupants were set by contracts with developers, building owners or condominium boards, and the contract terms could vary.

Occupants served by USMPs also had less protection against disconnection compared to LDC customers. In 2017, the OEB amended the LDCs' licence conditions to ban the disconnection of residential customers during winter months. USMPs, however, were not subject to this prohibition. About 12% of USMP customer complaints received by the OEB from 2016/17 to 2021/22 were related to winter disconnection.

The OEB did not provide sufficient information to educate electricity customers about USMPs, despite customer concerns about the lack of transparency on USMP charges.

Recommendation 3: Action Items 1 and 2

So that Unit Sub-Meter Provider (USMP) customers' interests are sufficiently protected, we recommend that the Ministry:

- perform its own analysis immediately to verify customer concerns and assess whether prices charged by USMPs are fair; and
- use results from these studies to develop and implement options to improve price protection and transparency for USMP customers.

Status:  **In the process of being implemented by December 2025.**

Details

We found that the Ministry has started performing its analysis to verify customer concerns and assess whether prices charged by USMPs are fair.

The Ministry has met with the OEB to discuss the available tools to collect data as well as the scope of the analysis. Specifically, the following actions were taken by the Ministry and the OEB:

- In November 2023, the Ministry issued a letter to the OEB, requesting the OEB to provide data on USMPs to the Ministry.

- In December 2023, the OEB notified USMPs that the OEB planned to start collecting data relating to their practices in 2024.
- In February 2024, the OEB issued a letter to USMPs, requesting them to provide pricing data by April 2024.

After collecting the pricing data from USMPs in April 2024, the Ministry will analyze the data, which includes assessing whether the prices charged by USMPs are fair. Following its analysis, the Ministry will prepare options and recommendations on next steps for the government's consideration.

The Ministry anticipated that this work will be completed by December 2025. The Ministry does not have a specific timeline for implementing any changes, as this would depend on the results of the Ministry's ongoing analysis.

Recommendation 4: Action Item 1

So that electricity customers are entitled to similar service levels and benefits regardless of their service providers, we recommend that the Ontario Energy Board identify mechanisms to align service standards that apply to Unit Sub-Meter Provider customers with those that apply to Local Distribution Company customers, especially with respect to protection against winter disconnections and reconnections.

Status:  **In the process of being implemented by March 2025.**

Details

We found that the OEB has not identified mechanisms to align service standards that apply to USMP customers with those that apply to LDC customers, especially with respect to protection against winter disconnections and reconnections.

However, the OEB did commence a review of customer service standards for USMPs in late 2023. The purpose of this review is to assess the potential for alignment with LDCs, having regard to the OEB's legislative authority and the role of USMPs in the energy sector, and to determine the next steps regarding potential changes on matters such as disconnection. As part of this review, the OEB has engaged USMPs and their customers by issuing an information request to USMPs in February 2024 (as noted in Recommendation 3). The OEB has also completed data collection, a survey of USMP customers and several stakeholder meetings. The OEB target to complete this review is by March 31, 2025.

Recommendation 5: Action Item 1

To educate the public about Unit Sub-Meter Providers (USMPs), we recommend that the Ontario Energy Board immediately:

- develop educational materials about USMPs to help customers understand their services, their commercial relationships with building owners and tenants, their billing practices, and the extent of regulation over their business practices and pricing;

Status:  **Fully implemented.**

Details

We found that the OEB has developed a webpage to help customers understand USMPs' services, their commercial relationships with building owners and tenants, their billing practices, and the extent of regulation over their business practices and pricing. The webpage includes the following sections:

- USMP arrangements in multi-unit residential buildings;
- What customers need to know;
- How the OEB protects customers; and
- Who to contact for assistance.

Recommendation 5: Action Item 2

- develop and publish performance metrics for USMPs to provide customers with insight into USMP performance.

Status:  **Little or no progress.**

Details

We found that the OEB has not developed and published performance metrics for USMPs to provide customers with insight into USMP performance.

In its management response to our audit in 2022, the OEB indicated that it would consider implementing an initiative to identify the kinds of performance reporting that should be obtained from USMPs and reported on by the OEB in order to support and enhance customer understanding of the USMP sector while balancing regulatory burden and cost.

At the time of this follow-up, the OEB has determined that this initiative can be most efficiently undertaken as part of the review of customer service standards for USMPs as previously discussed in Recommendation 4. Possible performance metrics were included in the information request to USMPs in February 2024, as noted in Recommendation 3 and Recommendation 4. Consistent with the timeline for completing the review of customer service standards for USMPs, the OEB target to complete this work is by March 31, 2025.

4. Eligibility Criteria and Cap-Setting Methodology for the Distribution Rate Protection Program Are Outdated

In our original audit, we noted that the DRP program was a subsidy program that capped the monthly base distribution charges for residential customers of the eight eligible LDCs with the highest distribution charges at the time when the program was initiated in 2017. However, in 2022, these eight LDCs no longer had the highest distribution charges. Some LDCs with distribution charges above the cap remain ineligible, while one LDC remained eligible even though its charge had fallen below the cap. Residential customers of certain LDCs with charges above the cap could be paying less if the list of LDCs was updated.

Recommendation 6: Action Items 1 and 2

So that the Distribution Rate Protection (DRP) program continues to meet the intent of protecting Local Distribution Company customers in areas with comparatively high distribution costs, we recommend that the Ministry of Energy, with input from the Ontario Energy Board, within the next year:

- complete the DRP program analysis to identify and evaluate options that can improve the robustness of the mechanism in determining program eligibility; and
- implement changes identified from the analysis.

Status:  **In the process of being implemented by December 2025.**

Details

We found that the Ministry has started analyzing the DRP program to identify and evaluate options that can improve the robustness of the mechanism in determining program eligibility, and to implement changes.

The OEB adjusts inflation parameters annually based on broader economic factors. In 2022, the Ministry amended O. Reg 198/17 to include an annual inflationary adjustment to the methodology for setting the DRP cap. A new cap was in effect as of July 1, 2024, in accordance with the regulation.

As the inflation rates have remained much higher than the historical trends, the Ministry intended to measure the impact of the 2022 regulatory amendment and inflationary trends for two to three more years to understand the full effect of the modified cap-setting methodology.

The Ministry will continue to monitor and assess the impact of the 2022 regulatory amendment on DRP costs and forecasting. The results of this assessment will form the basis of any DRP program analysis that we recommended in our audit. The Ministry anticipates that this work will be completed by December 2025. The Ministry does not have a specific timeline for implementing any changes, as this would depend on the results of the Ministry's ongoing analysis.

5. Use and Effectiveness of Low-Income and Emergency Subsidy Programs Are Not Sufficiently Evaluated

In our original audit, we noted that the OEB and the provincial government introduced a number of subsidy programs to assist customers who faced financial hardship to pay their electricity bills, including the Low-income Energy Assistance Program (LEAP), the Ontario Electricity Support Program (OESP) and the time-limited COVID-19 Energy Assistance Program (CEAP). However, the LEAP funding mechanism and eligibility criteria had not been sufficiently reviewed to optimize benefits to eligible customers. While certain LDCs have LEAP funds remaining at year-end, others depleted their funds and could no longer help their customers. For example, in 2019, two LDCs depleted their funds as early as February (only two months into the calendar year) and about 25% of LDCs ran out of funds by end of June.

Performance measures and targets were also not established to determine if these programs were targeting and helping those who needed it most.

Recommendation 7: Action Items 1 and 2

To assess and confirm whether the Low-income Energy Assistance Program (LEAP) effectively benefits those who need assistance most while containing program costs, we recommend that the Ontario Energy Board:

- evaluate LEAP's funding mechanism and historical trends in funding availability, and implement changes as warranted to ensure that the program is meeting its objectives; and
- review LEAP's eligibility criteria and implement changes as warranted, taking into consideration program objectives and implementation costs.

Status:  **Fully implemented.**

Details

We found that the OEB initiated a review of the LEAP on July 19, 2023. The review focused on the LEAP's funding mechanism, eligibility criteria, grant amounts and program awareness with a view to ensuring it provides an appropriate level of assistance to vulnerable consumers. The review also addressed the design of performance metrics and targets used to evaluate the LEAP's effectiveness in meeting its intended objectives.

The OEB also engaged with the Financial Assistance Working Group (FAWG), which is composed of distributors, community agencies and consumer representatives, for advice to inform the review. The OEB sought the FAWG's input on the current operation of the LEAP, potential improvements to the LEAP, as well as the development of performance metrics and targets.

After considering input from the FAWG, as well as analysis of relevant data collected through the OEB's Reporting and Record Keeping Requirements, OEB staff issued a report on November 21, 2023, which included developing recommendations to enhance the LEAP and performance metrics.

On February 12, 2024, OEB staff issued a letter to indicate that the performance metrics came into effect on March 1, 2024. We noted that all of the changes, including the performance metrics, have been implemented.

Recommendation 8: Action Item 1

To assess and confirm whether low-income energy programs effectively benefit those who need assistance most while containing program costs, we recommend that the Ministry of Energy and Ontario Energy Board:

- develop performance metrics and targets to evaluate the effectiveness of the programs within their responsibility;

Status:  **Fully implemented.**

Details

We found that both the Ministry and the OEB have developed performance metrics and targets to evaluate the effectiveness of the low-income energy programs.

The Ministry has included the following four outcome measures in the OESP's performance measurement framework:

- OESP controls electricity costs to an appropriate level of household income.
- OESP reduces the number of requests for emergency financial assistance through the LEAP and the number of residential accounts in arrears or disconnected.

- OESP effectively reaches low-income electricity consumers.
- OESP is accessible to social assistance recipients (that is, Ontario Works (OW), Ontario Disability Support Program (ODSP) and OESP assistance supplements for social assistance).

For the LEAP, in February 2024 the OEB adopted two performance measures as part of the LEAP's review as noted in Recommendation 7:

- No eligible LEAP application is denied due to lack of funding.
- LEAP applications are processed within 21 days.

Recommendation 8: Action Item 2

- measure program performance against established targets at defined intervals and develop action plans if performance targets are not met.

Status:  **In the process of being implemented by November 2025.**

Details

We found that this recommendation is in the process of being implemented.

For the OESP, the Ministry has measured performance using the four outcome measures in the OESP's performance measurement framework as noted in the previous recommended action. The Ministry will then use data from the OESP's performance measurement framework to inform policy and program decisions relating to OESP in 2025. The Ministry will also continue to assess the data collected for the OESP, update the OESP's performance measurement framework, measure the OESP's performance on a quarterly basis and use this information to identify opportunities to improve the OESP's delivery.

For the LEAP, the OEB has not measured the LEAP's performance, because once the two performance measures identified in the previous recommended action are put in place, the LEAP will need to operate for a minimum of two years in order to have the data necessary to measure its performance. The OEB expects that the first assessment of the LEAP's performance will be completed by the end of November 2025.

6. Regulatory Cost of Major Rate Applications for Very Small LDCs Is Disproportionately High

In our original audit, we found that the OEB's rate-setting process imposed disproportionately higher costs on the very small LDCs with fewer than 5,000 customers. Based on our review of the 20 major rate applications filed from 2019 to 2021, the costs of adjudicating applications from very small LDCs represented 25% of the estimated five-year customer savings resulting from adjudication (that is, the amount of rate increases sought by LDCs that the OEB disallowed). This was much higher than that from larger LDCs, where the costs of adjudication represented only 1–2% of the estimated savings.

Recommendation 9: Action Item 1

To help reduce the regulatory burden of filing major rate applications on very small Local Distribution Companies (LDCs), we recommend that the Ontario Energy Board:

- evaluate the impact of its relevant regulatory efficiency initiatives on very small LDCs as soon as sufficient information is available and identify areas for improvement within an established timeline;

Status:  Fully implemented.

Details

We found that the OEB has evaluated the impact of its relevant regulatory efficiency initiatives on very small LDCs.

The OEB established a Very Small Utilities Working Group (Working Group), consisting of representatives from eight very small utilities (those with fewer than 5,000 customers) across Ontario. The Working Group met eight times between September 2023 and January 2024 to identify areas for improvement and find solutions to the challenges faced by very small utilities in complying with the OEB's regulatory framework, especially in exploring opportunities for reducing the regulatory burden associated with the filing and review process of major rate applications.

The Working Group issued its final report in February 2024, containing recommendations such as those related to filing requirements and the monitoring process of the impact of regulatory initiatives on these utilities. The OEB generally accepted these recommendations and anticipated that many will be implemented commencing with the rate applications to be filed for 2025. For example:

- **Filing requirements regarding customer engagement:** The Working Group recommended that the OEB provide clarification on potential methods for obtaining customer feedback for a rate application, which will remove the perceived expectation of customer engagement

surveys. Examples of methods identified by the Working Group include hosting a one-day town hall meeting and developing a simplified customer survey or questionnaire. The OEB agreed that one or a combination of the proposed methods can be used to meet the customer engagement requirements.

- **Monitoring process of the impact of regulatory initiatives:** The Working Group proposed regular touchpoints in the future to assess the effectiveness of the changes made in response to its recommendations and to monitor regulatory costs associated with rate applications. The OEB agreed and will establish touchpoints with the Working Group, at a minimum bi-annually, over the next two years. The OEB will also track the impact of its regulatory process on very small utilities.

Recommendation 9: Action Item 2

- develop procedures to continuously monitor the impact of relevant regulatory efficiency initiatives on very small LDCs, and implement further actions as warranted.

Status:  Fully implemented.

Details

We found that the OEB has established a process to monitor the impact of relevant regulatory efficiency initiatives on very small LDCs based on its review of the recommendations by the Working Group. As noted in Action Item 1 under Recommendation 9, the OEB established the Working Group to assess opportunities for reducing the regulatory burden associated with the filing and review process of major rate applications for very small LDCs.

The OEB has planned to have regular touchpoints, at a minimum bi-annually, over the next two years with the Working Group to assess the effectiveness of the changes identified in the Working Group's report, which included filing requirements and a monitoring process for tracking the impact of regulatory approaches on these very small LDCs.

7. Review of Capital Structure and Rate of Return for Rate-Regulated Entities Is Overdue

In our original audit, the OEB set rates allowing regulated entities to recover their prudently incurred costs and to earn a fair, but not excessive, return on their invested capital. Two key inputs set by the OEB that determined the allowed return were the deemed capital structure (that is, debt-to-equity ratio) and the rate of return on equity (ROE). Two factors that helped the OEB determine the allowable return were last subject to comprehensive review by the OEB in 2006 and 2009 respectively.

Recommendation 10: Action Item 1

To regularly confirm that rate-regulated entities are financially viable and earn a fair—but not excessive—return, we recommend that the Ontario Energy Board:

- review the deemed capital structure and return on equity (ROE) formula and thereafter at defined intervals (for example, every three to five years);

Status:  In the process of being implemented by December 2024.

Details

We found that the OEB commenced a generic proceeding for the deemed capital structure and ROE formula in April 2024 to determine whether rate-regulated entities are financially viable and earn a fair, but not excessive, return. The OEB anticipates that the generic proceeding will be completed by December 2024.

Recommendation 10: Action Item 2

- adjust the deemed capital structure and ROE formula as informed by the review, so that they reflect the risk profile of rate-regulated entities.

Status:  In the process of being implemented by November 2025.

Details

We found that the OEB has not adjusted the deemed capital structure and ROE formula, pending the results of the generic proceeding noted in Action Item 1 under Recommendation 10. Once the generic proceeding is completed, the OEB will develop an implementation plan to phase in any changes. The OEB anticipates that this work will be completed by November 2025.

8. The OEB Does Not Sufficiently Monitor Performance of LDCs After Approving Consolidations

In our original audit, the OEB did not have a standard process to monitor post-consolidation activities of LDCs to confirm that those activities progress as planned to generate long-term benefits for customers and the electricity distribution sector. We identified cases relating to Hydro One's acquisitions where the acquisitions failed to demonstrate value (that is, lower electricity prices) to customers of the acquired LDCs. Once a consolidation transaction was closed, performance metrics of the acquired or merged LDCs were combined and reported as part of the consolidated entity, instead of separately tracked in individual scorecards. This resulted in reduced transparency for customers and the regulator.

Recommendation 11: Action Item 1

To protect electricity customers from negative impacts of Local Distribution Company (LDC) consolidations, and to facilitate the maintenance of a cost-effective and economically efficient electricity distribution sector, we recommend that the Ontario Energy Board:

- implement effective and timely monitoring of post-consolidation activities during deferred rebasing periods to obtain periodic status updates from LDCs on steps taken toward integration and to verify that consolidated entities are adhering to approval conditions for consolidations and maintaining necessary records;

Status:  Fully implemented.

Details

We found that the OEB has started the process of implementing effective and timely monitoring of post-consolidation activities of LDCs.

In July 2023, the OEB launched a consultation to engage stakeholders to review and update its Mergers, Amalgamations, Acquisitions and Divestitures (MAADs) policy. The OEB met with eight LDCs and intervenors in one-on-one meetings, and issued a staff discussion paper for broader comment in February 2024. The OEB issued the 2024 Handbook to Electricity Distributor and Transmitter Consolidations (Handbook) on June 18, 2024, including expectations for monitoring and reporting on certain consolidation activities. The Handbook reflects updates on OEB policies and filing requirements applicable to consolidations as well as rate-making considerations, accounting and other matters related to consolidating utilities.

Recommendation 11: Action Item 2

- require acquired and merged entities to continue to report on key performance measures (for example, reliability metrics) separate from the consolidated entities during deferred rebasing periods to create greater transparency.

Status:  **In the process of being implemented by November 2024.**

Details

We found that the OEB has not required the acquired and merged entities to continue to report on key performance measures (for example, reliability metrics) separate from the consolidated entities, pending the results of the review of its MAADs policy as noted in the previous recommended action. Once the review is completed, the OEB will develop an implementation plan to address this recommendation. The OEB anticipates that this work will be completed by November 2024.

9. Transparency and Performance Monitoring of the OEB's Compliance Program Can Be Improved

In our original audit, we found that the OEB's website provided information on the roles and responsibilities of the OEB, electricity service providers and customers, as well as the complaint resolution process. However, such information was fragmented and unclear in comparison to regulators in other jurisdictions, such as British Columbia and Manitoba. Our review of customer inquiries noted that some customers have mistakenly called the OEB when they meant to call their electricity service providers. The OEB neither updated the targets of the customer service metrics for its complaints and inquiries handling processes, nor established metrics to measure the performance of its compliance and enforcement function. Cycle times on compliance reviews and inspections were not tracked and assessed against targets to measure the efficiency of these activities.

Recommendation 12: Action Item 1

To improve the transparency and performance monitoring of its complaints and inquiries process, as well as its compliance and enforcement activities, we recommend that the Ontario Energy Board:

- reorganize and update its website to provide customers with clearer information regarding

the complaints process;

Status:  **Fully implemented.**

Details

We found that the OEB updated its website in August 2023 to make the complaints process clearer for consumers.

The website clarifies the OEB's role with respect to complaints. Specifically, it indicates that as the independent regulator of the energy sector, the OEB handles complaints and inquiries about the energy companies that the OEB regulates. These include the utilities that provide electricity or natural gas, the companies that provide metering and billing services in multi-unit buildings (called USMPs), and energy retailers that sell electricity or natural gas through signing contracts with consumers.

The website also includes a flowchart with details to illustrate the complaint process, which typically includes the following steps:

- Consumers contact the energy company first to resolve the issue, and contact the OEB if their complaint remains unresolved or they are not able to reach the energy company.
- The OEB will review the information about the complaint, and may request additional information such as copies of any correspondence and bills to ensure that the complaint is within the OEB's jurisdiction.
- The OEB will send consumers a written confirmation of the complaint within two business days that includes a reference number and a brief description of next steps. The energy company will contact the consumer within 10 business days to discuss the complaint and then provide a response to the OEB.
- If the energy company has addressed the concerns outlined in the complaint and no further action is required, the OEB will consider the complaint resolved and the file will be closed. If, after reviewing the complaint, the OEB believe the energy company did not follow the rules, the OEB will escalate the complaint for further review.

Recommendation 12: Action Item 2

- review the customer service metrics and targets and update them as needed to ensure they remain relevant and appropriate;

Status:  **Fully implemented.**

Details

We found that the OEB has undertaken a review of its customer service metrics and targets by benchmarking against industry peers and reviewing its own performance. The OEB has updated and approved the metrics and targets, and will start to measure its performance against the updated targets in fiscal year 2024/25. Examples of new metrics include:

- post-call consumer satisfaction survey with 90% satisfaction rate;
- answer incoming calls within 20 seconds, 90% of the time;
- send complaint follow-up letters to consumer within two business days, 90% of the time;
- send follow-up letter after receiving licensee response within two business days, 85% of the time; and
- send answer or acknowledgement letters within two business days, 95% of the time.

Recommendation 12: Action Item 3

- develop performance metrics to measure the efficiency of compliance activities.

Status:  **Fully implemented.**

Details

We found that the OEB launched the following two performance metrics on December 1, 2023 to assess its compliance and inspections activities:






- 70% of compliance cases must be completed within 180 business days; and
- 70% of inspection cases must be completed within 180 business days.

The OEB has tracked all new compliance reviews and inspections according to these two metrics and started a formal reporting of these metrics on April 1, 2024.

The OEB has also developed a Compliance and Inspections Framework Guide, which includes information on the metrics that have been developed, the process and procedure for managing those metrics, as well as information on the plans for continuous improvement.

// Appendix

Recommendation Status Overview

	# of Action Items	Fully Implemented 	In the Process of Being Implemented 	Little or No Progress 	Will Not Be Implemented 	No Longer Applicable 
Recommendation 1	2			2		
Recommendation 2	4			4		
Recommendation 3	2		2			
Recommendation 4	1		1			
Recommendation 5	2	1		1		
Recommendation 6	2		2			
Recommendation 7	2	2				
Recommendation 8	2	1	1			
Recommendation 9	2	2				
Recommendation 10	2		2			
Recommendation 11	2	1	1			
Recommendation 12	3	3				
Total	26	10	9	7	0	0
%	100	38	35	27	0	0