



MIDLAND POWER UTILITY CORPORATION

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July 24, 2015

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

Attention: Daria Babaie, P.Eng., CPA, CMA

Dear Daria:

Re: Follow-Up Audit of Select Scorecard Performance Measures

This is further to your attendance at Midland Power Utility Corporation (Midland PUC) to perform a Follow-up Audit on the action items identified during the December 2014 audit of the following scorecard measures:

1. Scheduled Appointments Met on Time;
2. Low Voltage New Residential/Small Business Services Connected on Time; and
3. Telephone Calls Answered on Time.

OEB Staff, Mr. Daria Babaie and Mr. Vince Cooney, attended Midland PUC's offices on June 17, 2015 to examine the updated processes and work order documentation for the period of April 1, 2015 to May 31, 2015 as noted in Midland PUC's action plan of March 16, 2015 (the Follow-up Audit).

The following synopsis provides details of the original Audit Findings, Midland PUC's Action Plan, results of the follow up audit of June 17, 2015, and identification of continuous improvements implemented by Midland PUC.

Audit Finding #1: Midland PUC did not offer to schedule appointments with its customers within a 4 hour window of time (ie., morning, afternoon or if available, evening) during its normal business hours.

Midland PUC Action Plan March 16, 2015: Effective April 1, 2015 Midland PUC will change the work order system to include information pertaining to the 4 hour window of time and whether a customer will be in attendance. In addition, Midland PUC will select a random sample of customer appointments each month. Each sample customer will be contacted by telephone to confirm the 4 hour window was offered and the scheduled appointment was met on time.

Status of Midland PUC Action Plan: Midland PUC updated the work order system effective April 1, 2015 to include a section confirming a 4 hour window of time was offered to the customer and

whether a customer would be in attendance at the time of the scheduled appointment. Midland PUC also created a customer follow-up tracking sheet, which has been in operation effective April 1, 2015. On a monthly basis a random sample of 10% or greater customers are contacted by telephone to confirm the 4 hour window was offered with respect to their appointments. The calls are documented on the customer follow-up tracking sheets. The follow-up tracking sheet also provides customers with the opportunity to comment on the quality of service Midland PUC provided during the appointment.

As a result of the Follow-up Audit, Midland PUC has decided to prepare a standard script when contacting customers by telephone. The standardized script was implemented July 1, 2015 with the goal of informing customers the call is being made for continuous customer service improvement purposes. A sample of this follow-up tracking sheet was provided to OEB audit staff on July 23, 2015.

Audit Finding #2: Midland PUC did not consistently have supporting documents for tracking the appointment arrival time for the Scheduled Appointments on Time Measure.

Midland PUC Action Plan as stated on March 16, 2015: Effective April 1, 2015 Midland PUC will change the work order system to include information pertaining to the arrival time for scheduled appointments. In addition, Midland PUC will select a random sample of customer appointments each month to be contacted by telephone to confirm the scheduled appointment was met on time.

Status of Midland PUC Action Plan: Midland PUC updated the work order system effective April 1, 2015 to include a section confirming the arrival time of staff for all scheduled appointments. As noted in Midland PUC's action plan for Audit Finding #1 above, Midland PUC created a customer follow-up tracking sheet which is used when customers are contacted by telephone to confirm the scheduled appointment was met on time. The follow-up tracking sheet also provides customers with the opportunity to comment on the quality of service Midland PUC provided during the appointment.

As noted in Midland PUC's action plan for Finding #1 above, Midland PUC has incorporated standard scripting for customers being contacted by telephone. This change was implemented effective July 1, 2015.

During the follow-up audit work orders with multiple appointments listed on one work order were identified. Appointments should be tracked on individual work orders for future reference, proper record keeping and to aid in future audit work. Midland PUC has reviewed this issue with staff and will ensure all appointments effective July 1, 2015 with distinct appointments will be tracked individually on distinct work orders.

Audit Finding #3: Midland PUC included appointments where the customer presence was not required for the periods of 2009 to 2011, which does not meet the definition of the appointments.

Midland PUC Action Plan as stated on March 16, 2015: Effective April 1, 2015, Midland PUC has changed the work order system to indicate when a customer will be in attendance at the scheduled appointment.

Status of Midland PUC Action Plan: Midland PUC updated the work order system effective April 1, 2015 to include a section confirming whether a customer would be in attendance at the time of the scheduled appointment.

Audit Finding #4: Midland PUC did not properly and consistently record the date on which all service conditions were met during the reporting periods of 2009 to 2013.

Midland PUC Action Plan as stated on March 16, 2015: Effective April 1, 2015 Midland PUC will change the work order system to include an All Conditions Met date, work started and a work completion date on all work orders. These changes will alleviate any inconsistencies in the recording of dates and provide clear identification of the timeframe for meeting the requirement. Midland PUC has also developed a new connections checklist to provide tracking of when the service conditions have been met. In addition, Midland PUC will select a random sample of new connections each month effective April 1, 2015. Each sample customer will be contacted by telephone to confirm the new connection was completed within 5 days of meeting all service requirements, and the interaction with the customer will be logged in written form. Audit has been provided an example of one such customer follow-up record.

Status of Midland PUC Action Plan: Midland PUC updated the work order system effective April 1, 2015 to include an All Conditions Met date, work started and a work completion date. Midland PUC also developed a new connections checklist which provides additional information on connection service conditions. As noted in Midland PUC's action plan for Audit Finding #1 above, Midland PUC created a customer follow-up tracking sheet which is used when customers are contacted by telephone to confirm the new connection was completed within 5 days of meeting the service condition requirements.

Midland PUC incorporated standard scripting for customers being contacted by telephone and has included a trench completion date and a sign-off date to the new connection checklist. These two changes were implemented on July 1, 2015.

Audit Finding #5: All New Residential/Small Business Service Connections reported by Midland PUC were reported as met as Midland PUC reported the performance of New Residential/Small Business Service Connected on Time Measure for 100% in 2010. However, there was one sample service connection noted by Audit that was not met.

Midland PUC Action Plan as stated on March 16, 2015: Midland PUC has developed a new connections checklist to provide additional information when all service conditions have been met. This checklist will aid in providing the dates when all service quality requirements have been met and will help to ensure the correct figures for new connections are accurately reported in the RRR filings. In addition, Midland PUC will select a random sample of new connections each month. Each sample customer will be contacted by telephone to confirm the new connection was completed within 5 days of meeting all service requirements. This changed process is in effect as of April 1, 2015.

Status of Midland PUC Action Plan: Midland PUC developed a new connections checklist which was implemented on April 1, 2015. This checklist provides additional information on the connection service conditions. As noted in Midland PUC's action plan for Audit Finding #1 above, Midland PUC created a customer follow-up tracking sheet which is used when customers are contacted by telephone to confirm the new connection was completed within 5 days of meeting the service

condition requirements. The improvements under Audit Finding #4 above also apply to Audit Finding #5.

During the follow-up audit, a systemic issue with the calculation of “number of days to connect” was identified. In each instance the date on which all conditions are met was included in the calculation of number of days to connect, which is not consistent with the Distribution System Code definition. Midland PUC has updated our process documentation effective July 1, 2015 to ensure the calculation of the number of days to connect a service will commence on the day after which all conditions are met. Midland PUC will also prospectively update our records for 2015 to ensure the correct number of days are calculated with respect to this finding.

Audit Finding #6: Midland PUC incorrectly included the calls that were received outside of Midland PUC’s regular hours of operation for the reporting periods of 2009 to 2013.

Midland PUC Action Plan as stated on March 16, 2015: Midland PUC will ensure future reporting will not include calls received outside regular hours of operation. A filter will be used when running the monthly query to exclude calls outside of regular office hours

Status of Midland PUC Action Plan: Midland PUC has updated our processes to include a time filter which will exclude customer calls received outside of our regular hours of operation. The data reported for 2014 was updated to exclude calls received outside of regular office hours and the data for 2015 will follow the revised process.

In addition to the findings above, Board Staff also identified the following observations during our Audit:

Observation #1: It is not clear if the time stamps for actual calls received in 2009 and some months of 2010 were accurate. However, it appears the duration of actual calls received and processed within 30 seconds were not impacted by this inaccurate information.

Midland PUC Action Plan as stated on March 16, 2015: Midland PUC will review the monthly time stamps to ensure the time has not been altered.

Status of Midland PUC Action Plan: Midland PUC has updated its processes and the associated documentation to include the monthly review of time stamps to ensure the reports are correct.

Observation #2: There is a lack of formal management review and analysis of customer service quality measures including status of completion, performance, and trend analysis etc.

Midland PUC Action Plan as stated on March 16, 2015: Midland PUC will review the scorecard measures on a quarterly basis during a monthly management meeting. In addition, Midland PUC will review the scorecard measures with our Board of Directors on a yearly basis.

Status of Midland PUC Action Plan: Midland PUC has implemented a process to review the annual scorecard measures on a quarterly basis with our management team and our Board of Directors.

Midland PUC has addressed the deficiencies in its record keeping and is committed to maintaining the changes to our processes and procedures in order that our documentation demonstrates compliance with the Distribution System Code.

Midland PUC will also commit to voluntarily publish the audit findings, action plans and audit follow-up documentation with respect to our Audit of Select Scorecard Performance Measures on or around September 30, 2015 pending the upgrade of our new website.

At this time, I would like to thank the OEB Staff, Mr. Daria Babaie and Mr. Vince Cooney for their time and expertise in providing Midland PUC with their review and feedback on the changes made to our processes and systems. Midland PUC prides itself on meeting all regulatory requirements and we thank the Board for their continued support in providing their guidance in this regard.

Yours very truly,

Midland Power Utility Corporation

A handwritten signature in black ink, appearing to read 'CBell', with a stylized flourish at the end.

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