



November 13, 2009

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

Re: Toronto Hydro-Electric System Limited
Application for an Electricity Distribution Rate Change
Submission of AMPCO Interrogatories
Board File No. EB-2009-0139

Dear Ms. Walli:

In accordance with Procedural Order No. 1 dated October 19, 2009, attached please find AMPCO's interrogatories in the above proceeding.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely yours,

ORIGINAL SIGNED BY

Adam White
President

Association of Major Power Consumers in Ontario

Copy to: Toronto Hydro-Electric System Limited

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3. OPERATIONS, MAINTENANCE and ADMINISTRATION COSTS

Issue 3.4 Are the 2010 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate? Has Toronto Hydro demonstrated improvements in efficiency and value for dollar associated with its compensation costs?

Interrogatory #1

Reference: Exhibit C2/Tab 1/Schedule 5, page 5
Exhibit C2/Tab 1/Schedule 2, Appendix A

In the first reference, THESL states "In 2010, some 130 new employees will be hired into leadership, trades, technical and customer service positions, along with engaging contractors".

In the second reference, the increase in the number of employees from the 2009 Bridge Year (1630 FTEs) to the 2010 Test Year (1785) is shown as 155.

Please complete the following table to show the number of employees by position title, the business units that will house the positions, the programs supported, and the cost to each business unit.

Position Title	# of Positions	Business Unit	Program Supported	Cost \$
Total				

Interrogatory #2

Reference: Exhibit C2/Tab 1/Schedule 5, page 5

THESL expects over 690 employees from its workforce to retire from 2009-2018. THESL plans to manage the attrition issue by leveraging seasoned workers; replacing retiring employees; and increasing full-time complement in trades and technical jobs.

- What percentage of 2008 retiring employees have been replaced in the same base position (with the same duties)?
- How many retiring employees in 2008 and 2009 have not been replaced?

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- c) Is THESL required to complete a business case for approval for each position vacated by retirement to demonstrate the continued need for the position?
- d) What percentage of vacated positions in 2008 due to retirement were assessed and recast to perform new duties in the same or other business units? What were the cost implications?

Interrogatory #3

Reference: Exhibit C2/Tab 1/Schedule 5, page 5

On page 5, THESL says "selective replenishment and augmenting of other jobs will be done to meet business needs as required in the normal course of business.....".

- a) Please provide an explanation and provide an example to further explain what is meant by selective replenishment and augmenting of other jobs.
- b) Is selective replenishment and augmenting of existing jobs undertaken as part of attrition planning?

Interrogatory #4

Reference: Exhibit C2/Tab 1/Schedule 5, page 7

THESL states that from 2009 to 2010, approximately 50 technical apprentices, in design and engineering, will be hired who will be deployed to the distribution asset renewal plan or Smart Grid.

The technical apprenticeship lasts four and-a-half years. What specific activities related to Smart Grid does THESL anticipate these apprentices will be undertaking in 2013 to 2015?

Interrogatory #5

Reference: Exhibit F2/Tab 9/Schedule 1, page 6

THESL states that IT&S will be supporting the new and substantial requests for future investment in Smart Grid technologies and infrastructure; initiatives that will assist THESL in developing aspects of the GEGEA as well as financial implementation to support IFRS. An increase of four full time employees is planned to support these new technologies.

- a) What percentage of the four employees in 2010 will support the Smart Grid initiative and what is the basis for the allocation?
- b) What positions will be hired and what is the annual cost of each position including benefits?

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Interrogatory #6

Reference: Exhibit F2/Tab 9/Schedule 1, page 6

IT&S intends to convert 14 contractors to full-time positions.

- a) How many of the 14 full-time positions in 2010 will support the Smart Grid initiative?
- b) What are the full-time positions (job classification) that will be put in place to support Smart Grid?
- c) What specific activities will each position undertake and for which business units?
- d) What are the annual cost implications by position to convert a contractor to a full-time position taking into account employee benefits and pension costs?

Interrogatory #7

Reference: Exhibit F2/Tab 9/Schedule 1, page 7

THESL indicates that educational and training costs will increase in 2010 to provide training for the expanding technology that IT&S will support with new initiatives such as smart grid and related technologies.

Please provide the Educational and Training costs for the 2008 Historical, 2009 Bridge and 2010 Test Year.

4. CAPITAL EXPENDITURES and RATE BASE

Issue 4.2 Are the amounts proposed for 2010 Capital Expenditures appropriate including the specific Operational and Emerging Requirements categories?

Interrogatory #8

Reference: Exhibit D1 /Tab 8/Schedule 6-1, page 2

The Total Fleet and Equipment Services Budget increases in 2010 by 15.55% or \$1.5 M. THESL submits that it plans to add 8 vehicles in 2010.

- a) Please provide a list of the vehicles to be purchased in 2010?
- b) Please identify the staff positions that these vehicles will be supporting and the specific programs they will be supporting.
- c) Does THESL plan to purchase Photo Hybrid Electric Vehicles (PHEV) or biodiesel fuel trucks in 2010?

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Interrogatory #9

Reference: Exhibit F1 /Tab 7/Schedule 2, page 1
Exhibit D1, Tab 7, Schedule 1, page 9, Table 1

THESL submits at Exhibit F1/Tab 7/Schedule 2, page 1 that by the end of 2010, 80 percent of Large Commercial and Industrial services will have Smart Meters.

In Table 1 at Exhibit D1, Tab 7, Schedule 1, page 9, THESL forecasts smart meter installations from prior years, 2008, 2009, 2010 and 2011.

Please reproduce the table by adding a new row to this table to show the historical and forecast smart meter installations for the Large User rate class (>5000 kW).

Interrogatory # 10

Reference: Exhibit D1, Tab 8, Schedule 7, page 3

THESL submits that in 2010, \$0.4 million is budgeted under Other Metering Capital to replace interval meters currently installed at approximately 2,500 of THESL's largest customers' facilities, and meter test shop equipment.

- a) Will all 2500 interval meters be replaced in 2010? If yes, please provide a table to show the number of meter replacements and cost by relevant customer class.
- b) If no to a) please complete the following table by relevant customer class (including the Large Use class) to show the duration of the program and annual costs.

Customer Class	# of Interval Meters Replaced in Prior Years	Cost of replacement in Prior years (\$)	# of Interval Meter Replacements in 2010	Cost of replacement in 2010 (\$)	# of Interval Meter Replacements in Future Years	Cost of replacement in Future Years
Total						

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9. SMART GRID PLAN

- Issue 9.1** Does Toronto Hydro's Smart Grid Plan meet the Board's filing guidelines and the objectives set out in the Green Energy and Green Economy Act, 2009?
- Issue 9.2** Has Toronto Hydro appropriately addressed the Smart Grid Plan expenditures in the context of its overall Capital and O&M budgets?
- Issue 9.3** Is Toronto Hydro's approach to allocating Smart Grid Plan O&M and Capital costs to its distribution customers appropriate?

Interrogatory #11

Reference: Exhibit G1/Tab 1/Schedule 1, page 10
Exhibit G1/Tab18/Schedule 1, page 11, Table 2
Exhibit G1/Tab18/Schedule 1, page 12, Table 3

On page 10 of Exhibit G1/Tab1/Schedule 1, THESL indicates that the 2010 projects are derived from the three year plan of the smart grid roadmap.

Please reproduce Table 2 and Table 3 to include the expenditures anticipated in years 2011 and 2012 to illustrate the three year roadmap for THESL's Smart Grid Plan in more detail.

Interrogatory #12

Reference: Exhibit G1/Tab 1/Schedule 1, page 2

THESL states that its smart grid plan is driven in part by key activities such as the City of Toronto's Change is in the Air: Clean Air, Climate Change and Sustainable Energy Action Plan.

- a) What specific elements of the City's Change is in the Air plan is driving THESL's Smart Grid Plan?
- b) Since the release of the Green Energy and Green Economy Act, 2009 has THESL met with City of Toronto staff to discuss its Smart Grid Plan and integration with activities related to the City's Change is in the Air Plan? If so, please provide the dates, minutes and agreed upon outcomes of these meetings.
- c) Has THESL established any partnerships between the City of Toronto and others to implement its Smart Grid Plan? If so, please provide details on the partnerships and identify any potential cost savings.

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Interrogatory #13

Reference: Exhibit G1/Tab 1/Schedule 1, page 3

THESL states that it has been “proactively defining and planning for its Smart Grid since 2006.”

Reference: Exhibit G1/Tab 1/Schedule 1, page 6

In the evidence, THESL states that “A long term road map was developed to provide a clear path with actionable programs and projects to show how THESL can transition from the current state to achieving the smart grid vision.”

Please complete the following table to provide a summary of the activities completed since 2006 to build the Smart Grid to its current state, and for each year show the capital and operating expenditures.

Project	Description	2006		2007		2008		2009	
		cap	op	cap	op	cap	op	cap	op

Interrogatory #14

Reference: Exhibit G1/Tab 1/Schedule 1, page 6

Under Strategic Principles for Deployment, THESL states that through an in-depth understanding of the smart grid requirements and state of the industry, three strategic principles were developed to guide the implementation of the smart grid.

- a) Has THESL undertaken a “best practices scan” of local and global activities related to Smart Grid requirements and state of the industry to inform THESL’s Smart Grid Plan in the current application.
- b) If yes to a) please identify and describe the three most relevant studies/projects and how the lessons learned/results of these studies were applied to THESL’s Smart Grid Plan. Please provide links to the relevant studies.

Interrogatory #15

Reference: Exhibit G1/Tab 1/Schedule 1, page 7

THESL’s Smart Grid Plans (three year, three-to- ten year, and 25 year plans) were based on the following criteria: necessity to deliver on government policy and ability to generate short term results; customer needs and expectations; technology trends and readiness; and feasibility and capacity to execute, both from a financial and a skills availability perspective.

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- a) Please describe the stakeholder consultations undertaken by THESL in the past to assess customer needs and expectations that were used to inform its Smart Grid Plans.
- b) What stakeholder consultation activities on the Smart Grid Plan or other GEA initiatives are planned for 2010 and beyond?

Interrogatory #16

Reference: Exhibit G1/Tab 1/Schedule 1, page 7

THESL has indicated that the selected demonstration area is located in North York and the area was selected due to factors such as reliability levels, equipment and smart meters installed, and customer diversity.

Is the Large User class represented in the selected demonstration area?

Interrogatory #17

Reference: Exhibit G1/Tab 1/Schedule 1, page 12 & 13

In Table 2 THESL lists the 2010 Smart Grid projects related to Operations and in Table 3 THESL lists 2010 Smart Grid projects related to Information Technology.

Please add a column to each table ranking the projects in order of priority and include an explanation for the ranking.

Interrogatory #18

Reference: Exhibit G1/Tab 1/Schedule 2, page 10

THESL states that its smart grid plan is driven in part by key activities such as the Advanced Feed in Tariff (FIT).

Please provide a summary of the projects in THESL's franchise area that are driven by FIT projects by type, location and size, as well as supporting information or analysis to support the project uptake that THESL anticipates.

Interrogatory #19

Reference: Exhibit G1/Tab 1/Schedule 2, pages 10-13

On pages 10 to 12, THESL provides a brief description of the Environmental Sustainment Project and a general overview of the initiatives that are planned or being considered. On page 13 THESL summarizes the project costs in Table 6 at \$450,000.

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Please provide a detailed list of the projects/studies and expenditures in 2010 that make up the \$450,000 and include the party that will be undertaking the study (i.e. THESL staff or external consultants).

Interrogatory #20

Reference: Exhibit G1/Tab 1/Schedule 3, page 1

In the evidence, THESL describes the Customer Portals Pilot Project that includes Customer Display Integration, Web Energy Portal and Outage Management System Integration.

Please indicate the customer classes to which this project applies.