

Daliana Coban
Lead Regulatory Counsel
Toronto Hydro-Electric System Limited
14 Carlton Street
Toronto, ON M5B 1K5

Telephone: 416.542.2627
Facsimile: 416.542.3024
regulatoryaffairs@torontohydro.com
www.torontohydro.com



February 17, 2015

via RESS – signed original to follow by courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited (“Toronto Hydro”)
Custom Incentive Rate-setting Application for 2015-2019 Electricity Distribution Rates
and Charges (the “Application”) – Update to the Supplemental Response to Undertaking
J2.29-CUPE 9.**

Toronto Hydro writes to the Ontario Energy Board (“OEB”) in respect of the above-noted matter.

Enclosed please find the updated supplemental response to the Undertaking J2.29-CUPE 9, reflecting the addition of the 2018 information which had been omitted from the previous version due to an administrative error. Consistent with the original supplemental response, the updated version is being filed confidentially.

Please do not hesitate to contact me if you have any questions.

Yours truly,

[original signed by]

Daliana Coban
Lead Regulatory Counsel
Toronto Hydro-Electric System Limited
regulatoryaffairs@torontohydro.com

:encl.

:DC\DB\acc

cc: Charles Keizer and Crawford Smith
Maureen Helt
Ted Antonopoulos
Martin Davies
Intervenors of Record for EB-2014-0116

**TECHNICAL CONFERENCE UNDERTAKING RESPONSE TO
 CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL ONE**

1 **UNDERTAKING NO. J2.29-CUPE-9:**
 2 **Reference(s):** **CUPE Interrogatory 2 e)**

3
 4 **SUPPLEMENTAL RESPONSE:**

5 Further to the original response to Technical Conference Undertaking J2.29-CUPE-9,
 6 Toronto Hydro is providing the information on the 2015-2018 price increases for the civil
 7 and electrical design and construction contractors. The annual increase values represent a
 8 weighted average of the terms negotiated with six individual contractors, calculated on
 9 the basis of 2013 volumes of unit price work allocated among the contractors. Consistent
 10 with the OEB’s Decision on Confidentiality (January 7, 2015), Toronto Hydro is filing
 11 this information confidentiality.

12
 13 **Table 1: Weighted Average Annual Increases for Civil and Electrical Design and**
 14 **Construction Contractors**

Year	Civil	Electrical
2015	████	████
2016	████	████
2017	████	████
2018	████	████

/C

15 Based on this information, Toronto Hydro expects external contractors to retain a cost
 16 advantage over internal labour during the timeframe in question, based on the
 17 methodology in Exhibit 2B, Section C3.4. The utilization of design and construction
 18 contractor services enables the utility to complete the requisite volume of capital work in
 19 a safe and efficient manner, while providing the resourcing scalability and flexibility to
 20 account for changes in capital funding levels.