

Ontario Energy Board
2006 Survey of Stakeholders
FINAL REPORT

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The Ontario Energy Board

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TABLE OF CONTENTS

1.0 INTRODUCTION1

2.0 EXECUTIVE SUMMARY3

3.0 DETAILED FINDINGS6

 3.1 ISSUES.....6

 3.2 ROLES AND FUNCTIONS8

 3.3 PERFORMANCE ASSESSMENTS 11

 3.4 COMMUNICATIONS 18

 3.5 SERVICE QUALITY 20

 3.6 POLICY 21

 3.7 CLOSING COMMENTS..... 27

APPENDIX

SURVEY METHODS

1.0 INTRODUCTION

In September 2006, the Ontario Energy Board (OEB) retained Environics Research Group Ltd. to conduct a survey among members of its various stakeholder groups; the third such survey of stakeholders undertaken by the Board. The major goal of the stakeholder research is to measure the Board's performance and to provide information to assist the Board in identifying areas for improvement in the way it operates and in the way it communicates with stakeholders and the public.

The OEB interacts with diverse stakeholders. This survey includes interviews with consumer and advocacy groups, energy sector organizations (including sector associations, energy retailers and marketers), electricity and gas distributors, financial organizations (such as debt and equity analysts, rating agencies and institutional investors) and others (academics, consultants, the legal community, the media).

The OEB provided Environics with a list of 88 stakeholder organizations for the 2006 survey. Interviews were successfully completed by telephone with senior officials representing 71 of these organizations. The survey was conducted between October 24 and December 1, 2006.

Stakeholder category	List	Interviewed
Consumer and advocacy groups	13	11
Energy sector organizations	16	15
Power generation companies	6	4
Electricity and gas distributors	23	22
Financial organizations	11	7
Other	19	12
Total	88	71

Because of the relatively small sample sizes within the various stakeholder category subgroups, caution is advised in interpreting differences among these categories.

Where appropriate, survey responses are compared to the responses from a survey of 46 stakeholders interviewed in a 2004 survey of stakeholders, and to those from a survey of 71 stakeholders conducted by Environics in 2005.

The topics addressed in the 2006 survey include:

- Key top-of-mind energy issues and priority of issues
- Perceived role or function of the OEB
- OEB strengths and weaknesses
- Importance of various OEB functions
- OEB overall performance and performance on a variety of attributes
- Evaluation of industry and consumer communications
- Evaluation of service quality
- Awareness and participation in regulatory policy initiatives

This report summarizes and describes the main findings of the survey.

Throughout the survey, respondents are asked to provide evaluations using a ten-point scale. In interpreting these findings, scores above five can be considered positive and scores less than five are considered to be negative.

2.0 EXECUTIVE SUMMARY

Issues

Electricity supply issues continue to be seen as the single most important energy issue facing Ontario today by a majority of stakeholders. The rising price of electricity and conservation are second-tier issues.

When asked about specific energy issues, stakeholders again give the highest priority rating to the issue of electricity supply; other issues with high importance are electricity reliability, electricity infrastructure and policy stability.

Roles and functions

Regulation – either in general, or specific regulation of energy prices or the energy sector – remains by far the dominant theme associated with the role or function of the OEB. Consumer protection and education is also mentioned, although not as frequently as various aspects of regulation.

The most important OEB functions, in the view of stakeholders, are setting utility rates and adjudicating utility requests for rate increases, setting and enforcing regulatory requirements, and protecting consumer interests.

Stakeholders see regulation, monitoring and policy stability issues as the lead priorities for the OEB.

Performance assessments

Overall satisfaction with OEB's performance has declined marginally from 6.4 in 2005 to 6.2 in 2006, although it is still higher than the 5.4 score achieved in the 2004 survey. The three-year average score is 6.0.

Stakeholders identify stakeholder communications and various aspects of the regulatory process, as the tasks that the OEB performs the best. Issues of timing and timeliness are mentioned most frequently as the task that the OEB performs worst.

When assessed on a variety of attributes, the OEB receives its best performance ratings for professionalism in conducting its hearings and proceedings, fairness in its decisions, rules and codes, and

consistency in its decisions. There have been no, or only small, changes on most performance attributes since 2005.

Almost one-half of stakeholder participants are satisfied with the level of OEB regulation; however a similar but slightly larger proportion say the OEB regulates too heavily. The percentage who believe the OEB regulates too heavily has increased by nine points since 2005.

Communications

Stakeholders give the OEB an approval rating of 6.8 on its industry communications activities. This is similar to the 6.9 rating received in 2005, and higher than the 5.3 score received in 2004.

Stakeholders give the OEB an approval rating of 5.0 on its performance in the area of informing consumers about important issues and changes occurring in the electricity and gas sectors. This is higher than the 4.6 rating received in 2005 and the 3.2 rating received in 2004.

Service quality

When assessed on four service quality dimensions, OEB staff receive their highest overall ratings in the area of being objective and fair in their dealings with stakeholder organizations, followed by being knowledgeable about areas of the energy sector.

Policy initiatives: awareness and involvement

Most stakeholders – 85 percent – report awareness of regulatory policy initiatives undertaken by the OEB.

Most frequently mentioned initiatives are: smart meters, cost of capital, the conservation and demand program, cost allocation and budgeting, the natural gas forum, natural gas and electricity interface review, conservation initiatives in general, review of decision-making process, incentive regulation, and distribution system code and rules.

Stakeholders became aware of regulatory policy initiatives in a number of ways: the most frequently mentioned sources are a notification or invitation to participate from the OEB, involvement through an industry organization, or the OEB website.

A majority of stakeholders – 72 percent – have been involved in OEB regulatory policy initiatives.

Stakeholders have most frequently participated in conservation/CDM program, natural gas forum, cost allocation, cost of capital, natural gas and electricity interface review, smart meters, and affiliate relationship code (ARC).

Stakeholders who have been involved in policy initiatives give the OEB a satisfaction rating of 6.1, down from 6.7 in 2005 but still higher than the 5.5 score obtained in 2004.

Closing comments

Closing comments and words of advice from stakeholders vary widely. The most frequently raised issues are stakeholder consultation, and improved understanding of market and social environment.

3.0 DETAILED FINDINGS

3.1 ISSUES

Most important energy issue

Electricity supply continues to dominate other topics as the single most important energy issue facing Ontario for stakeholders. From the survey, two-thirds of respondents mention electricity supply (61%) or a lack of generator capacity (6%). The rising price of electricity is a second-tier issue, followed by conservation and environment issues, which have increased in salience since 2005. Other issues are mentioned by only one or two stakeholder respondents.

Single most important energy issue			
What do you think is the single most important energy issue facing Ontarians today?			
	2006	2005	2004
	%	%	%
Electricity supply	61	61	59
Electricity prices/rising price of electricity	11	13	–
Conservation/environment/clean air	8	1	2
Lack of generator capacity	6	14	7
Policy stability	3	3	7
Electricity restructuring	3	–	9
Regulatory/pricing clarity	1	3	2
Coal program/phase out	1	3	–
Electricity blackouts	–	1	4
Investment	–	–	4
Other	3	1	4

The majority of stakeholders in most sectors name electricity supply as the single most important energy issue facing Ontario; however, supply and pricing issues receive equal numbers of mentions among consumer and advocacy groups.

Priority of energy issues

When asked to assign a priority to a series of specific energy issues (on a scale of 1 to 10, where 10 is highest priority), stakeholders again give the highest rating to the issue of electricity supply. Other issues with high importance include electricity reliability, electricity infrastructure and policy stability. Natural gas supply, natural gas pricing and competition are given a lower priority.

Since 2005, the importance assigned to the issue of conservation has increased slightly; electricity pricing and natural gas pricing receive somewhat lower ratings now than in 2005.

Priority of energy issues		
Please rate the priority of the following energy issues on a ten-point scale, where a score of 1 means the issue is the lowest priority and 10 means it is the highest priority.		
	2006	2005
	Mean	Mean
Electricity supply	9.1	9.1
Electricity reliability	8.6	8.4
Electricity infrastructure	8.5	–
Policy stability	8.4	8.2
Electricity pricing	7.6	8.0
Investor confidence in the energy sector	7.4	7.6
Public confidence in the energy sector	7.3	7.3
Energy conservation	6.9	6.5
Natural gas supply	6.4	6.2
Natural gas pricing	6.0	6.6
Competition	5.3	5.5

3.2 ROLES AND FUNCTIONS

Perceptions of the OEB role

Regulation – either in general or specific aspects of the energy sector – is a dominant theme associated with the role or function of the OEB. Consumer protection and education is also mentioned, although not as frequently as aspects of regulation. Other roles identified include: protection of energy prices, and balance between suppliers/consumers.

Perceived role or function of the OEB	
Please describe in your own words how you perceive the role or function of the Ontario Energy Board. (more than one answer is possible)	
	2006
	%
Regulator/regulates energy sector/regulates monopolies/economic regulator	66
Protection/stability/education for consumers or public	31
Protection/regulation of energy prices	25
The balance between suppliers/consumers	11
Facilitate stability/efficiency in the market	8
Enforces rules/laws	7
Ensure we obtain appropriate levels of services	6
Ensure protection/stability for investors	4
Over regulates	4
Ensure reliable/adequate supply of energy	3
Policy advice for government/policy expertise	3
Clarify policy issues	1
Independent from government	1
Ensures fairness/fair treatment among different parties	1
Other	4

Priority issues for OEB

Stakeholders see regulation, monitoring and policy stability issues as the energy areas which should be priorities for the OEB, followed by electricity supply and reliability. Infrastructure, electricity prices, investor confidence, fair competition, and conservation are also mentioned, with consumer interests and public education seen as the issue with the lowest overall priority.

Priority issues for the OEB	
Of all the issues in the energy area today, which do you think should be priorities for the Ontario Energy Board? (more than one answer is possible)	
	2006
	%
Regulation/monitoring/policy stability	39
Electricity supply/reliability	32
Infrastructure	27
Electricity prices	24
Investor confidence/fair compensation	23
Conservation/environmental concerns	15
Consumer interests/public education	7

Consumer and advocacy groups are more likely than average to assign a high priority to electricity prices. Generator stakeholders place a higher priority on infrastructure, while distributor stakeholders give greater importance to regulation issues. Financial institutions place a greater importance on investor confidence and fair competition.

Most important functions

When asked specifically, the most important OEB functions (rated on a scale of 1 to 10, where 10 means of critical importance) in the view of stakeholders are setting utility rates and adjudicating utility requests for rate increases, setting and enforcing regulatory requirements, and protecting consumer interests. The less important functions are seen to be providing information to consumers and facilitating conservation initiatives.

Importance of OEB functions			
I'm going to name several functions that are part of the OEB's mandate. Please rate the importance of each function, on a scale of 1 to 10, where 1 means it is of no importance and 10 means it is of critical importance.			
	2006 Mean	2005 Mean	2004 Mean
Setting utility rates and adjudicating utility requests for rate increases	8.8	8.6	8.6
Setting and enforcing regulatory requirements	8.3	8.5	8.7
Protecting the interests of consumers	8.1	8.5	8.2
Supporting economic efficiency in the energy sector	7.8	7.4	7.8
Promoting a viable energy sector	7.5	7.4	7.9
Stakeholder communications	6.8	7.2	7.3
Providing information to consumers	6.3	6.3	6.1
Facilitating conservation initiatives	5.8	5.3	4.2

The importance of most functions has not markedly changed since 2005. The levels of importance assigned to supporting economic efficiency and facilitating conservation initiatives have increased slightly; the importance levels assigned to protecting the interests of consumers and stakeholder communications have declined slightly.

Some differences emerge in the importance of these functions to the various stakeholder groups. Protecting the interests of consumers is of greater than average importance to consumer advocacy organizations, but providing consumer information and promoting a viable energy sector are of less than average importance. Energy sector organizations place lower than average importance on setting utility rates and stakeholder communications. Generators assign less importance to protecting consumer interests, enforcing regulatory requirements, facilitating conservation initiatives and providing consumer information. Distributors place more importance on promoting a viable energy sector than do other stakeholder groups. Financial organizations place higher importance on stakeholder communications, enforcing regulatory requirements and providing consumer information. Stakeholders categorized as "other" place higher than average importance on setting and enforcing regulatory requirements, setting

utility rates, facilitating conservation initiatives and providing consumer information; they place lower importance on promoting a viable energy sector.

3.3 PERFORMANCE ASSESSMENTS

General performance assessments

Overall satisfaction with the OEB's performance, on a ten-point scale, has declined marginally since 2005, from 6.4 in 2005 to 6.2 in 2006, but remains higher than the 5.4 score obtained in 2004. The three-year average score is 6.0.

The OEB's performance is rated at 6.0 or higher by all stakeholder groups with the exception of distributors. Since 2005, the rating has declined among distributors and financial organizations.

Overall satisfaction with OEB performance									
How satisfied are you with the OEB's overall performance, using a scale of 1 to 10 where 1 means you are completely dissatisfied and 10 means you are completely satisfied?									
	2006	2005	2004	Consumer advocates	Energy sector org.	Generators	Distributors	Financial organizations	Other
Mean satisfaction rating	6.2	6.4	5.4	6.7	6.3	6.8	5.4	6.4	6.7

What the OEB does best and worst

Stakeholders were asked top-of-mind, what the OEB does best and worst.

Communications and stakeholder consultation is seen as the best by 24 percent of respondents.

As in 2005, various aspects of the regulatory function are mentioned as best by many respondents, including regulation (14%), the hearing process (10%), utilities regulation (8%), balance (8%), reviewing rates (4%), transparency (4%), independence (3%), pricing (3%) and fair treatment (3%).

Representing public and consumer interests is mentioned by 10 per cent.

What does the OEB do best?		
What would you say the OEB does best? (more than one answer is possible)		
	2006	2005
	%	%
Good communication/consultation with stakeholders	24	28
Provide regulation	14	7
The hearing process	10	6
Representing public/consumer interests	10	6
Regulate utilities	8	4
Balance/fairness for market participants	8	3
Long-term/effective policies	6	3
Transparency of decision-making	4	8
Review rates	4	6
Being independent/impartial/objective	3	7
Sets or monitor prices/costs	3	7
Fair treatment/decisions	3	6
Identifies issues/solutions	–	3
Consistency/predictability	–	3
Efficient/fast processes (various)	–	3
None	3	1
Other	7	6
DK/NA	13	8

As was the case in 2005, issues of timing and timeliness, including a long approval process, are mentioned most frequently as the task that the OEB performs worst.

Other tasks mentioned by more than just three or four respondents are over-regulation, management inefficiencies and policy analysis.

What does the OEB do worst?		
And what would you say the OEB does worst? (more than one answer is possible)		
	2006	2005
	%	%
Timing/timeliness	14	21
Over-regulates	13	6
Management/inefficiencies (various)	8	6
Policy analysis/predicting market shifts	8	4
Approval process is too long	8	3
Lack understanding/support in certain areas	7	6
Clarity or consistency of regulation/policies/code	7	6
Low return/no incentives for businesses or sector	7	3
Communication/consultation with stakeholders	6	13
Consumer education/informing the public	6	10
Speed/efficiency in delivering decisions	6	4
Hearing process	6	3
Regulating companies/utilities	4	6
Consistency in regulation/policies/rulings	4	4
Being independent/managing interference	4	3
Deal equally with all market participants/stakeholders	4	3
Mandate/agenda is not well managed	—	4
Other	4	3
DK/NA	7	10

Performance in specific areas

The OEB receives its highest performance ratings for professionalism in conducting its hearings and proceedings, followed fairness of decisions, rules and codes, and consistency of decisions. Its lowest ratings come in the areas of flexibility and timeliness – which were also the two lowest-rated attributes in 2005.

There have been no or only small changes on most performance attributes since 2005. Performance ratings are down since 2005 when it comes to transparency, and cost effectiveness and efficiency.

Timeliness may be less of an issue now than in 2005. Most performance areas, however, are still assessed more highly than in 2004.

Performance in areas linked to the OEB's mandate			
Here are several attributes that are linked to the OEB's fulfilment of its mandate. Please rate the OEB's performance in each of these areas on a scale of 1 to 10, where 1 means very poor and 10 means excellent.			
	2006 Mean	2005 Mean	2004 Mean
Extent to which hearings and proceedings are conducted in a professional manner	7.9	7.9	–
Fairness of decisions, rules and codes*	6.7	7.0	6.9
Consistency of decisions across market participants and over time	6.6	6.5	6.3
Extent to which decisions are clear and easy to understand	6.3	6.2	5.9
Transparency in reporting on its own performance as a regulator	6.1	6.6	4.0
Accountability in clearly defined regulatory processes and sound explanations for its decisions	6.0	6.3	5.8
Cost-effectiveness and efficiency	5.5	6.0	4.7
Flexibility in responding quickly to changing market conditions	5.2	5.1	4.1
Timeliness of processes including decisions, application processes, and notification	5.2	4.9	4.1

*before 2006 "fairness of decisions and regulations"

There are some modest differences in the performance assessments made by the various stakeholder groups. Generators give a higher rating on most attributes, with the exception of professionalism and timeliness, where they give ratings similar to the average. Energy sector organizations give the OEB a higher performance rating on fairness, consistency, accountability and cost-effectiveness. Distributors provide lower ratings on all dimensions with the exception of professionalism, while financial organizations provide higher than average ratings on all dimensions with the exception of fairness, where they provide a rating similar to the average. Consumer advocates provide assessments close to the average on most dimensions.

Performance in areas linked to OEB's mandate

Here are several attributes that are linked to the OEB's fulfilment of its mandate. Please rate the OEB's performance in each of these areas on a scale of 1 to 10, where 1 means very poor and 10 means excellent.

	2006 Mean	Consumer advocates	Energy sector org.	Generators	Distributors	Financial organizations	Other
Extent to which hearings and proceedings are conducted in a professional manner	7.9	7.9	8.1	8.0	7.8	8.4	7.3
Fairness of decisions, rules and codes	6.7	7.0	7.2	8.0	6.1	6.6	6.4
Consistency of decisions across market participants and over time	6.6	7.0	7.0	7.2	6.0	7.2	6.4
Extent to which decisions are clear and easy to understand	6.3	6.4	6.5	7.2	6.0	6.7	6.0
Transparency in reporting on its own performance as a regulator	6.1	5.7	5.7	7.2	5.8	7.0	6.7
Accountability in clearly defined regulatory processes and sound explanations for its decisions	6.0	5.9	6.5	6.5	5.4	6.7	6.1
Cost-effectiveness and efficiency	5.5	5.4	6.4	6.3	4.5	6.8	6.0
Flexibility in responding quickly to changing market conditions	5.2	5.0	4.6	6.5	4.5	6.1	6.3
Timeliness of processes including decisions, application processes, and notification	5.2	4.9	4.9	5.2	4.7	6.9	5.8

Openness to new ideas and innovation

In a new question asked in the 2006 survey, stakeholders were asked to rate the OEB as a whole when it comes to its openness to new ideas and innovative approaches.

Stakeholders give the OEB a 5.9 rating on this dimension. Generators, financial organizations and “other” stakeholders rate the OEB higher than other groups.

Performance on new ideas/innovation							
How would you rate the OEB <u>as a whole</u> when it comes to its openness to new ideas and innovative approaches?							
	2006 Mean	Consumer advocates	Energy sector org.	Generators	Distributors	Financial organizations	Other
Openness to new ideas/innovative approaches	5.9	6.0	5.3	7.7	5.5	6.6	6.8

Degree of regulation

Almost half of stakeholder respondents – 44 percent – are satisfied with the level of OEB regulation, saying that it regulates neither too heavily nor too lightly. A similar proportion – 48 percent – say the OEB regulates too heavily. Only six percent think regulation is too light.

The proportion who think the OEB over-regulates has increased by nine points since 2005.

Degree of regulation								
Do you think the OEB regulates...?								
	2006 %	2005 %	Consumer advocates	Energy sector org.	Generators	Distributors	Financial organizations	Other
Too heavily	48	39	9	40	25	91	57	17
Too lightly	6	10	27	7	—	—	—	—
Neither	44	48	55	53	75	9	43	75

The topic of regulation reveals some notable differences among stakeholder groups. Consumer advocacy organizations, energy sector organizations, generators and stakeholders categorized as “other” are most likely to be content with the current degree of regulation. Almost all distributors, and a slim majority of financial organizations, think that the OEB over-regulates.

3.4 COMMUNICATIONS

Industry communications

Stakeholders give the OEB an approval rating of 6.8 in terms of how it carries out industry communications activities, such as communicating its strategic objectives and decisions, engaging in stakeholder consultations and guiding regulated entities in their obligations.

This is similar to the rating it received on this attribute in 2005, and higher than the 5.3 score in 2004.

OEB performance on industry communications									
When it comes to <u>industry</u> communications, the OEB communicates its strategic objectives and decisions, it engages in stakeholder consultations, and guides regulated entities in their obligations. How do you rate the OEB in carrying out these communications activities, again using the same scale?									
	2006	2005	2004	Consumer advocates	Energy sector org.	Generators	Distributors	Financial organizations	Other
Mean approval rating	6.8	6.9	5.3	7.1	6.2	7.8	6.6	7.3	7.2

OEB industry communications is rated as higher than 6.0 by all stakeholders groups.

Consumer information

The OEB receives an approval rating of 5.0 from stakeholders on its performance in the area of informing consumers (i.e., the average householder) about important issues and changes occurring in the electricity and gas sectors.

This is the second consecutive increase in approval ratings on this attribute, from 3.2 in 2004, to 4.6 in 2005, to the current rating of 5.0.

OEB performance in informing consumers

Again, using a scale of 1 to 10 (where 1 means very poor and 10 means excellent) how good a job is the OEB doing in informing consumers (and by that I mean the average householder) about important issues and changes occurring in the electricity and gas sectors?

	2006	2005	2004	Consumer advocates	Energy sector org.	Generators	Distributors	Financial organizations	Other
Mean approval rating	5.0	4.6	3.2	4.7	3.9	6.2	5.1	6.4	5.1

Generators and financial organizations rate the OEB higher than other stakeholders on this dimension, while energy sector organizations provide a lower rating.

3.5 SERVICE QUALITY

Service quality provided by OEB staff was probed on four dimensions.

Stakeholders give the highest overall ratings to OEB staff in the area of being objective and fair in their dealings. The OEB also receives positive ratings in being knowledgeable about areas of the energy sector, and in being easy to deal with and responsive to questions and requests. The lowest rating is given in the area of openness to innovation.

Service quality		
When it comes to service quality, using a scale of 1 to 10 (where 1 means very poor and 10 means excellent) how would you assess OEB staff in each of the following areas?		
	2006	2005
	Mean	Mean
Objective and fair in their dealings with your organization	7.1	7.3
Knowledgeable about the areas of the energy sector they are responsible for	6.9	7.4
Easy to deal with and responsive to questions and requests	6.7	6.8
Open to new ideas and able to provide innovative approaches	5.4	5.4

There has been a slight decline in the “knowledgeable” dimension since 2005. Other dimensions have remained fairly stable.

Consumer and advocacy organizations, financial organizations and “other” stakeholders give higher than average ratings to staff service on all four dimensions. Energy sector organizations rate service quality lower in the area of innovation. Distributors give OEB staff a lower rating on all four dimensions. Generators give OEB staff higher than average ratings on innovation and objectivity.

3.6 POLICY

Awareness of policy initiatives

Most stakeholders report being aware of regulatory policy initiatives undertaken by the OEB; there has been virtually no change in the high level of awareness reported in 2004 and 2005.

Aware of policy initiatives			
Are you aware of any regulatory policy initiatives that the OEB has undertaken?			
	2006	2005	2004
	%	%	%
Yes	85	86	87

Stakeholders mention a long list of regulatory policy initiatives of which they are aware. Most frequently mentioned (each by more than five participants) are: smart meters, cost of capital, the conservation and demand management program, cost allocation and budgeting, the natural gas forum, natural gas and electricity interface review, conservation initiatives in general, review of decision-making process, incentive regulation, and distribution system code and rules. Some participants mention more than one initiative.

Awareness of policy initiatives	
What initiatives are you aware of? (among those aware n=60) (more than one answer is possible)	
	2006
	%
Smart meters	25
Cost of capital	25
Conservation and Demand Management program (CDM program)	13
Cost allocation budgeting	13
Natural Gas Forum	13
Natural Gas and Electricity Interface Review	12
Conservation initiatives (general)	12
Review decision-making process	12
Incentive regulation	12
Distribution system code/rules	10
Natural gas/supply of gas	8
Natural gas storage	8
Performance-based regulation/initiative	8
Electricity price (various)	7
Regulated Price Plan	7
Affiliate Relationship Codes	7
Demand side management	5
Standard offer contracts/program	5
GDAR (Gas Distribution Access Rule)	5
Rate application/standardization	5
Integrated Power System Plan	3
LDC efficiency/review of LDC sector (local distribution companies)	3
Transmission study/transmission code	3
Distribution rates	2
Electricity/review/supply of electricity	2
Other	18

Stakeholders became aware of regulatory policy initiatives in a number of ways. The most frequently mentioned sources are a notification or invitation to participate from the OEB, involvement through an industry organization, and the OEB website.

In 2005, similar proportions mentioned OEB notices or invitations, while industry associations and the media were mentioned more frequently than in the current survey. There has been an increase in the proportion of stakeholders mentioning the OEB website as the source of information.

Source of awareness of policy initiatives		
How did you become aware of this initiative? (among those aware N=60) (more than one answer is possible)		
	2006	2005
	%	%
Notified by OEB or invited to participate	45	44
Involved through my industry association	27	31
Read about it on OEB website	25	16
Heard/read about it in the media	7	18
Heard from colleagues/company	5	21
Other	8	2
DK/NA	3	2

Involvement in policy initiatives

A majority of stakeholders – 72 percent – have been involved in OEB regulatory policy initiatives; the proportion reporting involvement has increased since 2005.

Reported involvement is highest among distributors, consumer advocacy organizations and energy sector organizations; no financial organizations report taking part in policy initiatives.

Involvement in policy initiatives			
Have you or your organization become involved in any OEB regulatory policy initiatives?			
	2006	2005	2004
	%	%	%
Yes	72	63	80

Stakeholders who have been involved with policy initiatives (N=51) mention a wide variety of policy initiatives in which they have participated. Initiatives most frequently mentioned included conservation/CDM program, natural gas forum, cost allocation, cost of capital, natural gas and electricity interface review, smart meters and affiliate relationship code (ARC). A number of participants mention involvement in more than one initiative.

Regulatory policy initiatives: involvement	
What initiative(s) were you involved with? (among those involved N=51) (more than one answer is possible)	
	2006
	%
Conservation/CDM program	24
Natural Gas Forum	20
Cost allocation	18
Cost of capital	18
Natural Gas and Electricity Interface Review	12
Smart meters	12
Affiliate Relationship Code (ARC)	12
Rate settings/hearings/applications	10
Incentive regulation	10
GDAR	10
Distribution code/rules/filings	8
Demand side management	8
Standard offer contracts/new production requests	6
Regulated Price Plan	4
Distribution rates	2
Natural gas supply/policies/regulations	2
LDC efficiency/distribution sector consultation	2
Service quality issues	2
Other	31
DK/NA	2

When asked to indicate satisfaction with the way the OEB conducted policy discussions or initiatives (on a scale of 1 to 10, where 1 means completely dissatisfied and 10 means completely satisfied), stakeholders who have been involved in such initiatives give the OEB a satisfaction rating of 6.1. This is somewhat lower than the level of satisfaction expressed in 2005, but higher than the 5.5 score obtained in 2004.

Satisfaction with OEB's conducting of policy discussions/initiatives			
On a scale of 1 to 10, where 1 means completely dissatisfied and 10 means completely satisfied how satisfied were you with the way the OEB conducted this policy discussion or initiative? (among those involved in initiatives: N=51)			
	2006	2005	2004
Mean satisfaction rating	6.1	6.7	5.5

Consumer and advocacy groups give the OEB a higher rating on this dimension than do other stakeholders.

3.7 CLOSING COMMENTS

Six in ten stakeholders offer some closing words of advice to the OEB. Some stakeholders offered more than one comment or suggestion.

The comments vary widely. The most frequently raised issues are stakeholder consultation, and improved understanding of market and social environment. Other topics mentioned by five or more respondents include focus on economic regulatory issues, better policies/rulings, consumer education, and faster or expedited response.

Suggestions/final comment topics	
Finally do you have any closing words of advice for the OEB? (more than one answer is possible)	
	2006
	%
Consult more stakeholders/better balance their concerns	11
Improve understanding of market/social environment	11
Focus/prioritize on economic regulatory issues	8
Better policies/rulings (various)	8
Inform or educate public/consumers	7
Respond faster/expedite processes/reduce bureaucracy	7
Good progress/keep up the good work	6
Reduce regulation	4
Enhance training for their new staff	3
Give stakeholders more lead time to respond to initiatives	3
Maintain independence/fend off government interference in the sector	1
Stay consistent	1
Other	13
None/nothing	28
DK/NA	11

APPENDIX

SURVEY METHODS

Interviews for this survey were conducted between October 24 and December 1, 2006. Prior to the start of fieldwork, all potential respondents on the list supplied by the OEB, primarily senior personnel in the various stakeholder organizations, were sent a letter from the Chief Operating Officer of the OEB inviting them to participate in the survey. Respondents were assured that their responses to the survey would remain confidential in every respect.

All attempts were made to secure the full participation of as many stakeholders as possible. Alternate respondents were permitted to complete the interview if the named respondent was aware and approved of the alternate. Of the 71 interviews completed, the named respondent participated in 58 of the interviews.

Also, groups were allowed to participate in a speaker phone interview, rather than have just the one respondent interviewed. A total of 65 interviews were conducted with a single respondent and six with multiple respondents.

The interviewing was conducted from Environics' central facilities in Toronto. All surveys were conducted in English. Field supervisors were present at all times to ensure accurate interviewing and recording of responses. Ten percent of each interviewer's work was unobtrusively monitored for quality control in accordance with the standards set out by the Marketing Research and Intelligence Association (MRIA).

Response distribution table:

Total	88
Not eligible	<u>1</u>
Total eligible	87
No answer	7
Not available	2
Refused/mid-interview terminated	7
Completed	71
Response rate: (completed/total eligible)	82%