ENVIRONICS RESEARCH GROUP

Ontario Energy Board
2007 Survey of Stakeholders

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1.0 INTRODUCTION

In September 2007, the Ontario Energy Board (OEB) retained Environics Research Group Ltd. to conduct a survey among members of its various stakeholder groups; the fourth 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).

OEB provided Environics with a list of 90 stakeholder organizations for the 2007 survey. Interviews were successfully completed by telephone with senior officials representing 77 of these organizations, for a response rate of 86 percent. The survey was conducted between October 16 and November 16, 2007.

Stakeholder category	List	Interviewed
Consumer and advocacy groups	13	11
Energy sector organizations	17	16
Power generation companies	6	5
Electricity and gas distributors	22	21
Financial organizations	11	9
Other	21	15
Total	90	77

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, those from a survey of 71 stakeholders conducted by Environics in 2005 and those from a survey of 71 stakeholders conducted by Environics in 2006.

The topics addressed in the 2007 survey include:

- Priority of energy issues
- 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

When asked about the importance of energy issues, stakeholders give the highest priority ratings to issues of electricity infrastructure, followed by electricity supply issues, electricity reliability and policy stability.

Roles and functions

When asked an "open-ended" question, stakeholders see regulation, monitoring and policy stability issues as the lead priorities for the OEB, followed by electricity supply and reliability, and electricity prices.

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

Performance assessments

Overall satisfaction with the OEB's performance has increased from 6.2 in 2006 to 6.7 in 2007; this is higher than the 6.4 score achieved in 2005 and well above the 2004 score of 5.4.

As in previous years, stakeholders identify communications and stakeholder consultation and various aspects of the hearings and regulatory process, as the tasks that the OEB performs the best. Issues of speed and efficiency and timeliness are mentioned most frequently as the tasks 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 and regulations, and accountability in clearly defined regulatory processes. Performance scores have improved since 2006 on professionalism, accountability, transparency, cost-effectiveness and timeliness.

As in 2006, almost one-half of stakeholder participants are satisfied with the level of OEB regulation; a similar proportion say the OEB regulates too heavily. The proportion who think the OEB over-regulates has declined marginally since 2006.

Stakeholders' overall rating of the OEB's openness to new ideas and innovations is unchanged at 5.9.

Communications

Stakeholders give the OEB an approval rating of 6.8 on its industry communications activities. This is unchanged from the rating received in 2006 but higher than the 5.3 score received in 2004. Some stakeholders have suggestions for other communications vehicles that would help their organization in its dealings with the OEB, including more OEB visits and an improved website.

Stakeholders give the OEB an approval rating of 4.9 on its performance in the area of informing consumers about important issues and changes occurring in the electricity and gas sectors. This is similar to the 5.0 rating received in 2006 and higher than the 3.2 score received in 2004.

Service quality

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

Policy initiatives: awareness and involvement

Most stakeholders - 79 percent - report awareness of regulatory policy initiatives undertaken by the OEB.

Most frequently mentioned initiatives are incentive regulation, smart meters, IPSP, distribution rates, natural gas and electricity interface review and rate amplification and standardization.

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, the OEB website or involvement through an industry organization.

A majority of stakeholders - 73 percent - have been involved in OEB regulatory policy initiatives.

Initiatives that stakeholders have most frequently participated in include: incentive regulation, smart meters, rate settings, hearings and applications, natural gas and electricity interface review and IPSP.

Stakeholders who have been involved in policy initiatives give the OEB a satisfaction rating of 6.4, up from 6.1 in 2006.

Closing comments

Closing comments and words of advice from stakeholders vary widely, with no predominant themes emerging. The OEB's "good progress" is noted by several stakeholders.

3.0 DETAILED FINDINGS

3.1 PRIORITY OF ENERGY ISSUES

Stakeholders were asked about the Ontario energy sector as a whole and the importance (priority) of a number of issues. On a scale of 1 to 10, where 10 is highest priority, stakeholders give the highest rating to the issue of electricity infrastructure, followed by electricity supply, electricity reliability and policy stability. Natural gas supply, natural gas pricing and competition are given the lowest priority ratings.

The importance assigned to the issue of conservation has increased for the second consecutive year. The importance of electricity supply, electricity reliability and policy stability have declined since 2006.

Priority of 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.

	2007	2006	2005
	Mean	Mean	Mean
Electricity infrastructure	8.4	8.5	–
Electricity supply	8.3	9.1	9.1
Electricity reliability	8.1	8.6	8.4
Policy stability	8.0	8.4	8.2
Electricity pricing	7.4	7.6	8.0
Investor confidence in the energy sector	7.4	7.4	7.6
Public confidence in the energy sector	7.2	7.3	7.3
Energy conservation	7.2	6.9	6.5
Natural gas supply	6.4	6.4	6.2
Natural gas pricing	5.9	6.0	6.6
Competition	5.5	5.3	5.5

Some differences in priority ratings can be seen among the different stakeholder groups, although many of these differences are relatively minor. Electricity reliability, energy conservation and natural gas supply are higher priorities among consumer and advocacy stakeholders than among other stakeholder groups, while policy stability, public confidence and investor confidence are given lower than average ratings. Energy sector organizations place greater than average priority on competition, policy stability and public confidence. Generator stakeholders see competition as a higher priority; electricity pricing, electricity infrastructure, electricity reliability, natural gas pricing, natural gas supply, public confidence and energy conservation are given lower than average priority by generator stakeholders. Distributors assign a lower priority to competition. Financial organizations place a higher than average priority on electricity infrastructure, policy stability, public confidence and investor confidence but they give a lower priority to electricity reliability. Stakeholders categorized as "other" place a lower than average priority on natural gas supply, natural gas pricing, policy stability and public confidence.

3.2 ROLES AND FUNCTIONS

Priority issues for OEB

When asked a top-of-mind question, stakeholders are most likely to see regulation, monitoring and policy stability issues as the energy areas which should be priorities for the OEB, followed by electricity supply and reliability, and electricity prices. Conservation, infrastructure, investor confidence, and consumer interests and public education are also mentioned, with very few mentioning new transmission.

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)		
	2007	2006
	%	%
Regulation/monitoring/policy stability	44	39
Electricity supply/reliability	31	32
Electricity prices	26	24
Conservation/environmental concerns	18	15
Infrastructure	16	27
Investor confidence/fair compensation	16	23
Consumer interests/public education	16	7
New transmission	3	-

Consumer and advocacy groups are more likely to assign a high priority to electricity supply and consumer interests. Generator stakeholders place a higher priority on regulation, while energy stakeholders give greater importance to electricity prices. Financial institutions place a greater importance on regulation and electricity supply. Stakeholders categorized as "other" place higher priority on conservation issues.

Most important functions

When asked to assess the importance of specific OEB functions (rated on a scale of 1 to 10, where 10 means of critical importance), the most important 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. 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.				
	2007 Mean	2006 Mean	2005 Mean	2004 Mean
Setting utility rates and adjudicating utility requests for rate increases	8.5	8.8	8.6	8.6
Setting and enforcing regulatory requirements	8.4	8.3	8.5	8.7
Protecting the interests of consumers	8.1	8.1	8.5	8.2
Supporting economic efficiency in the energy sector	7.9	7.8	7.4	7.8
Promoting a viable energy sector	7.6	7.5	7.4	7.9
Stakeholder communications	7.5	6.8	7.2	7.3
Providing information to consumers	6.6	6.3	6.3	6.1
Facilitating conservation initiatives	6.1	5.8	5.3	4.2

Since 2006, the levels of importance assigned to stakeholder communications, providing information to consumers and facilitating conservation have increased. Most notable is the increase since 2004 in the importance given to facilitating conservation, although it remains the least important function for the OEB in the eyes of stakeholders.

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

3.3 PERFORMANCE ASSESSMENTS

General performance assessments

Overall satisfaction with the OEB's performance, on a ten-point scale, has increased from 6.2 in 2006 to 6.7 in 2007, driven by improved ratings provided by distributors, financial organizations, and, to a lesser extent, consumer and advocacy groups. This is well above the previous three-year (2004, 2005 and 2006) average score of 6.0.

The OEB's performance is rated at 6.0 or higher by all stakeholder groups, with financial organizations providing the highest rating.

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?

	2007	2006	2005	2004	Consumer advocates	Energy sector orgs.	Generators	Distributors	Financial orgs.	Other
Mean satisfaction rating	6.7	6.2	6.4	5.4	7.0	6.4	6.6	6.2	7.7	6.7

What the OEB does best and worst

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

As in 2005 and 2006, the largest proportion think that what the OEB does best is communications and stakeholder consultation (27%). Various aspects of the regulatory function are mentioned by many respondents, including the hearing process (22%), transparency of decision-making (17%), regulating rates (13%), providing regulation (10%), representing public/consumer interests (9%), fast and efficient processes (9%), and identification of issues and solutions (8%).

Since 2006, positive mentions of the hearing process, transparency of decision-making and regulating rates have increased.

What does OEB do best?			
What would you say the OEB does best? (more than one answer is possible)			
	2007	2006	2005
	%	%	%
Good communication/consultation with stakeholders	27	24	28
The hearing process	22	10	6
Transparency of decision-making	17	4	8
Review/regulate rates	13	4	6
Provide regulation	10	14	7
Representing public/consumer interests	9	10	6
Efficient/fast processes (various)	9	-	3
Identifies issues/solutions	8	-	3
Regulate utilities	5	8	4
Balance/fairness for market participants	5	8	3
Long-term/effective policies	5	6	3
Fair treatment/decisions	3	3	6
Sets or monitor prices/costs	1	3	7
Consistency/predictable	1	-	3
Being independent/impartial/objective	-	3	7
None	-	3	1
Other	4	7	6
DK/NA	9	13	8

Consumer and advocacy groups and generators are more likely to mention the hearing process; generators are also more likely to mention transparency. Financial institutions are more likely to mention good communication and consultation.

As was the case in previous years, issues of speed in delivering decisions, and timing and timeliness, are frequently identified as tasks the OEB performs worst. Future planning and creating new policies and processes has emerged as a concern this year for the first time. Other tasks mentioned by more than four respondents are over-regulation, consistency in regulation and communication with stakeholders.

What does OEB do worst?			
And what would you say the OEB does worst? (more than one answer is possible)			
	2007	2006	2005
	%	%	%
Speed/efficiency in delivering decisions	12	6	4
Future planning/creating new processes/policies	12	-	-
Timing/Timeliness	10	14	21
Over-regulates	8	13	6
Consistency in regulation/policies/rulings	6	4	4
Communication/consultation with stakeholders	6	6	13
Consumer education/informing the public	5	6	10
Low return/no incentives for businesses or sector	5	7	3
Policy analysis/predicting market shifts	5	8	4
Approval process is too long	5	8	3
Lack understanding/support in certain areas	5	7	6
Deal equally with all market participants/stakeholders	5	4	3
Clarity or consistency of regulation/policies/code	4	7	6
Protecting consumers	4	-	-
Hearing process	3	6	3
Lack of environmental concerns	3	-	-
Regulating companies/utilities	1	4	6
Management/inefficiencies (various)	-	8	6
Being independent/managing interference	-	4	3
Mandate/agenda is not well managed	-	-	4
Other	10	4	3
DK/NA	14	7	10

Distributors and energy sector stakeholders are more likely to mention over-regulation; distributors are also more likely to mention issues of timing. Financial institutions are more likely to mention future planning.

Performance in specific areas

The OEB receives its highest performance rating for professionalism in conducting its hearings and proceedings, followed by fairness of decisions, accountability in clearly defined regulatory processes and transparency in reporting. Its lowest ratings come in the areas of flexibility and timeliness, which were also the two lowest-rated attributes in 2005 and 2006.

Since 2006, the OEB's perceived performance has improved in a number of areas including timeliness, professionalism, transparency in reporting, accountability, and cost-effectiveness and efficiency. Performance ratings are relatively unchanged in other areas. Most attributes are assessed more highly now than in 2004.

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.

	2007 Mean	2006 Mean	2005 Mean	2004 Mean
Extent to which hearings and proceedings are conducted in a professional manner	8.2	7.9	7.9	-
Fairness of decisions, rules and codes	6.8	6.7	7.0	6.9
Accountability in clearly defined regulatory processes and sound explanations for its decisions	6.7	6.0	6.3	5.8
Transparency in reporting on its own performance as a regulator	6.6	6.1	6.6	4.0
Consistency of decisions across market participants and over time	6.5	6.6	6.5	6.3
Extent to which decisions are clear and easy to understand	6.5	6.3	6.2	5.9
Cost-effectiveness and efficiency	6.0	5.5	6.0	4.7
Timeliness of processes including decisions, application processes and notification	5.7	5.2	4.9	4.1
Flexibility in responding quickly to changing market conditions	5.2	5.2	5.1	4.1

There are some modest differences in the performance assessments made by the various stakeholder groups. Consumer advocacy organizations rate the OEB more highly than others on professionalism, flexibility and fairness. Generators give a higher rating on fairness, accountability and timeliness and a lower rating on cost-effectiveness. Energy sector organizations give the OEB a higher performance rating on cost-effectiveness and a lower rating on transparency. Distributors provide lower ratings on fairness, cost effectiveness and flexibility. Financial organizations provide higher than average ratings on consistency, clarity of decisions, transparency, cost effectiveness and timeliness. Stakeholders categorized as "other" provide lower ratings on clarity.

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.

	2007 Mean	Consumer advocates	Energy sector	Generators	Distributors	Financial org.	Other
Extent to which hearings and proceedings are conducted in a professional manner	8.2	8.7	8.3	7.8	8.2	7.6	8.1
Fairness of decisions, rules and codes	6.8	7.3	6.6	7.4	6.3	7.1	6.8
Accountability in clearly defined regulatory processes and sound explanations for its decisions	6.7	6.9	6.4	7.2	6.7	7.1	6.7
Transparency in reporting on its own performance as a regulator	6.6	6.4	5.9	6.8	6.3	7.7	7.1
Consistency of decisions across market participants and over time	6.5	6.8	6.7	6.6	6.1	7.1	6.0
Extent to which decisions are clear and easy to understand	6.5	6.5	6.4	6.6	6.4	7.0	6.5
Cost-effectiveness and efficiency	6.0	6.4	6.5	5.4	5.3	7.0	5.9
Timeliness of processes including decisions, application processes and notification	5.7	5.3	5.6	6.2	5.5	6.4	5.7
Flexibility in responding quickly to changing market conditions	5.2	6.4	5.0	5.0	4.6	5.4	5.4

Openness to new ideas

When asked to rate the OEB as a whole, on its openness to new ideas and innovative approaches, stakeholders give the OEB a rating of 5.9; there has been no change since 2006.

Performance on new ideas/innovation								
How would you rate the OEB as a whole when it comes to its openness to new ideas and innovative approaches?								
	2007 Mean	2006 Mean	Consumer advocates	Energy sector	Generators	Distributors	Financial org.	Other
Openness to new ideas/innovative approaches	5.9	5.9	6.8	5.8	5.4	5.3	6.2	6.2

Consumer and advocacy groups give the OEB its highest rating on this attribute, while generators and distributors give it a lower than average rating.

Degree of regulation

Almost half of stakeholder respondents – 45 percent – are satisfied with the level of OEB regulation, saying that it regulates neither too heavily nor too lightly. However, a similar proportion – 44 percent – say the OEB regulates too heavily. Only nine percent think regulation is too light.

The proportion who think the OEB over-regulates has declined marginally since 2006.

The OEB's regulates:									
Do you think the OEB regulates…?									
	2007 %	2006 %	2005 %	Consumer advocates	Energy sector	Generators	Distributors	Financial org.	Other
Too heavily	44	48	39	-	44	-	90	33	33
Too lightly	9	6	10	18	12	40	-	11	-
Neither	45	44	48	82	44	60	10	56	60

The topic of regulation reveals some notable differences among stakeholder groups. Consumer advocacy organizations, generators, financial organizations and stakeholders categorized as "other" are most likely to be content with the current degree of regulation. Energy sector stakeholders are divided in opinion. Almost all distributors 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 unchanged from the rating it received on this attribute in 2006, and is similar to the rating it received in 2005; it is higher than the 5.3 score received in 2004.

OEB performance on industry communications

When it comes to industry 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?

	2007	2006	2005	2004	Consumer advocates	Energy sector	Generators	Distributors	Financial org.	Other
Mean approval rating	6.8	6.8	6.9	5.3	6.8	6.8	7.4	6.3	7.3	7.2

OEB industry communications is rated at 6.0 or higher by all stakeholders groups, with the highest ratings coming from generators and financial organizations.

When asked if there are any other communication vehicles other than those the OEB already uses that would help their organization in its dealings with the OEB, most stakeholders – 64 percent – cannot suggest other communications tools or vehicles.

Those who do have suggestions for other tools or vehicles mention more OEB staff/member visits, an improved website, web-based forums and applications, and more roundtable meetings.

Other useful communications vehicles	
In addition to the tools that the Board already uses, are there any other communication vehicles that would help your organization in its dealings with the Board? (more than one answer is possible)	
	2007
	%
More OEB staff/member visits/communication	8
Improved/organized website	6
Web-based forums/applications	5
More roundtable meetings	5
More telephone conversations	4
More stakeholder consultations	4
More media/awareness/communication to consumers	3
Other	3
None/nothing	64

Consumer information

The OEB receives an approval rating of 4.9 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 rating is similar to that received in 2006 and higher than that received in 2004.

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 (the average householder) about important issues and changes occurring in the electricity and gas sectors?

	2007	2006	2005	2004	Consumer advocates	Energy sector	Generators	Distributors	Financial org.	Other
Mean approval rating	4.9	5.0	4.6	3.2	4.9	4.9	5.5	5.0	5.4	4.2

Generators and financial institutions rate the OEB slightly higher than other stakeholders on this dimension, while stakeholders categorized as "other" provide a somewhat lower rating.

3.5 SERVICE QUALITY

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

Since 2006, ratings have improved modestly in the areas of knowledgeability and being easy to deal with and responsive; ratings in other areas are unchanged.

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?			
	2007	2006	2005
	Mean	Mean	Mean
Knowledgeable about the areas of the energy sector they are responsible for	7.2	6.9	7.4
Objective and fair in their dealings with your organization	7.1	7.1	7.3
Easy to deal with and responsive to questions and requests	7.0	6.7	6.8
Open to new ideas and able to provide innovative approaches	5.4	5.4	5.4

Consumer and advocacy organizations give higher than average ratings to staff service on being easy to deal with, knowledgeable and open to new ideas. Financial organizations offer higher ratings in the areas of knowledgeability and objectivity. Generators give OEB staff higher than average ratings on objectivity. Distributors give OEB staff a lower rating on being easy to deal with, knowledgeable and open to new ideas.

3.6 POLICY

Awareness of policy initiatives

Most stakeholders – 79 percent – report being aware of regulatory policy initiatives undertaken by the OEB; there has been a marginal decline from the level of awareness reported in earlier years, but, overall, awareness remains high.

Aware of policy initiatives				
Are you aware of any regulatory policy initiatives that the OEB has undertaken?				
	2007	2006	2005	2004
	%	%	%	%
Yes	79	85	86	87

Stakeholders mention a long list of regulatory policy initiatives of which they are aware. Most frequently mentioned (each by five or more respondents) are incentive regulation, smart meters, IPSP, distribution rates, rate application/standardization, cost allocation and budgeting, performance-based regulation, electricity price initiatives, regulated price plan and affiliate relationship codes. Some participants mention more than one initiative.

Awareness of policy initiatives	
What initiatives are you aware of? (among those aware n=61) (more than one answer is possible)	
	2007
	%
Incentive regulation	28
Smart meters	16
Integrated Power System Plan (IPSP)	15
Distribution rates	15
Rate application/standardization	10
Cost allocation budgeting	8
Performance-based regulation/initiative	8
Electricity price (various)	8
Regulated Price Plan	8
Affiliate Relationship Codes	8
Natural Gas and Electricity Interface Review (NGEIR)	7
Transmission study/transmission code	7
Cost of capital	5
Distribution system code/rules	5
Third generation incentive rates for electricity	5
Conservation and Demand Management program (CDM program)	3
Natural Gas Forum	3
Conservation initiatives (general)	3
ROE/return on equity	3
The hearing process	3
Natural gas/supply of gas	3
Electricity/review/supply of electricity	2
Second generation incentive rates for electricity	2
Consultation (various)	2
Supply plan/management for province	2
Other	3

Stakeholders who are aware of policy initiatives (n=61) became aware of regulatory policy initiatives in a number of ways. Most frequently mentioned sources are a notification or invitation to participate from the OEB, the OEB website and involvement through an industry organization.

In 2006, similar proportions mentioned OEB notices or invitations, the OEB website and industry associations. There have been increases in the proportions mentioning colleagues and the media.

Among stakeholders, consumer and advocacy groups and distributors are more likely than others to mention being notified or invited by the OEB, and generators are more likely than others to mention industry associations. Financial organizations are more likely to mention the OEB website, but at least one participant from each stakeholder group mentions this source.

Source of awareness of policy initiatives			
How did you become aware of this initiative? (among those aware n=61) (more than one answer is possible)			
	2007	2006	2005
	%	%	%
Notified by OEB or invited to participate	44	45	44
Read about it on OEB website	28	25	16
Involved through my industry association	25	27	31
Heard from colleagues/company	15	5	21
Heard/read about it in the media	13	7	18
Direct communication with OEB (various)	8	-	-
Conferences	5	-	-
Email from Board	2	-	-
Other	3	8	2
DK/NA	2	3	2

Involvement in policy initiatives

A majority of stakeholders – 73 percent – have been involved in OEB regulatory policy initiatives; the proportion reporting involvement is similar to that found in 2006.

Reported involvement is highest among distributors, consumer advocacy organizations and energy sector organizations, and lowest among financial organizations.

Involvement in policy initiatives				
Have you or your organization become involved in any OEB regulatory policy initiatives?				
	2007	2006	2005	2004
	%	%	%	%
Yes	73	72	63	80

Stakeholders who have been involved with policy initiatives (n=56) mention a wide variety of policy initiatives in which they have participated. Initiatives most frequently mentioned include: incentive regulation, smart meters, rate settings/hearings/applications, natural gas and electricity interface review, IPSP, cost of capital, Regulated Price Plan and Affiliate Relationship Code (ARC). A number of respondents mentioned involvement in more than one initiative.

In 2004, the most frequently mentioned policy initiatives were Natural Gas Forum, DSM, distribution system code and LDC efficiency. In 2005, the most frequently mentioned initiatives were smart meters, Natural Gas Forum, Natural Gas and Electricity Interface Review, transmission code and rate settings/hearings/applications. In 2006, the most frequently mentioned initiatives were conservation/CDM programs, Natural Gas Forum, cost allocation, smart meters and Affiliate Relationship Code.

Regulatory policy initiatives: involvement	
What initiative(s) were you involved with? (among those involved n=56) (more than one answer is possible)	
	2007
	%
Incentive regulation	27
Smart meters	16
Rate settings/hearings/applications	14
Natural Gas Electricity Interface Review (NGEIR)	12
IPSP	11
Cost of capital	9
Affiliate Relationship Code (ARC)	9

Regulated Price Plan	9
Conservation/CDM program	7
Natural Gas Forum	7
Cost allocation	7
Distribution code/rules/filings	5
2nd generation incentive rates for electricity	5
3rd generation incentive rates for electricity	5
ROE/return on equity	5
GDAR	4
LDC efficiency/distribution sector consultation	4
Transmission code/rules/filing	4
Demand side management	2
Standard offer contracts/new production requests	2
Distribution rates	2
Natural gas supply/policies/regulations	2
Service quality issues	2
Rate handbook	2
Press release/public communication	2
Other	4
DK/NA	14

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 6.4. This is higher than the level of satisfaction expressed in 2006, but somewhat lower than that found in 2005.

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=56)				
	2007	2006	2005	2004
Mean satisfaction rating	6.4	6.1	6.7	5.5

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

3.7 CLOSING COMMENTS

About half of stakeholders offer some closing words of advice to the OEB; the proportion who provide comments is smaller than that found in 2006. Some stakeholders offer more than one comment or suggestion.

The comments vary widely, with no predominant themes emerging. The OEB's "good progress" is noted by several stakeholders. The most frequently raised issues are to reduce regulation and to improve understanding of market and social environment. The number of respondents mentioning many of these issues has declined since 2006.

Suggestions/final comment topics	
Finally, do you have any closing words of advice for the OEB? (more than one answer is possible)	
	2007
	%
Good progress/keep up the good work	9
Improve understanding of market/social environment	5
Reduce regulation	5
Inform or educate public/consumers	4
Focus/prioritize on economic regulatory issues	4
Be more open to innovative ideas	4
Better policies/rulings (various)	3
Respond faster/expedite processes/reduce bureaucracy	3
Give stakeholders more lead time to respond to initiatives	3
Stay consistent	3
Consult more stakeholders/better balance their concerns	3
Provide solutions/protections for consumers	3
Take a less adversarial approach	1
Enhance training for their new staff	1
Other	13
None/nothing	45

APPENDIX

SURVEY METHODS

Interviews for this survey were conducted between October 16 and November 16, 2007. 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 77 interviews completed, the named respondent participated in 57 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 75 interviews were conducted with a single respondent and two 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.

Response distribution table:

Total	90
No answer	1
Not available	3
Refused/mid interview terminated	9
Completed	77
Response rate: (completed/total)	86%