



April 13, 2011

BY RESS AND BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2700
Toronto, ON, M4P 1E4

Dear Ms. Walli;

RE: Horizon Utilities Corporation (“Horizon Utilities”) - EB-2010-0131 Horizon Utilities’ EDR Cost of Service Application – Responses to Undertakings from Oral Hearing

Please find attached the first group of outstanding Undertakings for Horizon Utilities Corporation (“Horizon Utilities”).

Subsequent Undertakings will follow.

If you have any questions, please do not hesitate to contact me.

Yours Truly,

Original signed by Indy Butany-DeSouza

Indy J. Butany-DeSouza
Vice-President, Regulatory and Government Affairs
Horizon Utilities Corporation
Tel: (905) 317-4765

**HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)
SUBMISSION OF ORAL HEARING UNDERTAKING**

DELIVERED: April 13, 2011

**NO. J1.9: TO PROVIDE BUDGETED AMOUNT OF TOTAL SPENDING ON AGING
WORK FORCE PROBLEM, 2008 THROUGH 2011**

Response:

The skilled trades’ area represents the largest area of investment made by Horizon Utilities since 2008, relative to addressing its aging workforce problem. Horizon Utilities commenced work on evaluating demographics pre-2008 and such continued into 2009. In 2010, Horizon Utilities invested \$50,000 to create a more comprehensive study of its workforce challenges. The evidence provided in Exhibit 4, Tab 2, Schedule 6, Appendix 4-2 (Workforce Labour Strategy and Plan) identifies the many variables that are impacting the organization in this area. While Exhibit 4, Tab 2, Schedule 10, Table 4-26 speaks to the new FTE positions added at Horizon Utilities since 2008, this table is not representative of all hires in the skilled trades and technical areas. The summary table below provides the number of employees hired in each of the skilled trades and technical areas since 2008.

1 2008 to 2011 Technical and Skilled Trades Hires
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Dept	Year over Year Hires (Headcount)				Total
	2008 ¹ Actual	2009 ² Actual	2010 ³ Actual	2011 Budget	
Overhead Apprentices	2	9	8	4	23
Underground Apprentices	0	1	4	1	6
Metering Apprentices	2	1	0	0	3
Operating Apprentices	0	0	2	2	4
Substations Apprentices	0	0	0	3	3
Engineering Intern	1	0	2	0	3
Trades Supervisory	0	0	1	1	2
Engineers	0	1	1	1	3
Subtotal	5	12	18	12	47
Trades/Engineering Coop Students Cooperative Education	0	0	5	7	12
Total	5	12	23	19	59
All hires are advance hires other than those noted below					
(1) Overhead apprentices were replacement hires					
(2) Overhead and Underground Apprentices were replacement hires					
(3) 7 Overhead Apprentices were replacement hires					

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6 The investment in hiring of new staff comes with a requirement to increase supervisory
 7 staff in order to properly support young talent joining the organization. As a result and
 8 since 2008, Horizon Utilities has hired two additional supervisors in the trades area.

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10 A further skills shortage in the electrical engineering field prompted an investment in
 11 developing talent from within the organization. In response to this shortage, in 2006
 12 Horizon Utilities introduced an Engineering Intern Program to support long-range human
 13 resources requirements. This program has provided Horizon Utilities with an
 14 engineering pool to ensure the availability of highly trained individuals to fill a range of
 15 engineering and management positions within the organization. Consequently, Horizon
 16 Utilities has built the bench strength necessary to meet new and changing business
 17 requirements and to address the aging workforce issue.

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19 Horizon Utilities continues to invest in skilled trades' development in many ways.
 20 Horizon Utilities trades staff have significant experience and are well recognized in the

1 industry. As such, trades staff are supported in their efforts to provide training and
2 expertise to the industry by offering staff to the MEARIE Lines School in Kleinburg, ON.
3 Employees support the school as Instructors to provide training to all levels of
4 apprentices across the province in both the overhead and underground programs for 16
5 weeks per year on a recoverable basis. These senior employees provide leadership
6 and knowledge sharing to ensure that the future workforce is well versed and prepared
7 to work safely and efficiently in the industry.

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9 Horizon Utilities has also partnered with Cambrian College and Conestoga College to
10 support their power line maintainer cooperative education program. In 2010 and 2011,
11 Horizon Utilities has made investments in this program by acting as a host organization
12 for 4 and 6 coop students respectively. Horizon Utilities' supports this investment and
13 has benefited from these programs with the hiring of several graduates as new
14 apprentices. Horizon further supports these trades programs by having Construction
15 management sit on the Conestoga Labour Advisory Committee. Horizon Utilities'
16 partnership with Mohawk College has also provided opportunities for technical students
17 to engage in cooperative education placements in 2010 and 2011.

18 The table below summarizes the wages and training costs associated with the
19 strategies employed over the period 2008 to 2011.

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Total Investment in Technical and Skilled Trades Aging Workforce Challenge

		Wages and Training Costs							
Dept		2008	2009	2010	2011	Total	Capital	OM&A	
Overhead Apprentices	Wages	\$ -	\$ -	\$ 347,838	\$ 612,594	\$ 960,432	\$ 576,259	\$ 384,173	
	Training	\$ 50,000	\$ 243,000	\$ 324,000	\$ 271,000	\$ 888,000	\$ -	\$ 888,000	
Underground Apprentices	Wages	\$ -	\$ -	\$ -	\$ 51,168	\$ 51,168	\$ 30,701	\$ 20,467	
	Training	\$ -	\$ 25,000	\$ 109,000	\$ 70,000	\$ 204,000	\$ -	\$ 204,000	
Metering Apprentices	Wages	\$ 99,216	\$ 144,196	\$ 191,214	\$ 209,560	\$ 644,186	\$ 257,675	\$ 386,512	
	Training	\$ 12,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 66,000	\$ -	\$ 66,000	
Operating Apprentices	Wages	\$ -	\$ -	\$ 89,612	\$ 193,300	\$ 282,911	\$ -	\$ 282,911	
	Training	\$ -	\$ -	\$ 5,000	\$ 10,000	\$ 15,000	\$ -	\$ 15,000	
Substations Apprentices	Wages	\$ -	\$ -	\$ -	\$ 150,864	\$ 150,864	\$ -	\$ 150,864	
	Training	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	
Engineering Intern	Wages	\$ 34,667	\$ 54,720	\$ 125,653	\$ 201,650	\$ 416,690	\$ 416,690	\$ -	
	Training	\$ 5,000	\$ 5,000	\$ 15,000	\$ 15,000	\$ 40,000	\$ -	\$ 40,000	
Trades Supervisory	Wages	\$ -	\$ -	\$ 84,988	\$ 181,756	\$ 266,744	\$ 101,986	\$ 164,758	
Subtotal		\$ 200,883	\$ 489,916	\$ 1,310,306	\$ 2,059,891	\$ 4,060,996	\$ 1,383,310	\$ 2,677,685	
Trades/Engineering Coop Students Cooperative Education	Wages	\$ -	\$ -	\$ 52,300	\$ 73,950	\$ 126,250	\$ -	\$ 126,250	
Total		\$ 200,883	\$ 489,916	\$ 1,362,606	\$ 2,133,841	\$ 4,187,246	\$ 1,383,310	\$ 2,803,935	

- (1) Wages represent base wages only
 (2) Wages have not been included for replacement hires
 (3) Wages are shown for employees hired in 2008 and onward. Costs for apprentices hired prior to 2008 are not reflected in this table.
 There were 14 Apprentices on staff in 2007.

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2 HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)
3 SUBMISSION OF ORAL HEARING UNDERTAKING

4 DELIVERED: April 11, 2011

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6 NO. J2.6: TO PROVIDE SALARY DISCLOSURE FOR HORIZON TOP FIVE
7 EXECUTIVES

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9 **Response:**

10 The following table provides a summary of the compensation earned by the 5 most
11 highly compensated executive officers of Horizon Utilities Corporation who were serving
12 as executive officers at December 31, 2010.

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14 **Executive Compensation Table¹**

	Year	Salary	Incentive Plan Compensation ²	All Other Compensation ³	Total Compensation
Top 5 Executives, Horizon Utilities Corporation	2010	\$ 906,325	\$ 282,542	\$ 73,970	\$ 1,264,847

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18 (1) Amounts shown have been rounded to the nearest dollar.
- 19 (2) Annual performance-based incentive compensation for a fiscal year is
20 determined and paid in the next fiscal year. Accordingly, amounts reflected in
21 respect of 2010 represent the annual performance-based incentive
22 compensation earned by the Executive group for the achievement of
23 performance goals in respect of that fiscal year (i.e.2010) but which amounts
24 are paid in the following fiscal year (i.e. 2011).
- 25 (3) All other compensation includes car allowance and pay in lieu of vacation.

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2 **HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)**
3 **SUBMISSION OF ORAL HEARING UNDERTAKING**

4 **DELIVERED: April 13, 2011**

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6 **NO. J3.4: TO FILE COPY OF REPORT REFERRED TO IN VECC INTERROGATORY**
7 **NO. 2(B)**

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9 **Response:**

10 Please find attached the most recent report of the OPA entitled “*Estimated allocation of*
11 *2006-2009 provincial conservation results to Local Distribution Company service*
12 *territories - update to December 2010*”, received in January 2011.

OPA Conservation & Demand Management Programs

Allocation Methodology

#	Initiative Name	Program Name	Program Year	Results Status	Allocation Methodology	Notes
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	Measure level allocation based on 2006 residential energy throughput by LDC	
2	Cool & Hot Savings Rebate	Consumer	2006	Final	Measure level allocation based on 2006 residential energy throughput by LDC	
3	Every Kilowatt Counts	Consumer	2006	Final	Measure level allocation based on 2006 residential energy throughput by LDC	
4	Demand Response 1	Business, Industrial	2006	Final	Initiative level allocation based on 2007 non-residential energy throughput by LDCs	1) Although the program is managed internally and actual participant data is available, the small participant population of Demand Response 1 can lead to participant confidentiality issues if disclosed on an actual LDC share basis. 2) Program results are based on contracted nameplate capacity at the end of the calendar year and not actual summer coincident peak demand reduction.
5	Loblaw & York Region Demand Response	Business, Industrial	2006	Final	Measure level allocation based on 2007 non-residential energy throughput by LDCs	1) Although the program is managed internally and actual participant data is available, the small participant population of Electricity Resources Demand Response can lead to participant confidentiality issues if disclosed on an actual LDC share basis. 2) Program results are based on contracted nameplate capacity at the end of the calendar year and not actual summer coincident peak demand reduction.
6	Great Refrigerator Roundup	Consumer	2007	Final	Actual LDC specific results	
7	Cool & Hot Savings Rebate	Consumer	2007	Final	Measure level allocation based on 2007 residential energy throughput by LDC	
8	Every Kilowatt Counts	Consumer	2007	Final	Measure level allocation based on 2007 residential energy throughput by LDC	
9	peaksaver®	Consumer, Business	2007	Final	Actual LDC specific results	
10	Summer Savings	Consumer	2007	Final	Actual LDC specific results	
11	Aboriginal	Consumer	2007	Final	Actual LDC specific results	
12	Affordable Housing Pilot	Consumer Low-Income	2007	Final	Actual LDC specific results	
13	Social Housing Pilot	Consumer Low-Income	2007	Final	Initiative level allocation based on 2007 Residential Energy Throughput	
14	Energy Efficiency Assistance for Houses Pilot	Consumer Low-Income	2007	Final	Initiative level allocation based on 2007 Residential Energy Throughput	
15	Electricity Retrofit Incentive	Business	2007	Final	LDC's respective proportion of province-wide reported gross demand savings.	
16	Toronto Comprehensive	Business	2007	Final	Program run exclusively in Toronto Hydro-Electric System Ltd. service territory	
17	Demand Response 1	Business, Industrial	2007	Final	Initiative level allocation based on 2007 non-residential energy throughput by LDCs	1) Although the program is managed internally and actual participant data is available, the small participant population of Demand Response 1 can lead to participant confidentiality issues if disclosed on an actual LDC share basis. 2) Program results are based on contracted nameplate capacity at the end of the calendar year and not actual summer coincident peak demand reduction.
18	Loblaw & York Region Demand Response	Business, Industrial	2007	Final	Initiative level allocation based on 2007 non-residential energy throughput by LDCs	1) Although the program is managed internally and actual participant data is available, the small participant population of Electricity Resources Demand Response can lead to participant confidentiality issues if disclosed on an actual LDC share basis. 2) Program results are based on contracted nameplate capacity at the end of the calendar year and not actual summer coincident peak demand reduction.
19	Renewable Energy Standard Offer	Consumer, Business, Industrial	2007	Final	Actual LDC specific results	Program results are based on contracted nameplate capacity and not actual summer coincident peak generation
20	Great Refrigerator Roundup	Consumer	2008	Final	Actual LDC specific results	
21	Cool Savings Rebate	Consumer	2008	Final	Measure level allocation based on 2008 Residential Energy Throughput	
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	Measure level allocation based on 2008 Residential Energy Throughput	
23	peaksaver®	Consumer, Business	2008	Final	Actual LDC specific results	
24	Summer Sweepstakes	Consumer	2008	Final	Actual LDC specific results	
25	Electricity Retrofit Incentive	Consumer, Business	2008	Final	LDC's respective proportion of province-wide reported gross demand savings.	While this initiative underwent a thorough evaluation process at the provincial level, individual prescriptive input assumptions were not verified for all measures nor were reported savings from every individual LDC verified. A representative sample of retrofit projects were measured and verified and a province-wide savings total was derived. The province wide verified energy and demand savings were allocated to individual LDCs based on their respective proportion of province-wide reported gross demand savings.
26	Toronto Comprehensive	Consumer, Consumer Low-Income, Business	2008	Final	Program run exclusively in Toronto Hydro-Electric System Ltd. service territory	
27	High Performance New Construction	Business	2008	Final	Initiative level allocation based on 2008 non-residential energy throughput by LDCs	
28	Power Savings Blitz	Business	2008	Final	Actual LDC specific results	
29	Demand Response 1	Business, Industrial	2008	Final	Initiative level allocation based on 2008 non-residential energy throughput by LDCs	1) Although the program is managed internally and actual participant data is available, the small participant population of Demand Response 1 can lead to participant confidentiality issues if disclosed on an actual LDC share basis. 2) Program results are based on contracted nameplate capacity at the end of the calendar year and not actual summer coincident peak demand reduction.
30	Demand Response 3	Business, Industrial	2008	Final	Initiative level allocation based on 2008 non-residential energy throughput by LDCs	1) Although the program is managed internally and actual participant data is available, the small participant population of Demand Response 3 can lead to participant confidentiality issues if disclosed on an actual LDC share basis. 2) Program results are based on contracted nameplate capacity at the end of the calendar year and not actual summer coincident peak demand reduction.
31	Loblaw & York Region Demand Response	Business, Industrial	2008	Final	Initiative level allocation based on 2008 non-residential energy throughput by LDCs	1) Although the program is managed internally and actual participant data is available, the small participant population of Electricity Resources Demand Response can lead to participant confidentiality issues if disclosed on an actual LDC share basis. 2) Program results are based on contracted nameplate capacity at the end of the calendar year and not actual summer coincident peak demand reduction.
32	Renewable Energy Standard Offer	Consumer, Business	2008	Final	Initiative level allocation based on 2008 non-residential energy throughput by LDCs	Program results are based on contracted nameplate capacity and not actual summer coincident peak generation
33	Other Customer Based Generation	Business	2008	Final	Contract level allocation based on 2008 non-residential energy throughput by LDCs	Program results are based on contracted nameplate capacity and not actual summer coincident peak generation
34	LDC Custom - Hydro One Networks Inc. - Double Return	Business, Industrial	2008	Final	Program run exclusively in Hydro One Networks Inc. service territory	
35	Great Refrigerator Roundup	Consumer	2009	Final	Actual LDC specific results	
36	Cool Savings Rebate	Consumer	2009	Final	Measure level allocation based on 2009 Residential Energy Throughput	

OPA Conservation & Demand Management Programs

Allocation Methodology

#	Initiative Name	Program Name	Program Year	Results Status	Allocation Methodology	Notes
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	Measure level allocation based on 2009 Residential Energy Throughput	
38	peaksaver [®]	Consumer, Business	2009	Final	Actual LDC specific results	
39	Electricity Retrofit Incentive	Consumer, Business	2009	Final	LDC's respective proportion of province-wide reported gross demand savings.	
40	Toronto Comprehensive	Consumer, Consumer Low-Income, Business, Industrial	2009	Final	Program run exclusively in Toronto Hydro-Electric System Ltd. service territory	
41	High Performance New Construction	Business	2009	Final	Measure level allocation based on 2009 Non-Residential Energy Throughput	
42	Power Savings Blitz	Business	2009	Final	LDC's respective proportion of province-wide reported gross demand savings.	
43	Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009	Final	LDC's respective proportion of province-wide reported gross demand savings.	
44	Demand Response 1	Business, Industrial	2009	Final	Initiative level allocation based on 2009 non-residential energy throughput by LDCs	1) Although the program is managed internally and actual participant data is available, the small participant population of Demand Response 1 can lead to participant confidentiality issues if disclosed on an actual LDC share basis. 2) Program results are based on contracted nameplate capacity at the end of the calendar year and not actual summer coincident peak demand reduction.
45	Demand Response 2	Business, Industrial	2009	Final	Initiative level allocation based on 2009 non-residential energy throughput by LDCs	1) Although the program is managed internally and actual participant data is available, the small participant population of Demand Response 2 can lead to participant confidentiality issues if disclosed on an actual LDC share basis. 2) Program results are based on contracted nameplate capacity at the end of the calendar year and not actual summer coincident peak demand reduction.
46	Demand Response 3	Business, Industrial	2009	Final	Initiative level allocation based on 2009 non-residential energy throughput by LDCs	1) Although the program is managed internally and actual participant data is available, the small participant population of Demand Response 3 can lead to participant confidentiality issues if disclosed on an actual LDC share basis. 2) Program results are based on contracted nameplate capacity at the end of the calendar year and not actual summer coincident peak demand reduction.
47	Loblaw & York Region Demand Response	Business, Industrial	2009	Final	Initiative level allocation based on 2009 non-residential energy throughput by LDCs	1) Although the program is managed internally and actual participant data is available, the small participant population of Electricity Resources Demand Response can lead to participant confidentiality issues if disclosed on an actual LDC share basis. 2) Program results are based on contracted nameplate capacity at the end of the calendar year and not actual summer coincident peak demand reduction.
48	LDC Custom - Thunder Bay Hydro - Phantom Load	Consumer	2009	Final	Program run exclusively in Thunder Bay Hydro Electricity Distribution Inc. service territory.	
49	LDC Custom - Toronto Hydro - Summer Challenge	Consumer	2009	Final	Program run exclusively in Toronto Hydro-Electric System Ltd. service territory	