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November 20, 2018

File 95405

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**VIA EMAIL: BoardSec@oeb.ca**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor, P.O. Box 2319  
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

**Re: Hydro One Sault Ste. Marie LP**  
**Application for 2019 transmission rates and related matters**  
**Ontario Energy Board File Number: EB-2018-0218**

Please find attached the Power Workers' Union (PWU) interrogatories in the above proceeding.

Yours very truly,  
**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**

Richard P. Stephenson  
RPS:pb

Attach.

Doc 2720250 v1

COUNSEL  
Stephen Goudge, Q.C.

COUNSEL  
Ian G. Scott, Q.C., O.C.  
(1934 - 2006)

**Hydro One Sault Ste. Marie LP  
Application for 2019 transmission rates and related matters**

**Power Workers' Union Interrogatories**

**B1-PWU-1**

Ref: Exhibit B, Tab 1, Schedule 1, Page 19, Table 2-2

**Preamble:**

Table 2-2 indicates that investment on Lines equipment accounts for 69% of the Plan Period System Renewal investment.

**Question:**

- a) What per cent of this investment budget for Lines equipment is allocated to replacement of wooden support structures?

**B1-PWU-2**

Ref: Exhibit B1, Tab 1, Schedule 1, Page 27

**Preamble:**

In paragraph 3 of the above-noted reference Hydro One Sault Ste. Marie LP (HOSSM) states:

**Contractor Labour Efficiencies**

Given its relatively small staffing complement, HOSSM has historically relied on third party supplier labour for a number of capital work execution tasks, maintenance and equipment testing services, and preparation of planning and engineering studies, among other activity areas. As with equipment and materials, the ongoing integration will enable HOSSM to explore opportunities for leveraging a larger labour force and more preferential contractual arrangements. The scope, scale and timing of these potential efficiencies will depend on multiple factors;

including the terms of the existing arrangements and the availability of internal Hydro One resources to undertake previously contracted work.

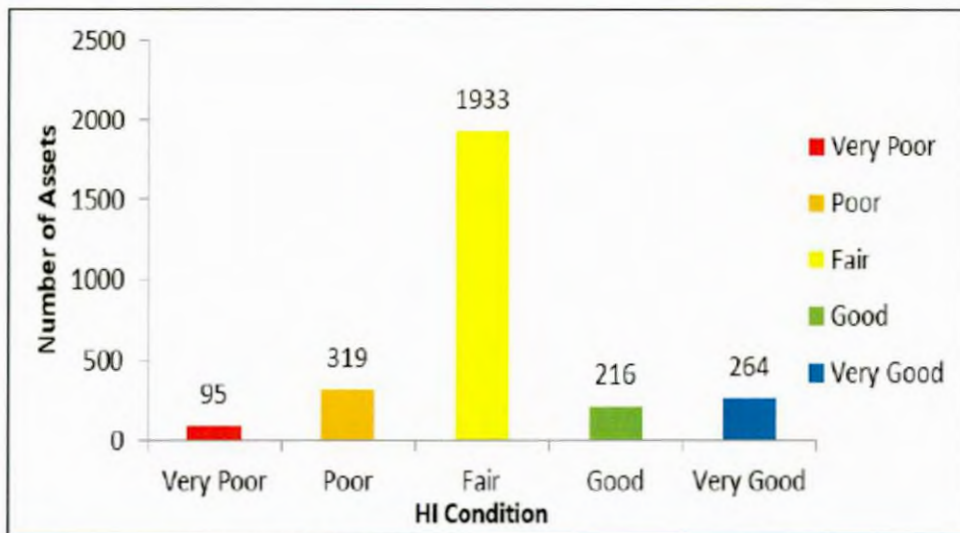
**Questions:**

- a) Please provide HOSSM's total staff complement –Regular and Temporary.
- b) Does HOSSM expect its staff complement to increase or decrease owing to the ongoing integration with Hydro One?
- c) What activities or work programs has HOSSM been contracting out on a regular basis?
- d) Has HOSSM conducted any preliminary studies or surveys with respect to the cost-effectiveness of contracted labour compared to the use of internal labour for all work programs that HOSSM outsources?

**B1-PWU-3**

Ref: Exhibit B1, Tab 1, Schedule 1, Page 122

**Preamble:**



**Figure 2 – Structures Health Index Distribution**

HOSSM notes:

All Very Poor, Poor and 98% of Fair structures depicted in the figure are Wood support structures. As Figure 3 showcases, a significant portion of HOSSM wood structures appear to reach Poor and Very Poor condition significantly ahead of the

40-year lifecycle typically used for the planning purposes when installing these assets.

For example, as many as 30% of wood structures aged up to 15 years appear to have reached Very Poor condition on the basis of information available for the Health Index calculation. Among the reasons for this is the extensive woodpecker damage that the wood structures are subjected to in the area, along with other issues such as pole top rot and carpenter ant damage. Installing composite fibreglass structures, consistent with the ongoing program for the last five years, provide a solution that aims to extend the lifecycles of deteriorated poles.

**Questions:**

- a) Please confirm that according to Figure 2, HOSSM's total number of structures (wood and composite fibreglass) is 2827.
- b) How many of these structures are wood and how many are composite fibre glass structures?
- c) Please provide the average age of the structures in each condition category: Very poor, Poor, Fair, Good and Very Good?
- d) Please populate the following table to show the number of structures for each of the following age categories:

Category	< 15 yrs	15-30 yrs	31-40 yrs	41-50 yrs	51-60 Yrs	>60	Total
Very Poor							95
Poor							319
Fair							1933
Good							216
Very Good							264

**B1-PWU-4**

Ref: Exhibit B1, Tab 1, Schedule 1, Pages 126-127

**Preamble:**

In the above-noted reference, HOSSM stated the following:

Note that capital investment for the wood pole replacement program will continue throughout the Plan period. However, the break in program expenditures for the 2019 to 2021 period corresponds to the timing of work on the Sault No. 3 line upgrades (ISD# SR-02), which includes conductor and associated wood support structure replacement to composite structures. The replacement of the wood

structure with composite structures continues, but the associated expenditures are captured in the dedicated project budget.

**Project Costs:**

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Capital Expenditures (\$M)	\$4.8	-	-	-	\$4.0	\$4.0	\$4.0	\$4.0	\$4.0	\$24.8

**Questions:**

- a) How many wood poles are replaced as a result of the Sault No. 3 line upgrades (ISD# SR-02) during the 2019-2021 period and how many of those to be replaced are in Very Poor, Poor, Fair, Good and Very Good condition?
- b) What is the number of wood poles replaced in each year of the 2018 -2026 replacement plan corresponding to the project cost table in the reference?
- c) What will be the share of wood poles in Very Poor and Poor condition by the end of the plan?
- d) At the given rate of replacement, how many years will it take to replace all wood poles that are currently in Very Poor and Poor condition?

**B1-PWU-5**

Ref: Exhibit B1, Tab 1, Schedule 1 – Transmission System Plan, Page 79

**Preamble:**

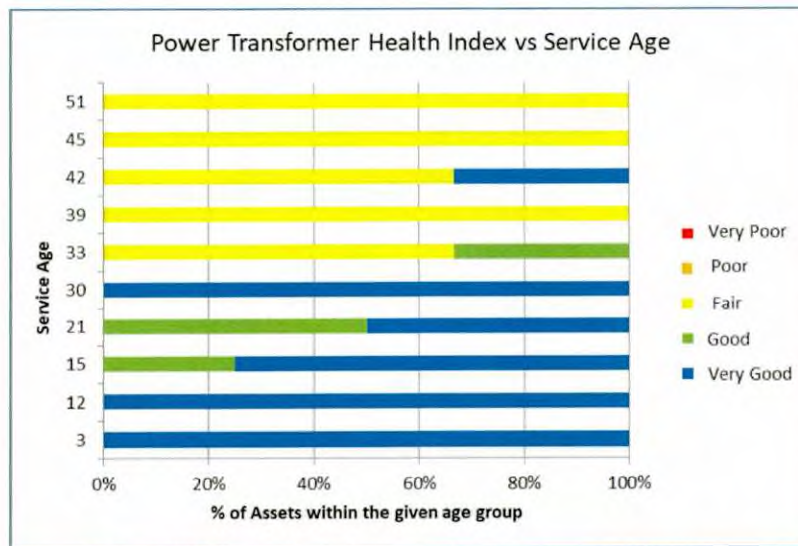


Figure 3-12: Power Transformer Health Index Scores vs. Unit Age

**Question:**

- a) Please explain how 100% of transformers that are 39 years old are in Fair condition whereas approximately over 30% of transformers that are 42 years old are in a Very Good condition?

**C1-PWU-6**

Ref: Exhibit C, Tab 1, Schedule 1 – Performance Measurement and Continuous Improvement, Pages 13-14 (proposed HOSSM Scorecard)

Total OM&A and Capital per Gross Fixed Asset Value, Sustainment Capital per Gross Fixed Asset Value and OM&A per Gross Fixed Asset Value

**Question:**

- a) How are the targets for the Cost Control measures, viz., Total OM&A and Capital per Gross Fixed Asset Value, Sustainment Capital per Gross Fixed Asset Value and OM&A per Gross Fixed Asset Value determined?