

RESPONSES TO SOCIETY OF ENERGY PROFESSIONALS INTERROGATORIES

1 **INTERROGATORY 1:**

2 **Reference(s):** **Exhibit 2B, Section D, Appendix B “Standards Review Study**

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5 a) To minimize maintenance and capital expenditures costs along with spares inventory
6 costs and capture economies of scale in purchases, when did Toronto Hydro initiate
7 adopting standardized designs for equipment such as circuit breakers, feeders,
8 transformers etc?

9 b) Please list the current categories of equipment where standardized designs have been
10 agreed upon and implemented, and those for which standardized designs have not yet
11 been agreed upon.

12 c) Overall, at what stage is Toronto Hydro currently at in adopting standardized
13 equipment designs?

14 d) Overall, at what stage will Toronto Hydro be at the end of 2019 in adopting
15 standardized equipment designs?

16 e) For 2011 to 2019, please provide the annual savings to Toronto Hydro for moving to
17 standardized equipment designs, separated between OM&A and capex.

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19

20 **RESPONSE:**

21 a) Toronto Hydro initiated adopting standardized designs for equipment during
22 amalgamation in 1998. Significant efforts to standardize equipment were also
23 conducted in 2010 to 2013. Toronto Hydro is continuously moving forward in the
24 evaluation of new technologies, design innovations and manufacturers to improve
25 standardized equipment designs.

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1 b) The categories of major equipment where standardized equipment designs have been
2 agreed upon include poles, insulators, switches, transformers, protective devices,
3 conductors and arresters. Categories of non-major equipment where standardized
4 equipment designs have been agreed upon include SCADA equipment and Sump
5 Pumps. There are no outstanding existing standardized equipment designs that have
6 not yet been agreed upon.

7

8 c) Refer to responses in a) and b).

9

10 d) Refer to responses in a) and b).

11

12 e) Examples of savings in respect to CAPEX and OPEX from moving to standardized
13 designs include:

14 i) Consistent installation practices in capital projects;

15 ii) Spares inventory costs; and

16 iii) Economies of scale in purchases.

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18 These savings cannot be allocated quantitatively due to their widespread nature and
19 broad impact on CAPEX and OM&A. Savings are implied using information
20 gathered from subject matter experts in the respective field of impact.

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1 **INTERROGATORY 2:**

2 **Reference(s):** **Exhibit 2B, Section D, Appendix B “Standards Review Study**

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5 a) Please explain what is meant by design standards within Toronto Hydro.

6 b) Please explain how the Standard Design Practices (SDP) document, Distribution
7 Construction Standards (DCS), the two approved processes for equipment and Job
8 Planning Process are utilized within Toronto Hydro.

9 c) Please explain how the documents and processes in b) are applied in work performed
10 by external contractors.

11

12

13 **RESPONSE:**

14 a) The term “design standards” refers to the Distribution Construction Standards
15 (“DCS”).

16

17 b) The Job Planning Process defines the roles of stakeholders and provides instructions
18 to adhere to the DCS and Standard Design Practices (“SDP”) throughout the
19 development of projects. The SDP is a comprehensive document which provides
20 specific design considerations and references to DCS, depending on the type of
21 construction being implemented. The DCS are used for the design and construction
22 and associated approved material allocations of overhead and underground
23 installations owned and operated by Toronto Hydro. All design and construction must
24 conform to the DCS. The Equipment Approval Process for major and non-major
25 equipment works in conjunction with the DCS, ensuring that the material used within

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- 1 the DCS is approved in accordance with the relevant industry standards, operational
2 requirements, Ontario Regulation 22/04 and utility best practices.
3
- 4 c) External contractors are required to adhere to the Job Planning Process, SDP and
5 DCS when designing and constructing on behalf of Toronto Hydro. External
6 contractor compliance with the documents and processes listed in part b) is monitored
7 by Toronto Hydro.

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1 **INTERROGATORY 3:**

2 **Reference(s):** **Exhibit 2B, Section E8.3**

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5 With regards [sic] to the Operating Centres Consolidation Program (OCCP):

6 a) Is there an existing Toronto Hydro back up control centre?

7 b) If there is an existing back up control centre, how is it impacted by the OCCP? For

8 example, as the OCCP requires the construction of a new control centre at

9 Commissioners Road, is there a need to modify the existing backup control centre to
10 mirror some of the changes?

11 c) If there is no existing backup control centre, is one being build as part of the OCCP?

12 i) If yes, please explain what is being done. For example, are some components
13 from the existing control room being used in the construction.

14 ii) If a backup control room is not being built, please explain why not.

15

16

17 **RESPONSE:**

18 a) Yes, Toronto Hydro has a back-up control centre. For more information, please refer
19 to Exhibit 2B, Section E8.2.2 of the Distribution System Plan.

20

21 b) No, the back-up control centre does not require any modifications as a result of the
22 OCCP.

23

24 c) Not applicable.

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1 **INTERROGATORY 4:**

2 **Reference(s):** **Exhibit 4A, Schedule 2, OEB Appendix 2-K, “Employee Costs /**
3 **Compensation Table”**

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6 a) Please breakdown all numbers for “Non-Management (union and non-union)” into
7 non-union, CUPE represented, and Society represented.

8 b) Please provide the annual Total Compensation per FTE for the categories provided in
9 a) above as well as Management.

10 c) For Total Compensation, please provide the subcategories for costs expensed and
11 costs capitalized.

12 d) Does this table include and “Temporary” staff? These would be staff who are hired
13 on a short term basis to fill in for staff on leave of absence or to deal with temporary
14 peaks in work etc.

15 i) If it does include temporary staff, please separate them out in the table as per a),
16 b) and c) above.

17 ii) If it does NOT include temporary staff, please include a temporary staff category
18 in the table as per a), b) and c) above.

19

20

21 **RESPONSE:**

22 a), b) and c) Please see Appendix A to this response.

23

24 d) Yes, the table includes employees hired on contract for a defined term (i.e.,
25 “temporary staff”). Please see Appendix A to this response.

	2011 Actuals	2012 Actuals	2013 Actuals	2014 BRIDGE	2015 TEST
Number of Employees (FTEs including Part-Time)¹					
Management (including executive)	61.8	53.0	55.2	55	55
Non-Management (Non-Union)	424.8	407.2	416.4	449	457
CUPE	1,159.3	1,048.1	962.7	921	925
Society	53.4	56.8	51.0	52	50
Contract for a Defined Term ¹	37.6	35.8	42.1	60	77
Total	1,737.0	1,600.8	1,527.4	1,537	1,564
Total Salary and Wages (including overtime and incentive pay)					
Management (including executive)	\$ 11,503,925	\$ 10,484,857	\$ 10,916,952	\$ 11,357,809	\$ 11,676,362
Non-Management (Non-Union)	\$ 45,413,893	\$ 44,676,572	\$ 45,870,826	\$ 50,081,111	\$ 52,190,093
CUPE	\$ 111,838,939	\$ 96,489,851	\$ 93,579,854	\$ 91,767,199	\$ 93,499,770
Society	\$ 5,757,843	\$ 6,010,237	\$ 5,729,052	\$ 6,219,276	\$ 6,102,405
Contract for a Defined Term ¹	\$ 2,591,089	\$ 2,546,373	\$ 2,790,818	\$ 4,464,343	\$ 5,962,522
Total	\$ 177,105,689	\$ 160,207,891	\$ 158,887,502	\$ 163,889,738	\$ 169,431,152
Total Benefits (Current + Accrued)					
Management (including executive)	\$ 3,700,705	\$ 3,207,397	\$ 3,497,371	3,622,390	3,586,525
Non-Management (Non-Union)	\$ 15,180,254	\$ 15,312,116	\$ 16,894,431	18,059,014	18,087,618
CUPE	\$ 36,431,653	\$ 34,506,022	\$ 35,171,649	32,500,903	31,769,774
Society	\$ 1,966,724	\$ 2,145,710	\$ 2,128,201	2,150,794	2,024,985
Contract for a Defined Term ¹	\$ 192,730	\$ 194,587	\$ 238,837	341,244	397,414
Total	\$ 57,472,066	\$ 55,365,832	\$ 57,930,489	\$ 56,674,344	\$ 55,866,316
Total Compensation (Salary, Wages, & Benefits)					
Management (including executive)	\$ 15,204,630	\$ 13,692,253	\$ 14,414,323	\$ 14,980,199	\$ 15,262,887
Non-Management (Non-Union)	\$ 60,594,147	\$ 59,988,688	\$ 62,765,258	\$ 68,140,125	\$ 70,277,712
CUPE	\$ 148,270,591	\$ 130,995,873	\$ 128,751,502	\$ 124,268,102	\$ 125,269,544
Society	\$ 7,724,567	\$ 8,155,947	\$ 7,857,254	\$ 8,370,070	\$ 8,127,390
Contract for a Defined Term ¹	\$ 2,783,820	\$ 2,740,961	\$ 3,029,655	\$ 4,805,587	\$ 6,359,935
Total	\$ 234,577,755	\$ 215,573,723	\$ 216,817,992	\$ 220,564,082	\$ 225,297,468
Average Total Compensation (Salary, Wages, & Benefits)					
Management (including executive)	\$ 245,866	\$ 258,425	\$ 261,082	\$ 274,866	\$ 277,507
Non-Management (Non-Union)	\$ 142,638	\$ 147,326	\$ 150,722	\$ 151,760	\$ 153,949
CUPE	\$ 127,892	\$ 124,981	\$ 133,740	\$ 134,883	\$ 135,427
Society	\$ 144,547	\$ 143,667	\$ 154,130	\$ 162,526	\$ 162,548
Contract for a Defined Term ¹	\$ 74,071	\$ 76,670	\$ 71,992	\$ 79,695	\$ 82,597
Total	\$ 135,047	\$ 134,665	\$ 141,952	\$ 143,540	\$ 144,098
Total Compensation Expensed	\$ 139,376,030	\$ 137,907,417	\$ 133,422,085	\$ 137,588,178	\$ 140,947,660
Total Compensation Capitalized	\$ 95,201,725	\$ 77,666,306	\$ 83,395,907	\$ 82,975,905	\$ 84,349,808

¹ Contract for a Defined Term refers to "Temporary staff"

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1 **INTERROGATORY 5:**

2 **Reference(s):** **Exhibit 4A, Tab 4, Schedule 3**

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With regards [sic] to the staffing levels in Exhibit 4A, Tab 4, Schedule 3, page 2, Figure 1, for 2007 to 2019, please provide a table for 2007 to 2019 which:

- a) Breaks down the annual staffing levels by the following categories: senior management; other non-represented; CUPE represented; and Society represented.
- b) Estimates the annual FTEs utilized via external contractors and any other other [sic] contracted external services such as consultants.
- c) Please provide as a separate category total annual temporary staff
- d) Includes the annual FTEs which are capitalized, by the categories in a), b) and c) above.

16 **RESPONSE:**

17 a) Please see the table below. Toronto Hydro objects, on the basis of relevance, to
 18 providing a breakdown of the information pre-2011 as this predates the utility's last
 19 rebasing application (EB-2010-0142), and has no probative value to deciding the
 20 issues in this Application.

/C

	2011	2012	2013	2014	2015	2016	2017	2018	2019
SENIOR MANAGEMENT	61.8	53.0	55.2	55	55	55	55	55	55
OTHER NON-UNION	462.4	442.9	458.5	509	534	500	500	500	500
CUPE UNION	1159.3	1048.1	962.7	921	925	972	967	957	947.5
SOCIETY ENGINEERS	53.4	56.8	51.0	52	50	54	54	54	54
TOTAL	1,737.0	1,600.8	1,527.4	1,537	1,564	1,581	1,576	1,566	1,556.5

/C

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2 b) Toronto Hydro does not track the number of resources utilized via external
3 contractors or contracted external services on a FTE basis. In some instances, such as
4 with respect to design/build contractors, Toronto Hydro collects information about
5 external resources for the purpose of tracking access to its facilities and plant at a
6 given time.

7

8 c) Please see the table below, which provides the total annual FTEs on contract for a
9 defined term (i.e., “temporary staff”) over the 2011 to 2015 period.

2011 Actuals	2012 Actuals	2013 Actuals	2014 Bridge	2015Test
37.6	35.8	42.1	60	77

10 d) This information is not available, and cannot be produced within the timelines
11 provided.

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1 **INTERROGATORY 6:**

2 **Reference(s):** **Exhibit 4A, Tab 4, “Workforce Staffing and Compensation”**

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5 With regards [sic] to temporary staff:

6 a) Please provide the basis/criteria for hiring temporary staff.

7 b) Further to a), if the criteria is viewed to be cost efficiency [sic], please provide the
8 total annual cost savings for 2007 to 2019 and the annual savings per temporary FTE.

9 c) What is the average and longest duration that a temporary staffer is employed by
10 Toronto Hydro?

11 d) What is the retention strategy for temporary staff?

12 e) For 2007 to 2019, please provide the number of temporary staff who are then hired as
13 permanent staff on the Toronto Hydro payroll.

14 f) Please provide the estimated annual negative impact on productivity of employing
15 temporary staff for 2007 to 2019. This would include time required to train
16 temporary staff (both temporary staff time and internal staff time required to train
17 them), the “burn in” time as new temps become more skilled in their assigned work,
18 the loss of corporate memory when they leave, etc.

19

20

21 **RESPONSE:**

22 a) Hiring employees on contract for a defined term (i.e., “temporary staff”) allows the
23 utility to cost-effectively resource peak demands and maintain flexibility to support
24 operations. The hiring criteria are specific to each role, and consider both the
25 technical and behavioral competencies that are required to perform the job.

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1 b) The estimated annual savings per year and per average FTE, from 2011 to 2013, are
2 outlined in the table below. Toronto Hydro objects, on the basis of relevance, to
3 estimating pre-2011 cost savings, as this information predates the utility's last
4 rebasing application (EB-2010-0142), and has no probative value to deciding the
5 issues in this Application.

	Estimated Annual Cost Savings	Average Per FTE on a Defined Term
2011	\$ 827,733.07	\$ 22,023.94
2012	\$ 805,673.17	\$ 22,536.31
2013	\$ 971,997.14	\$ 23,096.96

6 c) The average duration is approximately one year and the longest duration is
7 approximately eight years.

8
9 d) There is no explicit retention strategy. However, these employees are encouraged to
10 apply for full-time vacancies when they become available.

11
12 e) The table below provides the number of temporary employees that have been hired
13 into a full-time positions from 2011 to 2014. Toronto Hydro objects, on the basis of
14 relevance, to providing pre-2011 information as it predates the utility's last rebasing
15 application (EB-2010-0142) and has no probative value to deciding the issues in this
16 Application.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
13	3	17	4

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- 1 f) Toronto Hydro's view is that the time invested in training temporary staff is offset by
- 2 the benefits that this approach provides; in particular, flexibility and cost containment
- 3 in satisfying functional requirements, and resourcing peak demands.