

1 **OTTAWA RIVER POWER CORPORATION (“ORPC”)**
2 **RESPONSES TO INTERROGATORIES OF THE**
3 ***VULNERABLE ENERGY CONSUMERS COALITION***
4 **(“VECC”)**

5

6 **QUESTION #1**

7 **Reference:** Exhibit 1, Tab 2, Schedule 4 and
8 Exhibit 4, Tab 5, Schedule 1

- 9 a) Please provide a copy of the any and all agreements underpinning the loan(s)
10 from ORPC to ORES.
- 11 b) If the current loan agreement in place replaces any previous arrangements,
12 please provide a copy of the agreement(s) that have been superceded.

13

14 **RESPONSE:**

- 15 a) The loan from ORPC to ORES is governed by clause 12 of the agreement included
16 in the application as Exhibit 1/2/4/1.
- 17 b) This is the original agreement between the two corporations.

18

1 **QUESTION #2**

2 **Reference:** Exhibit 1, Tab 2, Schedule 4 and
3 Exhibit 1, Tab 2, Schedule 4, Attachment 1

- 4 a) Please confirm that since ORES (“Energy”) has no employees, all requests
5 originating from ORES in respect of direction and work orders for accounting
6 and administration services and for invoicing are made by employees of
7 ORPC.
- 8 b) Given the terms of the SLA, are some employees of ORPC allocated entirely
9 to work on behalf of ORES? Please explain.
- 10 c) Does the return on invested capital to be included in a cost based price, as
11 mentioned in paragraph 8 b) of the second referenced exhibit, refer to an
12 equity return or a WACC? If the former, does this not imply an over-collection
13 of costs?
- 14 d) Please identify any assets that “Energy” holds that could, in principle, be sold
15 to “Power.”

16 .

17 **RESPONSE:**

- 18 a) ORES has no employees. All requests originating from ORES in respect of direction
19 and work orders for accounting and administration services and for invoicing are
20 made by employees of ORPC.
- 21 b) No employee of ORPC is allocated entirely to work on behalf of ORES. All work
22 required by ORES (like any other customer) goes through a work order system of
23 ORPC and the actual time and corresponding costs of the employee is charged to
24 that job.
- 25 c) ORPC charges ORES a cost-based price for services rendered, which includes all II
26 direct costs of the service such as labour, material and equipment charges. For
27 example the direct costs of labour are comprised of actual wages, and benefits (EI,
28 CPP, OMERS, etc). The direct costs of material include the material itself and the
29 costs associated with ordering, receiving it and shipping the material. The cost of
30 equipment, namely trucks includes all truck expenses such as gas, maintenance and

1 insurance. In addition, a 15% markup is added to these costs, as an allocation of
2 indirect costs (depreciation, return on capital, administrative overhead). No analysis
3 has been made to quantify the rate of return on invested capital; any such analysis
4 would be subjective based on the asset values allocated to the affiliate services.

5 Presently ORES only charges ORPC for internet services, consistent with market
6 rates. From 2000 to May 2009, ORES had provided meter reading services to ORPC
7 on a cost basis: ORES contracted out the meter reading to an independent
8 contractor and charged this price plus indirect costs to ORPC.

9 d) The assets that could potentially be sold to "Power" include water heaters and
10 sentinel lights.

11

1 **QUESTION #3**

2 **Reference:** Exhibit 2, Tab 3, Schedule 1 and
3 Exhibit 2, Tab 3, Schedule 3, Attachment 1

- 4 a) Please provide details with respect to the 2010 line truck purchase (\$133K)
5 including the year, make, and model of the truck to be purchased and the
6 year, make, and model, and mileage of the truck being replaced.
- 7 b) Has the line truck been purchased? If so, please provide details.
- 8 c) Please indicate where this capital expenditure is shown in the Fixed Asset
9 Continuity Statements.
- 10 d) Please confirm that this vehicle is not included in the \$302K additions shown
11 for 2010 on page 19 of the second referenced exhibit and explain where this
12 acquisition is shown.
- 13 e) Please provide a list showing the year, make, model, mileage, and use of all
14 vehicles in ORPC's 2010 rate base.
- 15 f) Please provide a list showing the year, make, model, mileage, and use of all
16 vehicles in ORPC's 2006 rate base.

17 .

18 **RESPONSE:**

- 19 a) \$133K represents the variance in the ending balance for account #1930 between
20 2009 and 2010, which reflects additions of \$302K and a disposal of \$169K. : see
21 Exhibit 2/3/3/1, p.19. The 2010 truck purchase was budgeted at \$285K and is
22 included in the additions for the year.

23 The new truck will be a 2010 Altec radial boom derrick, Model DM47-BC mounted an
24 International cab and chassis model 4400 and Protek fiberglass body.

25 It will be replacing a 1992 King/Telect radial boom derrick, mounted on an
26 International cab and chassis with a King fiberglass body. The mileage on the
27 chassis is 106,000 km.

- 28 b) The truck was ordered in 2009 with delivery expected in September 2010.

- 1 c) See response to part (a).
- 2 d) See response to part (a)
- 3 e) Vehicles in ORPC's 2010 rate base:

Unit	Year	Make	Model	Use	Milage
1	1994	Altec/Freightliner	RBD	Lines	43,172
3	2005	Posiplus/International	42 Ft Bucket	Lines	36,437
4	2003	Chev	Minivan	Cust Service	134,455
5	2002	Ford	½ Ton	Lines	143,068
6	2004	Chev	Malibu	Admin	135,107
7	2001	Dodge	Minivan	Cust Service	140,300
8	2008	Posiplus/International	50 Ft Bucket	Lines	32,386
9	1990	Telelect/International	RBD	Lines	145,946
10	2008	Dodge	Minivan	Cust Service	58,372
11	1997	Amador/International	70 Ft Bucket	Lines	107,075
14	2001	Dodge	½ Ton	Lines	121,100
28	2007	Dodge	Minivan	Cust Service	39,793

- 5 f) Vehicles in ORPC's 2006 rate base:

Unit	Year	Make	Model	Use	Milage
1	1994	Altec/Feightliner	RBD	Lines	37,231
3	2005	Posiplus/International	42 ft Bucket	Lines	16,955
4	2003	Chev	Minivan	Cust Service	86,228
5	2002	Ford	½ Ton	Lines	84,700
6	2004	Chev	Malibu	Admin	86,246
7	2001	Dodge	Minivan	Cust Service	91,432
8	1992	Telelect/International	55 Ft Bucket	Lines	135,916
9	1990	Telelect/International	RBD	Lines	112,162
10	1991	GMC	Van	Cust Service	46,598
11	1997	Amador/International	70 Ft Bucket	Lines	9,958
14	2001	Dodge	½ Ton	Lines	83,917

6

7

1 **QUESTION #4**

2 **Reference:** Exhibit 2, Tab 4, Schedule 3

- 3 a) Please indicate where the \$133K line truck purchase is shown in this exhibit.
- 4 b) Please explain why there was no Annual Pole Replacement work done in
5 2009.
- 6 c) Please provide the number of poles replaced in each year from 2004-2009
7 inclusive.
- 8 d) Please explain why there was no spending on tool and equipment
9 replacement in 2009.
- 10 e) With respect to capital additions for 2010, please provide a year-to-date total
11 broken down by project.
- 12 f) With respect to capital additions for 2010, is ORPC on track to spend as
13 forecasted? Please explain.
- 14 g) With respect to capital additions for 2010, please provide the total
15 contingency amounts included in the project forecasts.
- 16 h) With respect to capital additions for 2010, please provide a table showing
17 which projects are to be completed using ORPC's resources only and which
18 projects are to be completed using some 3rd party or affiliated resources. For
19 those projects or project components that are not to be completed using
20 internal resources solely, please indicate how the contractor was chosen, i.e.,
21 sole source, RFP, etc.
- 22 i) With respect to capital additions for 2010, is the \$24K booked to Account
23 #1805 for the purchase of additional land, i.e., a non-depreciating asset?
- 24 j) With respect to capital additions for 2010, please confirm that the capital
25 costs in respect of Building shown for project 1 between lines 7 and 8 on
26 page 8 should be \$6K, not \$46K.
- 27 k) With respect to capital additions for 2010, please provide details of the
28 SCADA upgrade project (\$80K).
- 29 l) With respect to capital additions for 2010, specifically project 7 ("Construct
30 Cold Storage Building"), please explain (i) where stores material and work
31 equipment was stored in prior years and (ii) why this building is needed.
- 32 m) With respect to capital additions for 2010, specifically project 13 ("Annual O/H
33 and U/G Services and Upgrades") were the expenditures based on the

1 annual DSC inspection? If so, please provide the DSC inspection on which
 2 they were based.

3 n) With respect to capital additions for 2010, are any of the planned
 4 expenditures related to projects that have been deferred from earlier years?
 5 If so, please provide details.

6 o) Please provide the annual capital budgets approved by ORPC's Board of
 7 Directors for each year 2006-2010 inclusive

8 .

9 **RESPONSE:**

10 a) See response to previous question, part (a). The truck purchase is included in project
 11 2010-18, see page 14 of the reference.

12 b) Pole replacements are included under project 2009-8: see page 4 of the reference.

13 c) Pole replacements from 2004 to 2009 were approximately as follows:

2004	2005	2006	2007	2008	2009
32	48	39	39	56	37

14
 15 d) During 2009, no additional small tools or equipment were required.

16 e) ORPC's 2010 year-to-date spending is attached as Appendix A to these responses.

17 f) 2010 expenditures are expected to be in line with the budget. More particularly:

18

Account(s)	Capital Spending Update
1805/1808/1820	YTD expenditures are low but station work is completed and will be paid for in August and September. Planned cold storage building will be completed in the fall
1830 /1855	Pole work on replacements and betterments is part of the summer and fall work load
1850	Transformer installations for the downtown development, Almonte residential projects and a apartment building are planned in late fall
1860	Meters are capitalized at the end of the year
1925	Computer software purchased in August
1930	Trailer was received in August. Delivery of the RDB is scheduled for September

19

- 1 g) The project costs are dependent upon the type of projects. It is not always feasible to
 2 define the project, prepare an estimate and add a contingency. For example
 3 residential and commercial development budgeting is not determined from specific
 4 projects, but rather on expected activity levels based on discussions with municipality
 5 and developers, historical trends, and in certain cases committed projects that are
 6 underway. Based on a forecasted level of activity and typical costs adjusted by
 7 inflation a budget number is established. Betterment projects are identified and
 8 preliminary estimates are completed with a 10% contingency added. Larger
 9 equipment (trucks, software, etc) are budgeted based on budget quotes from
 10 suppliers. The budget is established based on this information and adjusted using
 11 past experience for the degree of uncertainty that may be encountered as the
 12 procurement process is undertaken.
- 13 h) Please find below a table showing which projects are to be completed using ORPC's
 14 resources only and which projects are to be completed using some 3rd party or
 15 affiliated resources:

Project	Resources	External Resources
New Residential Construction	ORPC	
Commercial Development –	ORPC	
Almonte System Improvements – Hope Street completion, 44 line pole betterment and A/B switch on Victoria.	ORPC	Rock Hole Drilling when required is contracted out based on quotations
Smart Meter Program – The installation of 5800 meters.	ORPC	Long standing metering contractor contracted for 1500 meters – Sole Source based on needed experience
Radial Boom Derrick purchase		Tendered
SCADA Computer and Software Upgrade		Sole Source to present supplier
Pembroke Downtown Street Redevelopment	ORPC	Civil Works completed by the City under road contract
Pole Replacement Program.	ORPC	
Station grounding at Sub 3/7 and transformer vector correction at Sub 3.	ORPC	Grounding System Design by Quotation

- 1 i) The capital addition relates to land improvements (a non-depreciating asset).
- 2 j) ORPC confirms these costs should appear as \$6K, not \$46K
- 3 k) The SCADA system originally purchased in 1991 from Quintar was upgraded to a
4 current version using newer technology. Support for the existing version was
5 problematic. The project involved replacement of the master station (computer,
6 networking equipment, and software), programming for setup, transfer of data and
7 training.
- 8 l) The items that would be stored in the cold storage building are presently being
9 stored outside. This would include a chipper, two trailers, spare station parts and
10 aluminum conductor. Inside storage would get the equipment out of the elements
11 and deter the theft of bare conductor. In addition there is some equipment in the fleet
12 garage (trencher and back hoe) that would be moved to reduce congestion in the
13 garage.
- 14 m) This work addressed aging plant that was identified by operations staff.
- 15 n) The substation project was a continuation of work that began in 2009. None of the
16 projects are purely deferrals from 2009.
- 17 o) Appendix B to this document provides the annual capital budgets as approved by
18 ORPC's Board of Directors. Note that not all capital expenditures are included in the
19 rate base e.g. smart meter deployment.

20

1 **QUESTION #5**

2 **Reference:** Exhibit 3, Tab 1, Schedule 1 (including Attachment 1)

3 a) Please provide a schedule setting out Ottawa River's customer count by
4 class for the latest month in 2010 for which actual data is available.

5

6 **RESPONSE:**

7 a)

Customer Class Name	# of customers
Residential	8892
General Service Less Than 50 KW	1385
General Service 50 to 4,999 KW	143
Unmetered Scattered Load	73
Sentinel Lighting	208
Street Lighting	2313

8

1 **QUESTION #6**

2 **Reference:** Exhibit 3, Tab 1, Schedule 2, Attachment 1 (Load Forecast
3 Report)

- 4 a) With respect to page 7, Are there any more recent employment forecasts
5 available from either Scotia or TD? If so please provide the individual
6 forecasts, please update the average and please provide an updated 2010
7 weather corrected wholesale forecast.
- 8 b) Please provide an updated 2010 weather corrected forecasts using assuming
9 an employment forecast of 1.2% for Ontario for 2010.
- 10 c) Please provide a schedule that for months January 2010 to July 2010 sets
11 out:
- 12 i) The monthly weather corrected wholesale forecast as prepared by
13 Elenchus
14 ii) The actual monthly wholesale purchases
15 iii) The actual HDD and CDD values for the month
16 iv) The weather normal adjustment for month based the equation coefficients
17 from Table 3 and the difference between the actual HDD/CDD values and
18 those used to define "weather normal" (per Table 5)
19 v) The weather adjusted actual use calculated as (ii) + (iv)
- 20 d) With respect to page 9, please provide the 2009 share calculation for Ottawa
21 River's Street Lighting, Sentinel Lighting and USL classes.
- 22 e) Please provide a schedule that for these three classes contrasts the forecast
23 usage for 2010 as prepared by Elenchus with the results of applying the 2009
24 shares for each class to the forecast 2010 weather corrected wholesale
25 kWhs.

26

27 **RESPONSE:**

- 28 a) Yes. As of August 27, TD has a forecast dated May 26, 2010 and Scotia has a
29 forecast dated June 16, 2010 on each of the banks' public websites. Using the
30 updated forecasts for these two institutions as requested, Table 6 on page 7 would
31 appear as follows:

32

1 **2010 Employment Forecast – Ontario (annual percentage change), per**
 2 **latest TD & Scotia forecasts**

BMO (April 23, 2010)	RBC (Mar 2010)	Scotia (June 16, 2010)	TD (May 26, 2010)	Avg
1.1	1.3	1.2	1.2	1.2

3

4 Using the updated employment growth of 1.2 per cent, the 2010 weather normal
 5 wholesale kWh forecast is 205,461,754 kWh (compared with the previous value of
 6 205,347,942).

7 b) See response to part (a).

8 c) The following table sets out the monthly weather normal wholesale forecast prepared
 9 by Elenchus for January through July 2010, along with monthly actual wholesale
 10 deliveries, actual monthly HDD and CDD, and the monthly HDD and CDD deviations
 11 from “weather normal” as used by Elenchus for the load forecast, as requested by
 12 VECC in parts i),ii), and iii).

2010 Energy Purchases and Degree Days

	Wholesale kWh		Heating Degree Days (HDD)			Cooling Degree Days (CDD)		
	Forecast	Actual	Actual	Norm	Variance	Actual	Norm	Variance
Jan-2010	21,289,864	21,755,879	789.2	853.6	(64.4)	0	0	0.0
Feb-2010	20,134,410	17,815,005	655.8	742.2	(86.4)	0	0	0.0
Mar-2010	18,885,343	15,910,382	460.7	632	(171.3)	0	0	0.0
Apr-2010	16,190,824	15,285,409	258.1	353.4	(95.3)	1.6	1.2	0.4
May-2010	14,638,270	14,659,962	112.3	156.9	(44.6)	38.2	9.5	28.7
Jun-2010	15,138,291	14,033,572	37.6	36.4	1.2	33.4	61.5	(28.1)
Jul-2010	16,021,969	17,607,673	4.5	6.2	(1.7)	150.8	98	52.8
TOTAL	122,298,971	117,067,883	2,318.2	2,780.7	(462.5)	224.0	170.2	53.8

13 In part (iv), VECC requests that the “weather normal adjustment for month based the
 14 equation coefficients from Table 3 and the difference between the actual HDD/CDD
 15 values and those used to define ‘weather normal’ (per Table 5)” be calculated. We
 16 interpret the request to mean that only the coefficients for HDD and CDD from the
 17 equation displayed in Table 3 would be used, which yields the following results for
 18 parts (iv) and (v)::

2010 Adjusted Energy Purchases

Month	Heating	Cooling	Total	Adjusted Actual kWh's
Jan-2010	610,855	0	610,855	22,366,734
Feb-2010	819,023	0	819,023	18,634,028
Mar-2010	1,623,353	0	1,623,353	17,533,736
Apr-2010	903,580	(11,248)	892,332	16,177,741
May-2010	422,499	(851,020)	(428,522)	14,231,441
Jun-2010	(11,470)	831,188	819,718	14,853,289
Jul-2010	16,115	(1,564,397)	(1,548,282)	16,059,391
TOTAL	4,383,955	(1,595,478)	2,788,476	119,856,360

1

2 According to Elenchus, this calculation should not be characterized as a "weather
 3 normal adjustment". The regression equation from which the coefficients are drawn
 4 includes other explanatory variables (employment) and a constant term, which are
 5 estimated jointly in the equation.

6 d)

2009 kWh Shares

	kWh	Share
Wholesale Total	199,850,043	
Street Lighting	2,414,487	1.21%
Sentinel Lighting	265,370	0.13%
USL	437,952	0.22%

7 e)

2010 weather-normal kWh forecast per 2009 class shares

	Adjusted Forecast	Load Forecast Report
Street Lighting	2,480,909	2,414,487
Sentinel Lighting	272,671	265,370
USL	450,000	437,952

8

1 **QUESTION #7**

2 **Reference:** Exhibit 3, Tab 1, Schedule 3, Attachment 1

3 a) Please provide a schedule that sets out the actual 2009 billing quantities for
 4 charges to Ottawa River for Transmission Network and Connection service.
 5 Please calculate the charges for each service based on 2010 rates and 2009
 6 billing determinants.

7

8 **RESPONSE:**

9 a)

HONI Transmission Network Charges

2010 Rate: 2.65		
	kW's	Charge
Jan-09	36,925	97,851
Feb-09	33,153	87,855
Mar-09	30,718	81,403
Apr-09	23,500	62,275
May-09	19,269	51,063
Jun-09	28,359	75,151
Jul-09	22,842	60,531
Aug-09	29,961	79,397
Sep-09	26,761	70,917
Oct-09	26,842	71,131
Nov-09	28,981	76,800
Dec-09	34,682	91,907
TOTAL	341,993	906,281

BEMI

2010 Rate: 2.395		
	kW's	Charge
Jan-09	0	0
Feb-09	7,991	19,138
Mar-09	7,648	18,317
Apr-09	12,201	29,221
May-09	14,181	33,963
Jun-09		0
Jul-09	12,070	28,908
Aug-09	12,112	29,008
Sep-09	14,580	34,919
Oct-09	9,061	21,701
Nov-09	4,137	9,908
Dec-09	2,792	6,687
TOTAL	96,773	231,771

TOTAL Transmission Network Charges

	kW's	Charge
Jan-09	36,925	97,851
Feb-09	41,144	106,994
Mar-09	38,366	99,720
Apr-09	35,701	91,496
May-09	33,450	85,026
Jun-09	28,359	75,151
Jul-09	34,912	89,439
Aug-09	42,073	108,405
Sep-09	41,341	105,836
Oct-09	35,903	92,832
Nov-09	33,118	86,708
Dec-09	37,474	98,594
TOTAL	438,766	1,138,053

HONI Transmission Connection Charges

2010 Rate: 1.50		
	kW's	Charge
Jan-09	36,925	55,388
Feb-09	33,153	49,730
Mar-09	30,718	46,077
Apr-09	23,500	35,250
May-09	19,269	28,904
Jun-09	28,359	42,539
Jul-09	22,842	34,263
Aug-09	29,961	44,942
Sep-09	26,761	40,142
Oct-09	26,842	40,263
Nov-09	28,981	43,472
Dec-09	34,682	52,023
TOTAL	341,993	512,990

TOTAL Transmission Connection Charges

	kW's	Charge
Jan-09	36,925	55,388
Feb-09	33,153	49,730
Mar-09	30,718	46,077
Apr-09	23,500	35,250
May-09	19,269	28,904
Jun-09	28,359	42,539
Jul-09	22,842	34,263
Aug-09	29,961	44,942
Sep-09	26,761	40,142
Oct-09	26,842	40,263
Nov-09	28,981	43,472
Dec-09	34,682	52,023
TOTAL	341,993	512,990

1 **QUESTION #8**

2 **Reference:** Exhibit 3, Tab 3, Schedule 1, Attachments 1 and 2

- 3 a) Given that the total number of Residential and GS customers increases in
4 2010 over 2009, why are the SSS Admin Charge revenues constant?
- 5 b) Please explain the basis for the 2010 forecast for Revenues from
6 Merchandise, Jobbing, Etc (Account #4325).
- 7 c) Please explain the significant changes in Interest and Other Income (Account
8 #4405) for i) 2008 to 2009 and ii) 2009 to 2010 as shown in Attachment 1.
- 9 d) Please explain why the forecast value for Account 4405 differs as between
10 Attachments 1 and 2.
- 11 e) Please explain the increase in Miscellaneous Non-Operating Income
12 (Account #4390) from 2008 to 2009.

13

14 **RESPONSE:**

- 15 a) The projected revenue from SSS Admin Charges is an estimate which pre-dates the
16 Load Forecast. The impact of aligning the revenue projection with the load forecast
17 would be an increase of \$123, which is not material.
- 18 b) In 2008 and 2009, ORPC performed an atypical volume of work for its affiliate
19 ORES, helping to build a fibre optic network. This work was a one-time project as
20 part of the government's eHealth initiative, which will not continue in the future. As of
21 the end of June 2010, year-to-date revenues from jobbing were \$35,585, in line with
22 the forecast for 2010.
- 23 c) Excluding interest on deferral and variance account balances, which fluctuates
24 based on account balances and does not impact the revenue requirement, interest
25 income from bank deposits and investments decreased from \$262K in 2008 to
26 \$168K in 2009, primarily due to lower cash balances and lower interest rates. From
27 2009 to 2010, interest income from bank deposits and investments is projected to

1 decrease from \$168K to \$110K, again due to a declining cash balance and lower
2 interest rates.

3 d) The values appearing in Attachment 2 for 2010 are incorrect. The correct values are
4 as follows:

Interest on bank deposits and investments	\$110,000
Interest income of deferral/variance accounts	(\$21,180)
TOTAL – Account 4405	\$88,820

5

6 e) The increase reflects higher contract revenues from the Ontario Power Authority
7 (“OPA”) to deliver energy conservation programs. ORPC acknowledges that OPA
8 contract revenues should not be included in its offsets to the base distribution
9 revenue requirement, in accordance with Board policy which states: *Revenues*
10 *earned from OPA-funded CDM activities are to be kept separate from (i.e. not used*
11 *to offset) the distributor’s distribution revenue requirement.*¹ ORPC is therefore
12 amending its application to reduce its revenue offsets by \$10,000, which represents
13 its projection for OPA contract revenues in 2010 in line with the amount (see
14 response to Board Staff question #1).

15

¹ Ontario Energy Board, Guidelines for Electricity Distributor Conservation and Demand Management (EB-2008-0037), March 28, 2008, page 17

1 **QUESTION #9**

2 **Reference:** Exhibit 4, Tab 4, Schedule 1

- 3 a) Please provide all materials underpinning ORPC's decisions to adjust the
4 president's salary in 2008, including any surveys, committee review
5 materials, Board minutes, and any other relevant materials.
- 6 b) Please provide all materials underpinning ORPC's decisions to adjust other
7 salaries on April 1, 2010 and again in July 1, 2010, including any surveys,
8 committee review materials, Board minutes, and any other relevant materials
- 9 c) Please provide details as to the other management, executive, and
10 administrative staff adjustments made in 2010.
- 11 d) Were any of ORPC's unionized staff given salary adjustments in 2010 that
12 were not covered by a collective agreement? If so, please explain why.
- 13 e) Please provide a copy of the current collective agreement(s) between ORPC
14 and its unionized employees.
- 15 f) The exhibit states, "*The committee plans to make further adjustments to*
16 *certain management salaries over a number of years, in order to bring these*
17 *to their cohorts' levels.*" Please elaborate and include specifics regarding the
18 cohorts' levels, the cohort group, the planned changes, and the rationale
19 thereof for making these changes.
- 20 g) Please provide a table similar to Table 1 on page 2 that shows staffing levels
21 by department for each year 2006-2009 inclusive.
- 22 h) Please provide the annual operating budgets approved by ORPC's Board of
23 Directors for each year 2006-2010 inclusive.

24

25 **RESPONSE:**

- 26 a) The president's salary was reviewed by the Human Resources Committee of
27 ORPC's Board of Directors, presented to the Board for approval at an in-camera
28 meeting on September 25, 2008, and implemented in January 2009. ORPC staff was
29 not privy to the deliberations. The resolution adopted by ORPC's Board of Directors,
30 redacted to conceal the salary amount, is attached as Appendix C to these
31 responses.

1 b) The management and supervisory salaries were reviewed by ORPC's Human
2 Resources Committee in April 24, 2010 and adjustments were recommended to the
3 ORPC's Board of Directors, based on a review of historic salary and benefit levels,
4 comparison to other LDC's using the MEARIE 2009/2010 Management Salary
5 Survey, relativity to ORPC union positions, comparison to City of Pembroke salary
6 levels, and other local comparators from current job postings.

7 The briefing notes used by the Committee, redacted to conceal individual salaries,
8 are attached as Appendix D to these responses.

9 The key source of data was the MEARIE survey report. This report is proprietary
10 information of the MEARIE Group; as such ORPC is not permitted to disclose its
11 contents. A copy of the MEARIE Group's terms is attached as Appendix E to these
12 responses.

13 c) Other non-unionized staff (3 individuals) received a 3% wage increase effective July
14 1, 2010, which is in line with the union contract.

15 d) No: salary adjustments for unionized staff were in accordance with the current
16 collective agreements.

17 e) The requested collective agreements are attached to these responses as Appendix F
18 (Office and Technical Department) and Appendix G (Operations Department).

19 f) It was determined that the adjustment approved by ORPC's Board did not put the
20 management group a par with similarly sized utilities in the MEARIE Survey.
21 Direction was given to the President and HR Committee to undertake an annual
22 review of the remuneration for the management and supervisory group and report to
23 ORPC's Board. No specific plan changes or adjustments have been directed by
24 ORPC's Board.

25 g) See table below:

Staffing Levels By Department				
	2006	2007	2008	2009
Management	6	5.5	5	5
Line Department	8	8	8	9
Service Department	4	4	4	4
Office Staff, Admin, IT	8	8	9	9

1

2 h) See table below:

**Operating Budgets as Approved
 by ORPC's Board of Directors**

	2006	2007	2008	2009	2010
REVENUE					
DISTRIBUTION REVENUE	3,404,000	3,595,000	3,500,000	3,515,000	3,632,000
OTHER OPERATING REVENUE	89,595	140,000	120,000	111,000	120,000
OTHER INCOME/DEDUCTIONS	37,500	55,000	40,000	60,000	120,000
INVESTMENT INCOME	101,000	190,000	245,000	177,868	95,000
TOTAL REVENUES	3,632,095	3,980,000	3,905,000	3,863,868	3,967,000
OPERATING COSTS					
DISTRIBUTION EXPENSES - OPERATION	355,964	358,000	348,877	362,477	360,476
DISTRIBUTION EXPENSES - MAINTENANCE	478,349	490,000	454,890	551,893	689,278
BILLING AND COLLECTING	481,824	513,000	604,064	566,386	708,427
COMMUNITY RELATIONS	49,696	125,000	51,734	56,471	58,625
ADMIN AND GEN'L EXPENSES	663,748	780,000	741,709	766,354	810,412
AMORTIZATION EXPENSES	605,000	730,000	780,000	786,935	757,000
INTEREST EXPENSE-Promissory Notes	405,673	405,000	405,000	405,000	405,000
INTEREST EXPENSE-Regulatory Assets				50,000	60,000
TOTAL OPERATING COSTS	3,040,254	3,401,000	3,386,273	3,545,516	3,849,218
INCOME BEFORE TAXES	591,841	579,000	518,727	318,352	117,782
TAXES	100,000	173,700	140,000	73,000	30,000
PROFIT (LOSS)	491,841	405,300	378,727	245,352	87,782

3

1 **QUESTION #10**

2 **Reference:** Exhibit 4, Tab 5, Schedule 1

3 a) Have there been any changes to the corporate cost allocations of shared
4 services methodology since 2006? If so, please provide details.

5 b) Please explain the methodology used to calculate the difference between
6 Price and Cost for a return on capital.

7

8 **RESPONSE:**

9 a) There have been no changes in methodology since 2006.

10 b) A consistent markup of 15% was used; see ORPC's response to VECC question
11 #2(c).

12

1 **QUESTION #11**

2 **Reference:** Exhibit 7, Tab 1, Schedule 1, Attachment 1

3 a) With respect to page 6, the Elenchus report states that the 2010 Cost Allocation
 4 model used the forecast 2010 forecast customer count and loads. However,
 5 neither the customer count by class nor the kWhs by class as set out in Sheet I6
 6 of the 2010 Cost Allocation Model match the forecast values from Exhibit 3.
 7 Please reconcile.

8 b) Please file a schedule that sets out the 2010 revenue to cost ratios for each class
 9 assuming that the 2009 rates were all increased by the same percentage
 10 sufficient to recover the requested Base Distribution Revenue Requirement. In
 11 performing the calculation please use the 2010 revenues at existing rates from
 12 Exhibit 3, Tab 2, Schedule 1, Attachment 1, page 2 (i.e., excluding the LV adder
 13 and reduced by the transformer ownership discount).

14

15 **RESPONSE:**

16 a) The 2010 Cost Allocation model used in the application used data from an outdated
 17 version of the load forecast. Pursuant to Board Staff IR #1, a corrected Cost
 18 Allocation model has now been submitted, as well as ensuing changes to revenue
 19 allocation and rate design in an updated RateMaker model.

20 b) Please see the following table (note that the Allocated Cost reflects the values in the
 21 Cost Allocation model as originally filed):

<i>2010 Revenue to Cost ratios per existing revenue proportions</i>	Base Rev. Requir.¹	Misc. Revenue	Service Rev. Requir.	Allocated Cost ²	Revenue to Cost Ratio
Residential	2,283,972	210,955	2,494,927	2,387,171	1.05
General Service Less Than 50 kW	708,337	88,007	796,344	931,945	0.85
General Service 50 to 4,999 kW	897,908	59,082	956,990	759,850	1.26
Unmetered Scattered Load	25,462	603	26,065	8,154	3.20
Sentinel Lighting	7,330	1,510	8,840	20,565	0.43
Street Lighting	49,533	17,811	67,344	242,824	0.28
TOTAL	3,972,542	377,968	4,350,510	4,350,510	1.00

¹ Response to VECC IR #12(a)

² Exhibit 7/1/2/1

1 **QUESTION #12**

2 **Reference:** Exhibit 7, Tab 1, Schedule 2, Attachment 1

- 3 a) Please confirm that the determination of Base Revenue Requirement by
 4 customer class (page 1) at Existing Rates is based on rate that included the
 5 LV adder and made no allowance for the transformer ownership discount.
- 6 b) Please explain why, when the Revenue to Cost Ratio for Residential already
 7 exceeds 100%, Ottawa River is proposing Residential revenues in its Rate
 8 Application that are higher than what would result from simply maintaining the
 9 revenue allocation proportions based on the Existing Rates (e.g. \$2,412,448
 10 vs. \$2,233,951).

11

12 **RESPONSE:**

- 13 a) ORPC confirms the assertion in the question. The following table presents the same
 14 data, excluding the LV adder and allowing for the transformer allowance discount:

2010 Base Revenue	Existing Rates		New Base Revenue Requr.
	Net Dist. Revenue ¹	%	
Residential	2,043,761	57.49%	2,283,972
General Service Less Than 50 kW	633,839	17.83%	708,337
General Service 50 to 4,999 kW	803,473	22.60%	897,908
Unmetered Scattered Load	22,784	0.64%	25,462
Sentinel Lighting	6,559	0.18%	7,330
Street Lighting	44,324	1.25%	49,533
TOTAL	3,554,741	100.00%	3,972,542

¹ Exhibit 3/2/1/1, p.2

- 15 b) ORPC's proposed 2010 revenue-to-cost ratios were set with reference to the ratios
 16 resulting from the 2006 EDR cost allocation model, and not with reference to
 17 revenue proportions from existing rates. Using ORPC's proposed revenue allocation,
 18 the Residential class is the only one which would receive a lower revenue-to-cost
 19 ratio than the one indicated in the 2006 EDR cost allocation model. ORPC further
 20 notes that in previous rebasing decisions, the Board has accepted the use of the
 21 2006 EDR ratios as an appropriate starting point.

1 **QUESTION #13**

2 **Reference:** Exhibit 8, Tab 2, Schedule 1

- 3 a) The text (pages 1-2) states that the for the GS<50 class the maximum upper
4 boundary was used to set the 2010 service charge. However, the proposed
5 2010 service charges is \$22.41, which is the same as the 2009 charge and
6 higher than the upper boundary (\$22.13) as shown in Sheet O2 of the Cost
7 Allocation Model. Please reconcile.
- 8 b) With respect to the GS>50 class, the upper boundary for the service charge
9 is shown in Sheet O2 as \$297.48 which is lower than the lower boundary
10 value of \$432.66 as also shown in Sheet O2. Please reconcile.
- 11 c) Contrary to page 1, the proposed monthly service charge for USL (\$5.82)
12 exceeds the upper boundary for the class (\$5.41) as calculated by the Cost
13 Allocation model (Sheet O2). Please reconcile and confirm Ottawa River's
14 proposal for this class.

15

16 **RESPONSE:**

- 17 a) ORPC acknowledges that the proposed monthly service charge ("MSC") for the
18 GS < 50kW class exceeds the upper boundary from the cost allocation model. The
19 referenced text should have stated that ORPC proposes to maintain the existing
20 monthly service charge for the GS < 50kW class, in accordance with Board policy
21 that states: *Distributors that are currently above this [ceiling] value are not required to*
22 *make changes to their current MSC to bring it to or below this level at this time.*²
- 23
24 b) The explanation is provided in the referenced schedule: see page 1, lines 22-25. The
25 cost allocation model specifies the minimum charge is determined based on the
26 model's 'Avoided Costs' approach, however in this case a lower MSC rate was
27 produced by the 'Minimum System costs with PLCC adjustment'.

² Report of the Board: Application of Cost Allocation for Electricity Distributors (EB-2007-0667),
November 28, 2007, section 4.2.2

1 c) ORPC acknowledges that the proposed MSC rate for the USL class exceeds the
2 upper boundary from the cost allocation model. The referenced text should have
3 stated that ORPC proposes to maintain the existing split of base revenue from fixed
4 and variable charges. Although the resulting MSC rate would remain higher than the
5 upper boundary from the cost allocation model, in ORPC's view the Board policy
6 mentioned in part (a) of this response does not require the MSC rate to be lowered to
7 the upper boundary from the cost allocation model.

8

1 **QUESTION #14**

2 **Reference:** Exhibit 8, Tab 3, Schedule 1, and Attachment 1

3 a) What are the supply arrangements that give rise to transmission charges
4 from BEMI?

5 b) Does BEMI own/operate transmission facilities in Ontario and, if so, is it
6 licensed by the OEB to do so?

7 c) Please show the supporting calculations for the 17.8% and 7.5% increases.

8

9 **RESPONSE:**

10 a) Please refer to Exhibit 1/3/3 for a description of the supply arrangements with BEMI.

11 b) Transmission of power delivered to ORPC from BEMI is provided by Great Lakes
12 Power Transmission, which is licensed by the OEB and is wholly owned by
13 Brookfield Energy.

14 c) The blended average supply transmission rates appear in Attachment 2 of the
15 referenced schedule. The 17.8% and 7.5% increases represent the change from
16 2009 rates (the latest rates used in the historical variance analysis) and the 2010
17 rates:

Supply Transmission Rates (blended average)

	2010	2009	% change
Network	\$2.6242	\$2.2273	17.82%
Connection	\$2.1400	\$1.9900	7.54%

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Appendices

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Appendix A	Q. #4(e)	2010 Year-to-Date Capital Spending by Project
Appendix B	Q. #4(o)	2006 – 2010 Capital Budgets
Appendix C	Q. #9(a)	Resolution of ORPC's Board of Directors re: President's Salary (Redacted)
Appendix D	Q. #9(b)	Briefing Notes of ORPC's Human Resources Committee (Redacted)
Appendix E	Q. #9(b)	MEARIE Group salary survey report terms
Appendix F	Q. #9(e)	Collective Agreement with IBEW Local 742 (Office and Technical Department)
Appendix G	Q. #9(e)	Collective Agreement with IBEW Local 742 (Operations Department)

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Appendix A

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2010 YEAR-TO-DATE CAPITAL SPENDING BY PROJECT

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**2010 Capital Projects
July Year-to-Date Actuals**

Account:		1805	1808	1820	1830	1835	1840	1845	1850	1855	1860	1915
Project Number	Project Description	Land	Building	Distribution Stations	Poles, Towers Fixtures	Overhead Conductors & Devices	Underground Conduit	Underground Conductors & Devices	Line Transformers	Services	Meters	Furniture
2010-01	Station Grounding											
2010-02	Sub Stations Betterment			34,565								
2010-03	Annual Pole Replacement				18,995	75,619	38,308					
2010-04	New Residential Development				5,791			60,369	11,354	16,534		
2010-05	Commercial Development								2,096	23,476	3,806	
2010-06	Office Building Improvements		6,366									
2010-07	Construct Cold Storage Bldg											
2010-08	Pembroke St Rebuild (Beach.)											
2010-09	Hope Street Completion											
2010-10	Pembroke Alexander St											
2010-11	Almonte 44KV A/B											
2010-12	Ergonomic Project											4,519
2010-13	Annual O/H and U/G Services & Upgrades											
2010-14	Computer Hardware											
2010-15	Computer Software - CIS System											
2010-16	Computer Software - Other Software											
2010-17	Tool and Equipement Repla											
2010-18	Transportation Equipment											
2010-19	SCADA											
TOTAL		0	6,366	34,565	24,786	75,619	38,308	60,369	13,450	40,010	3,806	4,519

**2010 Capital Projects
July Year-to-Date Actuals**

Account:		1920	1925	1930	1940	1955	1980	1995
Project Number	Project Description	Computer Hardware	Computer Software	Transportation Equipment	Tools & Equipment	Comm Equip	SCADA	Contributed Capital
2010-01	Station Grounding							
2010-02	Sub Stations Betterment							
2010-03	Annual Pole Replacement							
2010-04	New Residential Development							(56,488)
2010-05	Commercial Development							
2010-06	Office Building Improvements							
2010-07	Construct Cold Storage Bldg							
2010-08	Pembroke St Rebuild (Beach.)							
2010-09	Hope Street Completion							
2010-10	Pembroke Alexander St							
2010-11	Almonte 44KV A/B							
2010-12	Ergonomic Project							
2010-13	Annual O/H and U/G Services & Upgrades							
2010-14	Computer Hardware							
2010-15	Computer Software - CIS System		1,050					
2010-16	Computer Software - Other Software							
2010-17	Tool and Equipment Repla							
2010-18	Transportation Equipment							
2010-19	SCADA						69,123	
TOTAL		0	1,050	0	0	0	69,123	(56,488)

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Appendix B

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2006 – 2010 CAPITAL BUDGETS

4

ORPC 2005 Capital Budget

	<u>2005</u>
Distribution Plant	
1805 Land	60,000
1806 Land Rights	
1808 Building and Fixtures	
1820 Stations	200,000
1830 Poles	123,650
1835 OH Conductor	146,100
1840 Ducts	-
1845 UG Cable	59,250
1850 Transformers	147,900
1855 Services	39,905
1860 Meters	107,490
	<u>884,295</u>
General Plant	
1908 Buildings	10,000
1915 Furniture	4,000
1920 Hardware	5,000
1925 Software	95,000
1930 Vehcles	30,200
1940 Tools & Equipment	10,000
1955 Comm. Equipment	
1970 Load Mgm Equipment	
1980 SCADA	
	<u>154,200</u>
	<u>1,038,495</u>
Contributed Plant	13,250
Total Installed Capital	1,051,745
Capital Contributions	142,000
New Money	<u>\$ 896,495</u>

09-Dec-04

ORPC 2006 Capital Budget

	<u>2006</u> Budget
Distribution Plant	
1805 Land	77,100
1806 Land Rights	
1808 Building and Fixtures	150,000
1820 Stations	217,000
1830 Poles	114,150
1835 OH Conductor	200,440
1840 Ducts	-
1845 UG Cable	46,200
1850 Transformers	106,850
1855 Services	44,350
1860 Meters	79,550
	<u>1,035,640</u>
General Plant	
1908 Buildings	23,000
1915 Furniture	4,000
1920 Hardware	19,500
1925 Software	58,000
1930 Vechcles	30,700
1940 Tools & Equipment	10,000
1955 Comm. Equipment	
1970 Load Mgm Equipment	
1980 SCADA	
	<u>145,200</u>
	<u>1,180,840</u>
Contributed Plant	13,250
Total Installed Capital	1,194,090
Capital Contributions	108,300
New Money	<u>\$ 1,072,540</u>

08-Jan-05
Approvd by Board January 19, 2005

ORPC 2007 Capital Budget

	2007 Budget
Distribution Plant	
1805 Land	20500
1806 Land Rights	
1808 Building and Fixtures	49,000
1820 Stations	465,660
1830 Poles	68,800
1835 OH Conductor	135,016
1840 Ducts	-
1845 UG Cable	46,200
1850 Transformers	124,650
1855 Services	44,255
1860 Meters	138,620
	<u>1,092,701</u>
General Plant	
1908 Buildings	28,700
1915 Furniture	5,700
1920 Hardware	6,000
1925 Software	110,000
1930 Vechcles	75,000
1835 Stores Equipment	2,200
1940 Tools & Equipment	10,000
1955 Comm. Equipment	1,000
1970 Load Mgm Equipment	0
1980 SCADA	
	<u>238,600</u>
	<u>1,331,301</u>
Contributed Plant	13,250
Total Installed Capital	1,344,551
Capital Contributions	121,000
New Money	<u>\$ 1,210,301</u>

15-Jan-07

ORPC 2008 Capital Budget

	2008 Budget
Distribution Plant	
1805 Land	24,000
1806 Land Rights	
1808 Building and Fixtures	
1820 Stations	527,875
1830 Poles	75,360
1835 OH Conductor	79,594
1840 Ducts	5,340
1845 UG Cable	54,280
1850 Transformers	123,470
1855 Services	66,705
1860 Meters	520,840
	<u>1,477,464</u>
General Plant	
1908 Buildings	63,400
1915 Furniture	4,000
1920 Hardware	42,100
1925 Software	206,300
1930 Vechcles	211,000
1835 Stores Equipment	-
1940 Tools & Equipment	10,000
1955 Comm. Equipment	
1970 Load Mgm Equipment	
1980 SCADA	
	<u>536,800</u>
	<u>2,014,264</u>
Contributed Plant	13,250
Total Installed Capital	2,027,514
Capital Contributions	80,000
New Money	<u>\$ 1,934,264</u>

15-Jan-08

ORPC 2009 Capital Budget

	2009 Budget
Distribution Plant	
1805 Land	24,000
1806 Land Rights	
1808 Building and Fixtures	6,000
1820 Stations	472,800
1830 Poles	96,730
1835 OH Conductor	89,190
1840 Ducts	5,340
1845 UG Cable	70,430
1850 Transformers	117,762
1855 Services	90,300
1860 Meters	539,900
	<u>1,512,452</u>
General Plant	
1908 Buildings	54,500
1915 Furniture	4,000
1920 Hardware	6,000
1925 Software	5,000
1930 Vehcles	15,000
1835 Stores Equipment	
1940 Tools & Equipment	10,000
1955 Comm. Equipment	1,000
1970 Load Mgm Equipment	
1980 SCADA	
	<u>95,500</u>
	<u>1,607,952</u>
Contributed Plant	63,000
Total Installed Capital	
Capital Contributions	103,000
New Money	<u>\$ 1,504,952</u>

15-Jan-08

ORPC 2010 Capital Budget

	2010 Budget
Distribution Plant	
1805 Land	24000
1806 Land Rights	
1808 Building and Fixtures	6,000
1820 Stations	5,800
1830 Poles	103,470
1835 OH Conductor	80,490
1840 Ducts	51,000
1845 UG Cable	82,350
1850 Transformers	179,420
1855 Services	87,200
1860 Meters	825,200
	<u>1,444,930</u>
General Plant	
1908 Buildings	54,000
1915 Furniture	8,000
1920 Hardware	6,000
1925 Software	18,700
1930 Vechcles	302,000
1835 Stores Equipment	
1940 Tools & Equipment	10,000
1955 Comm. Equipment	3,700
1970 Load Mgm Equipment	
1980 SCADA	80,000
	<u>482,400</u>
	<u>1,927,330</u>
Contributed Plant	13250
Total Installed Capital	1,940,580
Capital Contributions	103,000
New Money	<u>\$1,824,330</u>

12-Jan-10

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Appendix C

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**RESOLUTION ADOPTED BY ORPC'S BOARD OF
DIRECTORS RE: PRESIDENT'S SALARY (REDACTED)**

5

SEPT. 25/08.

MOTION TO BOARD WITH REFERENCE TO
REMUNERATION FOR DOUG FEE, UTILITY
"OFTDA RIOTR POWER CORP" MANAGER.

MOVED THAT THE SALARY FOR MR. FEE
BE SET AT (redacted) ANNUAL ELECTION
OCTOBER 1, 2008. THAT AN ANNUAL
SALARY / PERFORMANCE REVIEW BE DONE ON
AN ANNUAL BASIS AND NO LATER THAN OCTOBER
1st OF SAID YEAR.

MOVED BY M. MARRAS,
AND P. PINNER.

APPENDUM: THAT DOUG FEE OBTAIN EDA
COMP. FOR FUTURE NEGOTIATION
ANALYSIS.

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Appendix D

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**BRIEFING NOTES OF ORPC'S HUMAN RESOURCES
COMMITTEE (REDACTED)**

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Memorandum

Confidential

To: ORPC Human Resources Committee
From: Doug Fee
Date: November 13, 2009
Re: Supervisors Salary Review

At the time of the settlement of the IBEW contract the Board asked that I bring a review of the supervisory staff salary to the Board. It was indicated the best comparators for such a review would be the rates paid by other utilities in our industry. The EDA conducts a salary survey of member utilities on a subscription basis each year. We contacted EDA and subscribed for this service. The results of the survey based on 2009 rates was received in September.

The supervisory group consists of four supervisors Jane Wilkinson, Shelley Morris, Brian Boudens and Lyle Jamieson, Administrative Assistant Mary Hellingman, IT and Technical Justin Allen, and Billing Representative Nicole Pederson for a total of seven staff.

The following information is attached in support of the review:

1. ORPC/ORES Organization Chart
2. 2008 Utility Remuneration – The table provides the 2008 remuneration for the entire staff. The base rate as well as additional payments is shown to allow relativity to be seen with the unionized staff. Union staff, As allowed by the contract union staff are all paid premium rates for overtime. Supervisors are not normally paid overtime except when responding to emergency outages or when there are work demands that cause an abnormal amount of overtime work. In 2008 there were two projects, the AECL tower and the Harris Conversion that meant some overtime work by Brian and Shelley respectively. Lyle would have some overtime due to storm response work for HONI that would have been paid by HONI.
3. EDA Salary Survey – The EDA does salary reporting on a couple of criteria. Reporting is done by utility customer size and the utility employee size. Utilities organization can be such that a utility with a large customer base can have a

smaller staff due to contracting out or due to low or no growth. ORPC has a customer base of 11,000 customers and an employee complement of 26.

4. City of Pembroke - The City provided their current non union salary schedule for comparison purposes.
5. Other Comparators -- The supervisory staff has provide some other comparators for the use HR Committee
6. Benefit Summary -- In addition to wages the supervisory group has the following benefits which for the most part are those provided the union group.

Benefit	Details	Notes
Health	Dental Plan Extended Heath Care Vision Plan	
Retirement	OMERS	Jointly Paid 7% + 7%
Clothing	Work clothes and boots	For operational supervisors
Vacation	Same as Contract	Credit given to some degree for new supervisors
Telephone	Home telephone line basic charge paid by ORPC	Lyle, Brian, Jane, Shelley

Beyond the data provided in the following attachments there are a number of considerations when looking at reviewing the supervisory rates:

- Rates - hourly vs. annual salary. A lesson learned during the pay equity adjustments in the mid 1990's was the use of hourly rates for comparison rather than annual salary's. While office staff typically works 35 hours at week (1820/year) vs. operating staff at 40 hours/week (2080/year).
- Presently we have an approved rate rather than a rate band. Normally a rate band would be established that reflect the learning curve of the position. Sometimes the band would allow for high performance (i.e. an end rate that normally would be achieved except for extraordinary performance.
- Past practice has had the same annual salary for the three senior supervisors
- Employment contracts have not been put in place for this group.
- In the past the supervisory group has automatically has had their remuneration adjusted at the same time as the union contract has been settled using the same percentage. While this is easy to implement and keeps piece in the family there is an argument for separating the board review of supervisors remuneration from the union at a separate time.

Ottawa River Power

In Camera Meeting - April 24, 2010

The meeting of the Board of Directors of the Ottawa River Power Corporation was moved into an In Camera session for Personnel Matters.

Marcel Mantha presented a report on supervisors remuneration that was requested at the last Board meeting. Mr. Mantha and Mr. Finner met on March 2, 2010 to review salary comparators from the EDA 2009/2010 Salary Survey for similar sized utilities, the City of Pembroke and other community comparators. It was found that some of the management and supervisory staff were behind their counterparts in other utilities. A follow up meeting was held on March 17, 2010 with the management and supervisory staff that were deemed to be behind.

The HR Committee recommended that a 10% adjustment be made effective April 1, 2010 with a further adjustment of 3% on July 1, 2010.

A motion by moved by Doug Leach and seconded by Garnet Krantz to support the HR Committee recommendation. Carried

Further, the General Manager was asked to bring the item forward next year for consideration of the board.

The In Camera session was closed on a motion of Doug Leach, seconded by Marcel Mantha.

Confidential
ORPC Management and Union Exempt Salaries

Position	Min	Max	Current Rate
President and CEO	<i>(Redacted)</i>		
Chief Financial Officer			
Line Superintend			
CS Supervisor			
Admin Assistant			
Billing Supervisor			
IT & Eng Tech			
Bill Clerk- Almonte			
Part Time Clerk-Almonte			

Effective July 1, 2010, approved per Apr Board Mtg

_____ Approved

_____ Date

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Appendix E

MEARIE GROUP SALARY SURVEY REPORT TERMS

This 2009/2010 Management Salary Survey report for LDCs, including documentation, reports, programs, diskettes and all aspects and modifications thereof contains the proprietary information of The MEARIE Group. No part of this report may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, or information storage and retrieval systems, without the prior written consent of The MEARIE Group. Redistribution or reproduction of the material is expressly forbidden. The use of the survey report is limited to the original buyer or recipient. The survey report is intended for the internal use of the buyer only.

The MEARIE Group
3700 Steeles Ave West
Suite 1100
Vaughan, Ontario
L4L 8K8



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Appendix F

**COLLECTIVE AGREEMENT WITH IBEW LOCAL 742
(OFFICE AND TECHNICAL DEPARTMENT)**

(OFFICE AND TECHNICAL DEPARTMENT)

COLLECTIVE AGREEMENT

between

OTTAWA RIVER POWER CORPORATION

hereinafter REFERRED to as the “COMPANY”

and

ITS EMPLOYEES AS REPRESENTED BY

LOCAL 742

of the

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

hereinafter REFERRED to as the “UNION”

JULY 1, 2008 TO JUNE 30, 2011

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Page 20	Article I-17 – Duration of Agreement

Article I-1 - Recognition

The Company hereby recognizes the Union as the sole collective bargaining agent for all employees of the Company save and except supervisors, persons above the rank of supervisor, students, operations staff, sales staff, and persons regularly employed for not more than 24 hours per week.

“Application”

Whenever the feminine gender is used in this agreement, it shall also imply the masculine.

Article I-2 - Management’s Rights

The Union acknowledges that the Company has the exclusive right to manage its business and direct the working force, make amend and enforce such rules and regulations as shall from time to time be required consistent with the terms of this agreement.

Article I-3 - Union Security

I-3:01

Employees who are now members of the Union shall remain members, and new employees shall become members within thirty (30) days of hire.

I-3:02

Employees covered by this agreement will have regular monthly Union Dues deducted for this first four (4) weeks of each month beginning in the first full month of employment. Amounts so deducted shall be forwarded to the financial secretary of the Union by the fifteenth (15th) day of each calendar month following the month of deduction along with a duplicate copy of the names of employees from whom the deductions have been made. Any changes in the amount of dues shall be submitted in writing by the Union to the Company, thirty (30) days before such changes are put into effect. In consideration of the deduction and forwarding service by the Company, the Union agrees to indemnify and save harmless the Company against any claim or liability arising out of or resulting from the collection and forwarding of the regular monthly dues.

I-3:03

The parties agree that there will be no discrimination, interference, restraint, or coercion exercised or practiced by the parties with respect to any employee. There will be no Union activity at the work place of the employee during working hours, except as is provided for under this agreement.

I-3:04

When Management schedules a meeting which may be anticipated to result in discipline to an employee, the Union Steward shall be present except when the employee advises the Union Steward, in writing, that they would rather not have him/her present at the meeting.

I-3:05

There will be no strikes or lockouts as defined in the Ontario Labour Relations Act during the term of this agreement.

I-3:06

In the event that a new utility be formed in Renfrew County, that as a condition of transfer assets, staff being a very valuable portion of the assets, that staff is included in any transfer.

I-3:07

In the event of severance as a result of amalgamation of utilities, the Company will recommend that all employees, regardless of present utility, are treated in a fair and equivalent manner relevant to current utility industry standards.

Article I-4 - Company Service Credit

I-4:01

Credit for Company Service shall accrue to regular employees whether or not they are members of the bargaining unit. The Company recognizes years of service as previously recognized by the amalgamated utility.

I-4:02

An employee shall lose her service credit and shall cease to be an employee of the Company if she:

1. terminates voluntarily;
2. is discharged and not reinstated;
3. retires;
4. is laid off for a period exceeding ten (10) calendar months;
5. fails to report to work after a layoff within ten (10) working days of recall, notice of which has been mailed by registered mail to the last address the employee has reported to Management;
6. is absent from work for three (3) or more working days without permission unless the employee provided the Company with documented evidence of unavoidable reasons for not reporting to work;
7. at the end of 24 months, is disabled and unable to perform any available work for the Company.

I-4:03

An employee shall have pro-ration of vacation and recognized holidays on the basis of time worked when an employee is:

1. on any leave of absence without pay for a period exceeding thirty (30) calendar days;
2. absent from work with pay for a period exceeding ninety (90) calendar days, or in the case of an employee on WSIB, absent from work with pay for a period exceeding one hundred and eighty (180) calendar days.

I-4:04

Employees shall maintain but not accumulate service credit during a period of a layoff.

I-4:05 - Job Posting & Selection

When Management fills a promotional vacancy within the Bargaining Unit for a regular position, it shall be posted for a period of seven (7) calendar days on one bulletin board in each of the Line, Office, and Service Department and the Mississippi Mills' offices in order to give employees an opportunity to make an application for the new position. The job posting will contain the job classification, required education, skills, and prerequisites and rate of pay for the job classification. Management shall not be precluded from selecting a candidate from outside the existing Bargaining Unit if no employees have the requisite qualifications, skills and ability to perform the job. The name(s) of the successful applicant shall be posted on the four (4) department bulletin boards for a period of five (5) working days.

I-4:06

Where qualifications, skill and ability are relatively equal among applicants, Company Service Credit shall be the deciding factor when making promotion decisions.

I-4:07 - Layoff and Recall

In the event an employee is to be laid off, that employee will have the alternative of being laid off or bumping an employee who has less company service credit provided the employee is qualified to perform the work or can demonstrate, given a training/orientation period of ten working days, the ability to perform the work. Recall will be inverse order of layoff.

Article I-5 - Employee Categories

I-5:01 – Temporary

Temporary employees are persons hired for periods of up to twelve (12) months in positions, which are not likely to become part of the Company continuing organization. Should a temporary employee be retained as a regular employee immediately following the temporary period, the time accrued during this temporary period shall be credited to the probationary period. The temporary periods may be extended by mutual consent. Temporary employees would have the rights provided to regular employees except as provided in:

1. Article I-4 - Company Service Credit
2. Article I-9 - Recognized Holiday
3. Article I-11 - Sick Pay
4. Article I-12 - Medical Health Plan
5. Article I-13 - Pension & Insurance
6. Article I-14 - Bereavement Leave
7. And the right to grieve termination at the end of the temporary term

I-5:02 - Probationary

Probationary employees are persons hired on trial to determine their suitability for continuing employment in regular positions. An employee shall be considered probationary for a 6-calendar month period. At the end of her probationary period, her date of hiring will be established as 6 calendar months prior to the date she attains 6 calendar months' service. During this period of probation she shall not be considered as having regular status, and shall not be entitled to any of the rights or privileges accruing to regular employees, with the following exceptions:

1. Sick leave
2. Recognized holiday pay
3. Vacation pay
4. Company contributions and entry into Medical Hospitalization Plan
5. Grievance procedure other than discharge or termination

I-5:03 - Regular

Regular employees are persons who have satisfactorily served a probationary period and who are employed in full time positions of a continuing nature.

Article I-6 - Grievance & Arbitration Procedure

I-6:01 - Grievance Definition

For the purpose of this agreement, a dispute, claim or complaint between the Company or employees, or group of employees or the Union, which involves the interpretation, application, administration, or alleged violation of this agreement shall be considered a fit matter for grievance and shall be dealt with promptly and as specified below:

I-6:02 - Grievance Procedure

Time limits set out for the processing of a grievance shall be rigidly adhered to; except in the case of a mutual agreement to alter the time limits.

Step 1

1. An employee or group of employees believing she (they) has (have) a grievance shall, within (five) 5 working days of the alleged grievance occurrence, present said grievance in writing to the immediate supervisor.
2. Within 3 working days of receipt of the grievance, the supervisor will discuss the matter with the aggrieved employee(s). The supervisor shall give his disposition in writing within three (3) working days of such discussion.

Step 2

If the grievor(s) is not satisfied with the reply at Step 1, she may, within five working days of the reply at Step 1, submit the grievance to the Manager or her designated representative, who shall within five working days of the receipt of the grievance at this Step, convene a meeting of a Joint Grievance Committee comprised of the President and other management staff as may be deemed to be helpful in the resolution of the grievance and a duly formed Union Committee. The President shall give the disposition in writing within five working days of the Joint Grievance Committee Meeting.

I-6:03 - Arbitration Procedure

Failing settlement of Step 2, the Union shall within fifteen (15) working days of the issuance of the disposition at Step 2, notify the Company of its intention to submit the grievance to arbitration, and at the same time, inform the Company of the Union nominee to an Arbitration Board, which will then be processed in accordance with the Ontario Labour Relations Act.

I-6:04

No Board of Arbitration shall have the power to alter or change any of the provisions of this agreement or to substitute any new provision for any existing provision, or to provide a decision which is inconsistent with any term or provision of this agreement. However, in cases of disciplinary action, the Board may have the right to alter the disciplinary action. Failing a unanimous or majority award of the Board, the decision of the Chairperson shall be the decision of the Board.

I-6:05

Each party to this agreement will bear the expense and fees of its arbitrator and the parties will share equally the expenses and fees of the Chairperson.

I-6:06

For purposes of dealing with grievances and subsequent negotiations, the Company will recognize a Union Committee of two employees who may have assistance from the Union Business Representative and/or the International Representative.

I-6:07

The Company agrees to pay the employee's normal wages for grievance meetings during normal working hours.

Union-Company Grievances

"A grievance arising directly between the Company and the Union may be submitted by either party in writing at the second step of the grievance procedure and dealt with through the respective representative of the parties. In the case of a Company grievance, the Business Manager of the Union shall give her reply within five working days of the Joint Grievance Meeting and failing settlement, the provisions for arbitration referral shall apply equally to the Company. It is expressly understood that the provisions of the paragraph may not be used to institute a complaint or grievance directly affecting an employee or employees which such employee or employees or the steward could institute and the regular grievance procedure shall not thereby be "by-passed".

Article I-7 - Hours of Work and Overtime

I-7:01

This section provides the basis for establishing work schedules and for the calculation and payment of overtime, but shall not be read or construed as a guarantee of hours of work per day or week or a guarantee of days of work per week.

I-7:02 - Office Staff

The normal workweek shall consist of five (5) working days, seven (7) hours in length from Monday to Friday inclusively for a total of thirty-five (35) hours per week. The normal workday will commence at 8:30 a.m. and finish at 4:30 p.m. with a one (1) hour lunch. Summer hours will be from 8:00 a.m. to 4:00 p.m. with 1 hour unpaid lunch. With mutual consent of Union and Management, summer hours will normally start in May and end in October. The Company recognizes and acknowledges the willingness of the office employees to alter hours in the office to a longer workweek if necessary.

I-7:03

Rest Break Guidelines:

- 1. A fifteen (15) minute paid rest break shall be provided for employees in the morning and afternoon periods.**
- 2. Breaks should minimize the impact on delivery of services to customers as much as possible.**
- 3. Employees should be sensitive to the public image of the utility when taking rest breaks.**
- 4. Employees shall endeavor to conduct personal business during lunch and rest periods.**
- 5. Crew rest breaks can be shifted to the start or end of a shift to allow for efficient work scheduling. This will be discussed at the start of a shift with the Supervisor and lead hand.**
- 6. During emergency outages, rest breaks will normally be taken on an as-needed basis for rest, washroom breaks, etc. When possible, refreshments will be brought to the work site.**
- 7. An employee will not be entitled to a rest period unless they have worked at least one hour prior to the rest period upon returning from a medical appointment.**

I-7:04

It is acknowledged that from time to time, it will be necessary for employees to perform work outside of the normal schedules at all hours of the day or night, and Management has the right to authorize such work as required, in accordance to the law.

I-7:05

1. **Two (2) times** the employee's normal rate of pay will be paid for all work in excess of the normal daily hours or on holidays specified in Clause 9:01. For work performed on Recognized Holidays, double time shall be paid in addition to the regular holiday pay. Two (2) times the employee's normal rate of pay for work performed between the hours of 22:00 to normal starting time.
2. An employee who works more than 15 minutes beyond normal quitting time or before normal starting time, due to Management request, will be paid at the rate of **double time** for all time involved. Payment for such overtime shall be taken to the closer quarter (1/4) hour.

I-7:06 – Telephone Assistance

In the event that additional assistance is required to answer telephones after hours, Management will endeavor to call in office staff based on a list that is provided by, updated and posted in the control room by the Union.

I-7:07 – Banking of Overtime

At the sole discretion of the immediate supervisor, employees may be allowed to bank time off in lieu of schedule overtime payment. In such cases, an employee may elect to bank at the applicable overtime rate for each hour worked outside the normal scheduled hours of work to a maximum of **24** hours during the calendar year.

It is understood that such days off will be taken in a manner consistent with the efficient operation of the Company as determined by the immediate supervisor. In the event that a mutually agreed time off is not reached by January 31st of the following year, then the employee will be paid at the appropriate premium rate and hourly rate in effect when the time was earned.

Article I-8 - Recognized Holidays

I-8:01

The following holidays shall be recognized by the Company:

1. New Years Day
- 2. Family Day**
3. Good Friday
4. Easter Monday
5. Victoria Day
6. Canada Day
7. Civic Day
8. Labour Day
9. Thanksgiving Day
10. Christmas Day
11. 1/2 Working Day before Christmas
12. Boxing Day
13. 1/2 Working Day before New Year's

Floater Holiday

The floater will apply to regular employees only, with the date to be determined by mutual agreement between Management and the employee.

I-8:02

When a Recognized Holiday falls on a Saturday or Sunday, it will be recognized on the following Monday. When two consecutive Recognized Holidays fall on a Saturday or Sunday, they will then be recognized on the following Monday and Tuesday.

I-8:03

In order to be eligible for Holiday Pay for the above mentioned Recognized Holidays, the employee must have worked the working day before and the working day after the holiday, or have been on authorized Union Leave or leave of absence with pay.

Article I-9 - Vacations

I-9:01

The employee's date of hire shall be used for calculating vacations. Vacation pay shall mean the normal basic earnings of the employee, immediately prior to the date on which vacation monies become payable. In any event, and in the cases of temporary and probationary employees, vacation payments will be made in accordance with current legislation.

I-9:02

Vacations will, as far as it is practical, be granted at the times most desired by the employees, based on the following criteria:

1. Requests for vacation shall be forwarded to the immediate supervisor by April 1st of each year for the following twelve (12) months. In the April 1st assignment of vacation, vacation will be granted based on:
 - a. Seniority
 - b. No employee shall be granted the same period, in whole or in part, as in the previous year if there is a conflict.
 - c. Two Union members will be allowed off at the same time except during the periods taken off by the Office Manager.
 - d. An employee may take a maximum of two consecutive weeks on their first selection. Vacations in excess of two weeks and beyond the twelve (12) month window will be granted upon special approval.
2. After April 1st, vacation will be granted based on first come, first served.
3. Management reserves the right to designate vacation periods for all employees in a manner consistent with the efficient operation of the Company.

I-9:03

Regular vacations shall be taken in the calendar year in which they become due. Employees may carry over a maximum of five (5) working days of vacation to be taken in the following year at a time mutually agreed to by the employee and Management.

I-9:04

1. 10 working days after 1 year or 4% of gross pay whichever is greater
2. 15 working days after 3 years
3. 20 working days after 9 years
4. 25 working days after 18 years **(after 16 years in the second year)**
5. 1 day per year after 25 years to a maximum of 6 weeks.

I-9:05

Employees who are laid off will stop accumulating vacation credits from the end of the first full month following the month during which the layoff occurs.

Article I-10 - Sick Leave

I-10:01

The Company's Sick Leave Plan for the employees was created by the Company to reduce the financial hardship that bonafide illness or injury can create so far as inability to do Company work and consequent loss of normal straight time wages are concerned. It is the employee's responsibility to report for work in proper physical condition in order to perform her assigned duties.

I-10:02

To qualify for sick leave payment, an employee must:

1. Where practicable, ensure that her illness or injury is reported to her supervisor within forty-five (45) minutes of employee's normal starting time.
2. Be suffering from a bonafide illness or injury which prevents her useful employment and is not covered under the WSIB.
3. Upon return to work and prior to commencing her regular shift, the employee must report to her appropriate supervisor.
4. Return to work as soon as possible following recovery from illness,
5. Foreseeable absences for medical treatment will be reported one week in advance of the appointment, unless due to unavoidable reasons.
6. Submit a written verification of her prognosis of wellness signed by a qualified doctor if required, or if absent for five (5) days or more.
7. Do everything possible to speed up recovery.

I-10:03

An employee claiming sick pay may be required by Management to produce a Doctor's Certification of illness, outlining if the employee is fit and able to return to work to perform her regular duties safely, and if they are unable to return to work when the expected date of return will be. The Company also reserves the right to require an employee claiming Sick Leave Plan benefits to undergo an independent medical examination by a physician of its choice at any time at the expense of the Company.

I-10:04

Sick Leave Benefits are not payable to an employee who refuses to authorize disclosure to the insurer's or management's physician of any medical information required under this Collective Agreement. The Company will be responsible for any costs related to obtaining the information.

I-10:05

The Sick Leave Plan will provide coverage during periods of illness or injury as follows:

Short Term Coverage

Periods of up to one hundred and nineteen (119) consecutive calendar days.

Long Term Coverage

Periods of more than one hundred and nineteen (119) consecutive days.

I-10:06 - Short Term Coverage

One and one half (1 1/2) working days per month shall be allowed for a total of 18 working days per year. In the event that an employee has established a claim under the WSIB, she may elect to use their sick leave allowance as an alternative to the benefits under the Act. Where this election is made, the compensation payment shall be made to the Company, and the differential in income shall be charged against the employee's sick leave credits. If in the application of the clause, and employee would receive, in the net pay, more than she had they been at work, the amount of additional pay shall be calculated at the end of the taxation year. The amount in excess shall be paid to the Company at the employee's option by a lump sum payment or by payroll deduction in an amount not to exceed 10% of the normal bi-weekly pay. Once the repayment has been made, the employee's sick leave bank will be credited with the equivalent of the refunded amount.

I-10:07

In the event an employee does not use her sick leave or has a balance of days left in the calendar year, her unused portion will be carried forward to the next year as accumulated sick leave.

I-10:08

The Company agrees to provide to each employee annual statements of their sick leave credits.

I-10:09

Benefits under the Long Term Disability Plan begin after the one hundred and nineteenth (119th) calendar day of illness at which time the Company shall maintain payments in the amount of the Long Term Disability coverage under the LTD Plan as provided by the Company's insurer at sixty-six and two thirds (66 2/3%) percent of salary to a maximum of \$4,000.00 per month Long Term Disability payments will not be paid to an employee on WSIB. The Company shall pay for a period of time not to exceed twenty-four (24) months from the first day of illness or injury (compensable or non-compensable) its share of the premium for benefits listed in Articles I-11 and I-12 of this agreement.

I-10:10

For a period of time not to exceed twenty-four (24) months, those employees on leave covered by WSIB shall be given consideration for any job if available, which the employee is capable and qualified to perform. From the twelfth (12th) month to and including the twenty-fourth (24th) month, for only those employees covered by WSIB, the total cost of premiums for benefits in Articles I-11 and I-12 of the agreement shall be paid by the employer.

I-10:11 - Personal Family Days

An employee will be permitted to utilize three (3) days of her sick leave credits per year (not accumulative), and seven unpaid days per year, to be used for family emergencies, unforeseen happening, or state of affairs requiring prompt attention (i.e. her sick leave credits will be debited by the amount of days used). The occurrence will not be recorded as a sick leave occurrence.

Article I-11 - Medical Health Plan

I-11:01 - Medical Benefits

Management agrees to pay one hundred (100%) percent of the cost of the following benefits:

1. Municipal Electric Association Reciprocal Insurance Exchange (MEARIE) Extended Health Care and Semi Private Coverage.
2. Municipal Electric Association Reciprocal Insurance Exchange (MEARIE) Dental Plan D, **based on the previous year's ODA rate schedule.**
3. Municipal Electric Association Reciprocal Insurance Exchange (MEARIE) Vision Care Plan **\$425/24 months**, which includes examination fees excluded from OHIP.
4. (MEARIE) Accidental Death & Dismemberment, 200% of annual earnings to a maximum of \$100,000.00, 50% reduced at age 65.
5. Municipal Electric Association Reciprocal Insurance Exchange (MEARIE) Dependent Life - \$5,000.00 spouse, \$2,500.00 each child

Employer contribution for employees on layoff ceases at the end of the first full month following the month in which the layoff occurs.

Article I-12 - Pension and Insurance

I-12:01

The Company agrees to continue all present benefits now in existence. (OMERS Basic C.P.P., and MEARIE). When an employee retires or is totally disabled, the Company will continue to pay the premium for the existing Life Group Policy (MEARIE).

I-12:02

Employees in the employ of the Company at December 31/82 are entitled to the Supplementary OMERS Pension Plans Type I and III (Early Retirement only - the 85 formula.) All regular and probationary employees hired on or after January 1, 1983 are eligible for OMERS Basic Plan.

Article I-13 – Special Leaves

13:01

Bereavement Leave

In the event of death of a member of the immediate family of a regular employee, she may be granted a leave of absence (not necessarily consecutive) in order that she may arrange for and/or attend the funeral without loss of pay as follows:

- **One (1) day in the event of a brother-in-law, sister-in-law, aunt, uncle or grandparent of the employee.**
- **Up to three (3) calendar days of parent-in-law, brother, sister, daughter-in-law, son-in-law or any other relative who is a resident of the employee's household.**
- **Up to four (4) calendar days in the event of the death of a parent.**
- **Up to five (5) days in the event of a child or spouse.**

Management may grant up to three additional days for a death in the immediate family for exceptional circumstances and those days will be debited against the employee's sick leave.

I-13:02

Jury Duty

The Company will pay her normal day only to an employee who is required to serve on a jury in the County of Renfrew or Lanark, or is subpoenaed as a witness in court action arising out of her employment with Ottawa River Power Corporation.

Article I-14 - Courses and General

I-14:01

An employee who completes a course of study by correspondence or a recognized educational institution, shall have such course(s) paid for in full on the submission of written verification of the successful completion of the course. All courses must be approved by the President of the Ottawa River Power Corporation. Management encourages Office Staff to enroll in appropriate courses. This will aid in advancement as promotional openings occur from time to time.

I-14:02

An employee on a training course shall be paid her normal rate of pay for a normal day only. No compensation will be given for travelling time outside normal working hours, in order to attend the training courses. Reimbursement for approved transportation & travelling expenses shall be paid by the Company.

I-14:03

Employees shall be paid meal allowance in the following circumstances:

1. When called in for work before normal starting time and there is not at least forty-five (45) minutes before normal starting time available to eat breakfast at home, a meal allowance of \$10.50 (**\$12.50 in the second year**) will be provided and no time will be deducted from normal wages for that portion of the forty-five (45) minutes to eat the meal that falls within normal working hours.
2. After every five hours of continuous overtime work, a meal allowance of \$16.00 will be paid (**\$18.00 in the second year** of the contract). Time spent eating the meal will be without pay.
3. If an employee is required to work 1.5 hours or more past normal quitting time, a meal allowance of \$16.00 will be paid (**\$18.00 in the second year** of the contract). Time spent eating the meal will be without pay.

I-14:04 - Car Allowance

The allowance paid to be an employee using her own automobile on Company approved business, shall be paid 40 cents per km.

I-14:05

One Health and Safety Committee, **as required by the OHSA**, shall be established and be composed of three (3) representatives appointed by the employer and the three (3) representatives to include Office Staff, Line Department, and Service Department, appointed by the employees or the Union.

Article I-15 - Job Classifications

I-15:01

The wage rates progression schedules in classifications of employee covered by this agreement, shall be shown in Appendix “A” attached hereto & forming an integral part of this agreement for payroll purposes only.

I-15:02

The employee’s progression date shall be on the anniversary of the date of hiring.

I-15:03

Employees on progression shall normally be progressed in accordance with the schedule. However, if any employee fails to make satisfactory progress, progression will be withheld for a period of six (6) months. When progression is withheld, Management shall give one month’s notice to the employee and the reason for withholding routine progression. At the next progression date, the employee’s general performance will be reviewed, and if found satisfactory, the employee shall be granted routine progression. A review will be made midway through the next progression period, and if the employee’s general performance is known to be satisfactory, a further progression may be forwarded thus, re-establishing the normal progression status.

I-15:04

If progress and general performance are not found to be satisfactory, the employee shall be transferred to another classification if available, or dismissed.

CLASSIFICATION

	July 1, 2008	July 1, 2009	July 1, 2010
Cashier Receptionist	\$18.11	\$18.65	\$19.40
Data Clerk	\$20.23	\$20.84	\$21.67

Progress as follows for above classifications

- 1st 12 months - 88% of classification
- 2nd 12 months - 94% of classification
- 3rd 12 months - 100% of classification

Article I-16 – Maternity/Adoption Leave

I-16:01

The Company shall upon receipt of a written request by an employee accompanied by a certificate by a legally qualified medical practitioner stating the employee is pregnant and specifying the date when in her opinion, delivery is expected to occur, grant or cause to be granted to the employee a leave of absence in accordance with the laws of Ontario.

I-16:02

Where the employee reports for work upon the expiry of the period referred to in Article 16:01, the Company shall permit her to resume her normal working position with no loss in seniority or benefits accrued to the commencement of the pregnancy leave.

I-16:03

During the period of pregnancy leave, the Company shall continue to pay the hospital, medical, dental, vision and Group Life premiums for the employee.

I-16:04

Where an employee seeks maternity leave due to legal adoption, the foregoing provisions apply - I-16:01, I-16:02, I-16:03.

I-16:05

Subject to Management approval of a six-week unpaid leave without benefits may be granted as an extension of maternity leave.

The Union will automatically grant any extension of temporary status necessitated by this extended leave.

Article I-17 – Duration of Agreement

I-17:01

This agreement shall remain in force for a period of thirty-six (36) months from **July 1, 2008 to June 30, 2011**, and shall continue in force from year to year thereafter, unless in any year not more than 90 days before the date of its termination either party shall furnish the other with notice of desire to terminate or amend this agreement.

SIGNED:

For the Union

Paul J. [unclear]

Douglas Steves

P. Pond

Don Brady

For the Company

[unclear]

[unclear]

J. Wilkin

[unclear]

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Appendix G

**COLLECTIVE AGREEMENT WITH IBEW LOCAL 742
(OPERATIONS DEPARTMENT)**

(OPERATIONS DEPT.)

COLLECTIVE AGREEMENT

between

OTTAWA RIVER POWER CORPORATION

hereinafter REFERRED to as the “COMPANY”

and

ITS EMPLOYEES AS REPRESENTED BY

LOCAL 742

of the

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

hereinafter REFERRED to as the “UNION”

JULY 1, 2008 TO JUNE 30, 2011

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Article O-1- Recognition

The Company hereby recognizes the Union as the sole collective bargaining agent for all employees of the Company, save and except foreman, persons above the rank of foreman, students, office and technical staff, sales staff, and persons regularly employed for not more than 24 hours per week.

“APPLICATION”

Whenever the masculine gender is used in this agreement, it shall also imply the feminine.

Article O-2 - Management’s Rights

The Union acknowledges that the Company has the exclusive right to manage its business and direct the working force, make, amend, and enforce such rules and regulations as shall from time to time be required consistent with the terms of this agreement.

Article O-3 – Union Security

O-3:01

Employees who are now members of the Union shall remain members, and new employees shall become members within thirty (30) days of hire.

O-3:02

Employees covered by this agreement will have regular monthly Union Dues deducted for this first four (4) weeks of each month beginning in the first full month of employment. Amounts so deducted shall be forwarded to the financial secretary of the Union by the fifteenth (15th) day of each calendar month following the month of deduction along with a duplicate copy of the names of employees from whom the deduction have been made. Any changes in the amount of dues shall be submitted in writing by the Union to the Company, thirty (30) days before such changes are put into effect. In consideration of the deduction and forwarding service by the Company, the Union agrees to indemnify and save harmless the Company against any claim or liability arising out of or resulting from the collective and forwarding of the regular monthly dues.

O-3:03

The parties agree that there will be no discrimination, interference, restraint or coercion exercised or practiced by the parties with respect to any employee. There will be no Union activity at the work place of the employee during working hours, except as is provided for under this agreement.

O-3:04

When Management schedules a meeting, which may be anticipated to result in discipline to an employee, the Union Steward shall be present except when the employee advises the Union Steward, in writing, that they would rather not have him/her present at the meeting.

O-3:05

There will be no strikes or lockouts as defined in the Ontario Labour Relations Act during the term of this agreement.

O-3:06

In the event that a new utility be formed in Renfrew County, that as a condition of transfer of assets, staff being a very valuable portion of the assets, that staff be included in any transfer.

O-3:07

In the event of severance as a result of amalgamation of utilities, the Company will recommend that all employees, regardless of present utility, be treated in a fair and equivalent manner relevant to current utility industry standards.

Article O-4 - Company Service Credit

O-4:01

Credit for Company Service shall accrue to regular employees, whether or not they are members of the Bargaining Unit. The Company recognizes years of service as previously recognized by the amalgamated utility.

O-4:02

An employee shall lose his service credit and shall cease to be an employee of the Company if he:

1. terminates voluntarily;
2. is discharged and not re-instated;
3. retires;
4. is laid off for a period exceeding ten (10) calendar months;
5. fails to report to work after a layoff within ten (10) working days of recall notice of which has been mailed by registered mail to the last address the employee has reported to Management;
6. is absent from work for three (3) or more working days without permission unless the employee provided the Company with documented evidence of unavoidable reasons for not reporting for work;
7. at the end of 24 months, is disabled and unable to perform any available work for the Company.

O-4:03

An employee shall have pro-ration of vacation and recognized holidays on the basis of time worked when an employee is:

1. on any leave of absence without pay for a period exceeding thirty (30) calendar days;
2. absent from work with pay for a period exceeding ninety (90) calendar days or in the case of an employee on WSIB, absent from work with pay for a period exceeding one hundred and eighty (180) calendar days.

O-4:04

Employees shall maintain but not accumulate service credit during a period of layoff.

O-4:05 - Job Posting & Selection

When Management fills a promotional vacancy within the Bargaining Unit for a regular position, it shall be posted for a period of seven (7) calendar days on one bulletin board in each of the Line, Office, and Service Department and the Mississippi Mills' offices in order to give employees an opportunity to make an application for the new position. The job posting will contain the job classification, required education, skills, and prerequisites and rate of pay for the job classification. Management shall not be precluded from selecting a candidate

from outside the existing Bargaining Unit if no employees have the requisite qualifications, skills, and ability to perform the job. The name(s) of the successful applicant shall be posted on the four (4) department bulletin boards for a period of five (5) working days.

O-4:06

Where qualifications, skill and ability are relatively equal among applicants, Company Service Credit shall be the deciding factor when making promotion decision.

O-4:07 - Layoff and Recall

In the event an employee is to be laid off, that employee will have the alternative of being laid off or bumping an employee who has less company service credit provided the employee is qualified to perform the work or can demonstrate, given a training/orientation period of ten (10) working days, the ability to perform the work. Recall will be inverse order of layoff.

Article 5 - Employee Categories

5:01 – Temporary

Temporary employees are persons hired for periods of up to twelve (12) months in positions which are not likely to become part of the Company's continuing organization. Should a temporary employee be retained as a regular employee immediately following the temporary period, the time accrued during this temporary period shall be credited to the probationary period. The temporary periods may be extended by mutual consent. Temporary employees would have the rights provided to regular employees except as provided in:

1. Article O-4 – Company Service Credit
2. Article O-9 - Recognized Holiday
3. Article O-11 - Sick Pay
4. Article O-12 - Medical Health Plan
5. Article O-13 - Pension & Insurance
6. Article O-14 - Bereavement Leave
7. And the right to grieve termination at the end of the temporary term.

O-5:02 – Probationary

Probationary employees are persons hired on trial to determine their suitability for continuing employment in regular positions. An employee shall be considered probationary for a 6-calendar month period. At the end of his probationary period, his date of hiring will be established as 6 calendar months prior to the date he attains 6 calendar months' service. During this period of probation, he shall not be considered as having regular status, and shall not be entitled to any of the rights or privileges accruing to regular employees, with the following exceptions:

1. Sick Leave
2. Recognized holiday pay
3. Vacation pay
4. Company contributions and entry into Medical and Hospitalization Plan
5. Grievance procedure other than discharge or termination

O-5:03 - Regular

Regular employees are persons who have satisfactorily served a probationary period and who are employed in full time positions of a continuing nature.

Article O-6 - Grievance & Arbitration Procedure

O-6:01 - Grievance Definition

For the purposes of this agreement, a dispute, claim or complaint between the Company or employees, or group of employees, or the Union which involves the interpretation, application, administration, or alleged violation of this agreement shall be considered a fit matter for grievance and shall be dealt with promptly and as specified below.

O-6:02 - Grievance Procedure

Time limits set out for the processing of a grievance shall be rigidly adhered to, except in the case of a mutual agreement to alter the time limits.

Step 1

1. An employee or group of employees believing he (they) has a grievance shall within 5 working days of the alleged grievance occurrence, present said grievance in writing to the immediate supervisor.
2. Within 3 working days of receipt of the grievance, the supervisor will discuss the matter with the aggrieved employee(s). The supervisor shall give his disposition in writing within three (3) working days of such discussion.

Step 2

If the grievor(s) is not satisfied with the reply at Step 1, s/he may, within five working days of the reply at Step 1, submit the grievance to the Manager or his designated representative, who shall within five working days of the receipt of the grievance at this Step, convene a meeting of a Joint Grievance Committee comprised of the President and other management staff as may be deemed to be helpful in the resolution of the grievance and duly formed Union Committee. The President shall give his disposition in writing within five working days of the Joint Grievance Committee Meeting.

O-6:03 - Arbitration Procedure

Failing settlement of Step 2, the Union shall within fifteen working days of the issuance of the disposition at Step 2, notify the Company of its intention to submit the grievance to arbitration, and at the same time, inform the Company of the Union nominee to an Arbitration Board, which will then be processed in accordance with the Ont. Labour Relations Act.

O-6:04

No Board of Arbitration shall have the power to alter or change any of the provisions of this agreement or to substitute any new provisions for any existing provision, or to provide a decision which is inconsistent with any term or provision of this agreement. However, in cases of disciplinary action, the Board may have the right to alter the disciplinary action. Failing a unanimous or majority award of the Board, the decision of the Chairperson shall be the decision of the Board.

O-6:05

Each party to this agreement will bear the expense and fees of its arbitrator and the parties will share equally the expenses and fees of the Chairperson.

O-6:06

For purposes of dealing with grievances and subsequent negotiations, the Company will recognize a Union Committee of two employees who may have assistance from the Union Business Representative and/or the International Representative.

O-6:07

The Company agrees to pay the employee's normal wages for grievance meetings during normal working hours.

Union-Company Grievances

A grievance arising directly between the Company and the Union may be submitted by either party in writing at the second step of the grievance procedure and dealt with through the respective representative of the parties. In the case of a Company grievance, the Business Manager of the Union shall give his reply within five working days of the Joint Grievance Meeting and failing settlement, the provisions for arbitration referral shall apply equally to the Company. It is expressly understood that the provisions of the paragraph may not be used to institute a complaint or grievance directly affecting an employee or employees which such employee or employees or the steward could institute and the regular grievance procedure shall not thereby be by-passed.

Article O-7 - Hours of Work and Overtime

O-7:01

Distribution of Overtime – If planned or out of town emergency overtime is required, it is the responsibility of the Supervisor to distribute overtime as equitably as practicable. A monthly record of overtime worked, including overtime refusals, will be made available to the employees.

Employees will not be charged for overtime hours refused under the following conditions:

- 1. Employee is on modified work**
- 2. Employee booked off sick or at medical appointment**
- 3. Employee on vacation, special leave**
- 4. Called but no answer, unable to contact**

O-7:02

The normal workweek of employees covered by this agreement shall be 40 hours per week consisting of five days of 8 hours each, between the hours of 7:45 hours and 16:30 hours, from Monday to Friday inclusive. Summer hours will be from 07:30 a.m. until 16:00 p.m. with one half (1/2) hour unpaid lunch. With the mutual consent of Union and Management, summer hours will normally start in May and end in October.

For the efficiency of out of town work, hours may be modified by management to allow for four, 10 hour days upon one week's notice to employees involved. Once initiated, this schedule will be in effect for the week. This work week will consist of 10 hour days, Monday to Thursday, with Friday off.

O-7:03

Rest Break Guidelines:

1. **A fifteen (15) minute paid rest break shall be provided for employees in the morning and afternoon periods.**
2. **Breaks should minimize the impact on delivery of services to customers as much as possible.**
3. **Employees should be sensitive to the public image of the utility when taking rest breaks.**
4. **Employees shall endeavor to conduct personal business during lunch and rest periods.**
5. **Crew rest breaks can be shifted to the start or end of a shift to allow for efficient work scheduling. This will be discussed at the start of a shift with the Supervisor and lead hand.**
6. **During emergency outages, rest breaks will normally be taken on an as-needed basis for rest, washroom breaks, etc. When possible, refreshments will be brought to the work site.**
7. **An employee will not be entitled to a rest period unless they have worked at least one hour prior to the rest period upon returning from a medical appointment.**

O-7:04

It is acknowledged that from time to time, it will be necessary for employees to perform work outside of the normal schedules at all hours of the day or night, and Management has the right to authorize such work as required, in accordance to the law.

O-7:05

Two (2) times the employee's normal rate of pay will be paid for work performed for work in excess of the scheduled hours or before normal starting time.

O-7:06

The minimum call-out of **three (3) hours** will be allowed for night calls after regular working hours - Monday to Friday and all hours on Saturdays, Sundays and Recognized Holidays, with the exception of service calls. For service calls, allow a minimum callout of $\frac{3}{4}$ hour. If the work is immediately preceding or a continuation of normal working hours, the minimum call-out payment will not be effective. The appropriate premium rate will be paid for these periods.

O-7:07

A service call may be defined as servicing hot water heaters, fusing customer services, checking customer's power, emergency underground locate, checking for fallen wires (not ORPC wires) check alarms, resetting of traffic lights, fallen limbs, investigation, or any work in which it is a one-man call that occurs between normal quitting time until **9:00 p.m.** weekdays and between **8:00 a.m. and 9:00 p.m.** on weekends and holidays.

O-7:08

All qualified employees will be placed on a rotational "on-call" basis – Friday – 0800 to Friday 0800 – for the acceptance of calls after hours and weekends for which they will be paid as follows:

	First on Call	Second on Call
Normal Seven Day Week	Seven (7) Hours of Journey Lineperson Rate	
Two Day Weekend		Two (2) Hours of Journey Lineperson Rate
Recognized Holidays	Two (2) Hours of Journey Lineperson Rate	Two (2) Hours of Journey Lineperson Rate

First on-call employee shall remain available at all times and be able to respond to the work centre within 25 minutes of being contacted.

Second on-call person shall remain available at all times and be able to respond to the work centre within 60 minutes of being contacted.

The response time will be based on normal travel conditions. This requirement will be waived for existing employees at their present place of residence.

A cell phone or pager will be provided to the on-call staff.

The second on-call person will be for the Pembroke office only.

At least one of the first or second on-call staff with Pembroke will be, as a minimum, an apprentice lineperson with two years of experience.

O-7:09

It is understood that at the sole discretion of the immediate supervisor, employees may be allowed to bank time off in lieu of scheduled overtime payment. In such cases, an employee may elect to bank at the applicable overtime rate for each hour worked outside of normal scheduled hours of work to a maximum of **twenty-four (24)** hours during the calendar year.

It is understood that such days off will be taken in a manner consistent with the efficient operation of the Company as determined by the immediate supervisor. In the event that a mutually agreed time-off is not reached by January 31st of the following year, then the employee will be paid at the appropriate premium rate and hourly rate in effect when the time was earned.

Article O-8:00 - Recognized Holidays

O-8:01

The following holidays shall be recognized by the Company:

1. New Years Day
2. **Family Day**
3. Good Friday
4. Easter Monday
5. Victoria Day
6. Canada Day
7. Civic Day
8. Labour Day
9. Thanksgiving Day
10. Christmas Day
11. 1/2 Working Day before Christmas
12. Boxing Day
13. ½ Working Day before New Year's Day

Floater Holiday

The floater will apply to regular employees only; with the date to be determined by mutual agreement between Management and the employee.

O-8:02

When a Recognized Holiday falls on a Saturday or Sunday, it will be recognized on the following Monday. When two consecutive Recognized Holidays fall on a Saturday or Sunday, they will then be recognized on the following Monday and Tuesday.

O-8:03

In order to be eligible for Holiday Pay for the above mentioned Recognized Holidays, the employee must have worked the working day before and the working day after the holiday, or have authorized Union leave or leave of absence with pay.

Article O-9 - Vacations

O-9:01

The employee's date of hire shall be used in calculating vacations. Vacation pay shall mean the normal basic earnings of the employee, immediately prior to the date on which vacation monies become payable. In any event, and in the case of temporary and probationary employees, vacation payments will be made in accordance with current legislation.

O-9:02

Vacations will, as far as it is practical, be granted at the times most desired by the employee. An employee to ensure consideration of his request and his relative Company service credit standing, must notify Management of his preferred vacation period by April 1 in any given year. However, Management reserves the authority to designate vacation periods for all employees in a manner consistent with the efficient operation of the Company.

O-9:03

An employee may take a maximum of two consecutive weeks' vacation in the period of April 1 to September 30. Vacations of greater duration may be granted upon special approval of Management.

O-9:04

Regular vacations shall be taken in the calendar year in which they become due. Employees may carry over a maximum of five (5) working days of vacation to be taken in the following year at a time mutually agreed to by the employee and Management.

O-9:05

1. 10 working days after 1 year or 4% of gross pay, whichever is the greater
2. 15 working days after 3 years
3. 20 working days after 9 years
4. 25 working days after 18 years (**after 16 years in the second year**)
5. 1 day per year after 25 years to a maximum of 6 weeks.

O-9:06

Employees who are laid off will stop accumulating vacation credits from the end of the first full month following the month during which the layoff occurs.

Article O-10 - Sick Leave

O-10:01

The Company Sick Leave Plan for the employee was created by the Company to reduce the financial hardship that bonafide illness or injury can create so far as inability to do Company work and consequent loss of normal straight time wages are concerned. It is the employee's responsibility to report for work in proper physical condition in order to perform his assigned duties.

O-10:02

To qualify for sick leave payment, an employee must:

1. Where practicable, ensure that his illness or injury is reported to his supervisor within forty-five (45) minutes of employee's normal starting time.
2. Be suffering from a bonafide illness or injury which prevents his useful employment and is not covered under the WSIB.
3. Upon return to work and prior to commencing his regular shift, the employee must report to his appropriate foreman or supervisor.
4. Return to work as soon as possible following recovery from illness.
5. Foreseeable absences for medical treatment will be reported one week in advance of the appointment, unless due to unavoidable reasons.
6. Submit a written verification of his prognosis of wellness signed by a qualified doctor if requested, or if absent for five (5) days or more.
7. Do everything possible to speed up recovery.

O-10:03

An employee claiming sick pay may be required by Management to produce a Doctor's Certification of Illness, outlining if the employee is fit and able to return to work to perform their regular duties safely, and if they are unable to return to work when the expected date of return will be. The Company also reserves the right to require an employee claiming Sick Leave Plan benefits to undergo an independent medical examination by a physician of its own choice at any time at the expense of the Company.

O-10:04

Sick Leave Benefits are not payable to an employee who refuses to authorize disclosure to the insurer's or management's physician of any medical information required under this Collective Agreement. The Company will be responsible for any costs related to obtaining the information.

O-10:05

The Sick Leave Plan will provide coverage during periods of illness or injury as follows;

Short Term Coverage

Periods of up to one hundred and nineteen (119) consecutive calendar days.

Long Term Coverage

Periods of more than one hundred and nineteen (119) consecutive calendar days.

O-10:06

Short Term Coverage

One and one half (1 ½) working days per month shall be allowed for a total of 18 working days per year. In the event that an employee has established a claim under the WSIB, he or she may elect to use their sick leave allowance as an alternative to the benefits under the Act. Where this election is made, the compensation payment shall be made payable to the Company, and the differential in income shall be charged against the employee's sick leave credits. If in the application of the clause an employee would receive, in the net pay, more than he had they been at work, the amount of additional pay shall be calculated at the end of the taxation year. The amount in excess shall be paid to the Company at the employee's option by a lump sum payment or by payroll deduction in an amount not to exceed 10% of the normal bi-weekly pay. Once the repayment has been made the employee's sick leave bank will be credited with the equivalent of the refunded amount.

O-10:07

In the event an employee does not use his sick leave or has a balance of days left in the calendar year, his unused portion will be carried forward to the next year as accumulated sick leave.

O-10:08

The Company agrees to provide each employee annual statements of their sick leave credits.

O-10:09

Benefits under the Long Term Disability Plan begin after the one hundred and nineteenth (119th) calendar day of illness at which time the Company shall maintain payments in the amount of the Long Term Disability coverage under the LTD Plan as provided by the Company's insurer at sixty-six and two thirds (66 2/3%) percent of salary to a maximum of \$4,000.00 per month Long Term Disability payments will not be paid to an employee on WSIB. The Company shall pay for a period of time not to exceed twenty-four (24) months from this first day of illness or injury (compensable or non-compensable) its share of the premium costs for benefits listed in Articles O-11 and O-12 of this agreement.

O-10:10

For a period of time not to exceed twenty-four (24) months, those employees on leave covered by WSIB shall be given consideration for any job, if available, which the employee is capable and qualified to perform. From the twelfth (12th) month to and including the twenty-fourth (24th) month, for only those employees covered by WSIB, the total cost of premiums for benefits in Articles O-11 and O-12 of the agreement shall be paid by the employer.

O-10:11

Personal Family Days

An employee will be permitted to utilize three (3) days of his sick leave credits per year (not accumulative), and seven unpaid days per year, to be used for family emergencies, unforeseen happening, or state of affairs requiring prompt attention (i.e. his sick leave credits will be deducted by the amount of days used). The occurrence will not be recorded as a sick leave occurrence.

Article O-11 - Medical Health Plan

O-11:01

Medical Benefits

Management agrees to pay one hundred (100%) percent of the cost of the following benefits:

1. Municipal Electric Association Reciprocal Insurance Exchange (MEARIE) Extended Health Care and Semi Private coverage.
2. Municipal Electric Association Reciprocal Insurance Exchange (MEARIE) Dental Plan D, **based on the previous year's ODA rate schedule.**
3. Municipal Electric Association Reciprocal Insurance Exchange (MEARIE) Vision Care Plan **\$425/24 months**, which includes examination fees excluded from OHIP.

4. Municipal Electric Association Reciprocal Insurance Exchange (MEARIE), Accidental Death & Dismemberment, 200% of earnings to a maximum of \$100,000.00, 50% reduced at the age of 65.
5. Municipal Electric Association Reciprocal Insurance Exchange (MEARIE), Dependent Life, \$5,000.00 for spouse, \$2,500.00 for each child.

Employer contribution for employees on layoff ceases at the end of the first full month following the month in which the layoff occurs.

Article O-12 - Pension and Insurance

O-12:01

The Company agrees to continue all present benefits now in existence. (OMERS Basic, C.P.P., and MEARIE). When an employee retires or is totally disabled, the Company will continue to pay the premium for the existing Life Group Policy (MEARIE).

O-12:02

Employees in the employ of the Company at Dec. 31/82, are entitled to the Supplementary OMERS Pension Plans Type I and III (Early Retirement only - 85 formula). All regular and probationary employees hired on or after Jan. 1/83 are eligible for OMERS Basic Plan.

Article O-13 – Special Leaves

13:01

Bereavement Leave

In the event of death of a member of the immediate family of a regular employee, he may be granted a leave of absence (not necessarily consecutive) in order that he may arrange for and/or attend the funeral without loss of pay as follows:

- **One (1) day in the event of a brother-in-law, sister-in-law, aunt, uncle or grandparent of the employee.**
- **Up to three (3) calendar days of parent-in-law, brother, sister, daughter-in-law, son-in-law or any other relative who is a resident of the employee's household.**
- **Up to four (4) calendar days in the event of the death of a parent.**
- **Up to five (5) days in the event of a child or spouse.**

Management may grant up to three additional days for a death in the immediate family for exceptional circumstances and those days will be debited against the employee's sick leave.

O-13:02

Jury Duty

The Company will pay his normal day only to an employee whom is required to serve on a jury in the County of Renfrew or Lanark, or is subpoenaed as a witness in court action arising out of his employment with Ottawa River Power Corporation.

Article O-14 - Courses and General

O-14:01

An employee who completes a course of study by correspondence or a recognized educational institution, shall have such course(s) paid for in full on the submission of written verification of the successful completion of the course. All courses must be approved by the President of the Ottawa River Power Corporation.

O-14:02

An employee on a training course shall be paid his normal rate of pay for a normal day only. No compensation will be given for travelling time outside normal working hours, in order to attend the training courses. Reimbursement for approved transportation and travelling expenses shall be paid by the Company.

O-14:03

Belts and spurs will be supplied by the Company, and as they require replacement. A regular inspection of all safety equipment shall be held monthly, along with resuscitation practice and first aid lectures. Company approved safety footwear, work gloves, and safety prescription eyeglasses will be supplied on a 50/50 basis, if type and price are sanctioned by Management prior to purchase; however, eyeglasses, if damaged on the job, 100% of the cost will be paid by the Company. The Company will allow replacement of gloves at Company expense when used gloves are turned in. Replacement of lost gloves will be on a 50/50 shared cost. Subject to Management approval, tools damaged on the job will be replaced at Company expense. In order to receive a replacement, the employee must turn in the broken tool.

O-14:04

Employees shall be paid meal allowance in the following circumstances:

For Emergency (Unplanned) Work

1. When called in for work before normal starting time, and there is not at least one hour before normal starting time available to eat breakfast at home, a meal allowance of \$10.50 (**\$12.50 in the second year**) will be provided. No time will be deducted from normal wages for that portion of the hour to eat the meal that falls within normal working hours.
2. After every approximately 5 hours of continuous overtime work, a meal will be provided or a meal allowance of \$16.00 will be paid. (**\$18.00 in the second year of the contract**). Time spent eating the meal will be without pay. However, if an employee is unable to have a meal due to the urgency or location of the work, the employee shall receive an additional ½ hour at the employee's base rate plus the meal allowance.
3. If an employee is required to work 1.5 hours or more past normal quitting time, a meal allowance of \$16.00 will be paid (**\$18.00 in the second year of the contract**). Time spent eating the meal will not be paid.

For Planned Work (Where at least 48 hours of notice is provided)

1. Breakfast will be provided or a meal allowance of \$10.50 (**\$12.50 in the second year**) will be provided for planned work that commences before 6:00 AM.
2. Employees will be responsible for providing one meal for the work day.
3. Additional meals will be provided or a meal allowance of \$16.00 will be paid approximately every five hours. (**\$18.00 in the second year of the contract**). However, if an employee is unable to have a meal due to the urgency or location of the work, the employee shall receive an additional ½ hour at the employee's base rate plus the meal allowance.
4. Time spent eating meals will not be paid.

O-14:05 - Car Allowance

The allowance paid to an employee using his own automobile on Company approved business, shall be 40 cents per km.

O-14:06

One Health and Safety Committee, **as required by the OHSA**, shall be established and be composed of three (3) representatives appointed by the employer and the three (3) representatives to include Office Staff, Line Department, and Service Department, appointed by the employees or the Union.

Article O-15 - Job Classifications

O-15:01

An employee hired and placed into the Apprentice Program, with intent to becoming a Journeyperson, will be paid and shall progress as follows:

Date of hire – 6 months from date of hire

Starting rate as per Ministry of Labour, 40% of Journeyperson for Lineperson, Serviceperson, Meter Tech., and Substation Tech.

6 months from date of hire - 1 year from date of hire

60% of Journeyperson.

1 year from date of hire – 2 years from date of hire

70% of Journeyperson.

2 years from date of hire – 3 years from date of hire

80% of Journeyperson.

3 years from date of hire – 4 years from date of hire

90% of Journeyperson.

4 years from date of hire

100% of Journeyperson

O-15:02

Employees on progression shall normally be progressed in accordance with the schedule. However, if any employee fails to make satisfactory progress, his progression is withheld for a period of six months. When progression is withheld, Management shall give one month's notice to the employee, and the reason for withholding routine progression. At the next progression date, his general performance will be reviewed, and if found satisfactory, he shall be granted routine progression. A review will be made midway through the next progression period and if the employee's general performance is known to be satisfactory, a further progression may be forwarded thus, re-establishing his normal progression status.

O-15:03

If his progress and general performance are not found to be satisfactory, he shall be transferred to another classification if available, or dismissed.

O-15:04

The wage rates progression schedule in classifications of employees covered by this agreement, shall be shown in Schedule A, attached hereto and forming an integral part of this agreement for payroll purposes only:

SCHEDULE 'A'

	July 1, 2008	July 1, 2009	July 1, 2010
Journeyman Lineperson	\$29.28	\$30.16	\$31.37
Journeyman Meter Technician	\$29.28	\$30.16	\$31.37
Substation Technician	\$29.28	\$30.16	\$31.37

Serviceman will be paid as follows:

From date of hire to 6 months

40% of Journeyperson

6 months from date of hire - 1 year from date of hire

60% of Journeyperson.

1 year from date of hire - 2 years from date of hire

70% of Journeyperson.

2 years from date of hire - 3 years from date of hire

80% of Journeyperson.

3 years from date of hire

90% of Journeyperson.

Maintenance Person will be paid as follows:

Date of hire to 6 months from date of hire

35% of Journeyperson

6 months from date of hire – 1 year from date of hire

50% of Journeyperson

1 year from date of hire – 2 years from date of hire

65% of Journeyperson.

Temporary - Year 1 of Contract will be paid as follows:

35% of Journeyperson

O-15:06 – Lead hand

A premium of 7% will be paid to an employee when designated, **and is willing to serve**, as a lead hand who will assure the safety of the workplace, assume the responsibility of organizing, direction and productivity of a work crew, assuring the quality of the work, completion of records and reporting. Normally, the most senior person will be chosen but others will be designated from time to time for such things as allowing for development of leadership and organizational skills and for the sake of continuity of the work.

Lead hands will be designated based on such factors as meeting the supervisory requirements of the OHSA, complexity of the work, work site proximity, number of employees involved and availability of a supervisor.

If every qualified employee refuses to take on the lead hand role, management reserves the right to designate the lead hand.

Working Foreman and Employee Appointed to Relieve for Supervisor

110% of Journeyperson

Article O-16 - Duration

This arrangement shall remain in force for a period of thirty-six months from **July 1, 2008 to June 30, 2011**, and shall continue in force from year to year thereafter, unless in any year not more that 90 days before the date of its termination either party shall furnish the other with notice of desire to terminate or amend this agreement.

SIGNED:

For the Union

Michael J. Hill

Raymond Steves

Garry Jenkins

Chad Watson

Dan Brady

For the Company

Ken [Signature]

[Signature]

J. Wilkins

[Signature]

Letter of Understanding

Article O-7.07 On Call

Preamble

In the 2005 negotiations a new article O-7.07 allowed for a second person being on call to assure the availability of another person to respond in the event of weekend outage to allow the safe and timely restoration of power. Following discussion with on call staff there was a concern raised about the impact of the additional call rotation would have. A few meetings were held to discuss the issue with a final meeting held on October 13th.

The following options were identified along with comments:

1.	<i>Follow the contract and institute a 2nd on call person (fall back option)</i>	
2.	<i>Have one person on call in a 8 week rotation and provide a cell phone for the five linemen.</i>	<i>-concern that servicemen would have their number of calls impacted</i>
3.	<i>Have one person on call (rotation of eight), provide a cell phone for the 5 linemen and have the servicemen on second call once over the 8 week rotation.</i>	
4.	<i>Have one person on call in a 8 week rotation and provide a cell phone for the all 8 on call staff.</i>	<i>-concern that servicemen would receive few or no calls on their cell phones which would be poor public image</i>
5.	<i>Have 5 linemen on first call and 3 servicemen on second call, have 5 phones for linemen and have servicemen take service calls in evenings and weekends.</i>	<i>-plan complicated and not fully developed</i>

It was agreed to have a trial period of Option 3 for a period of one year, subject to cancellation by either party if the plan is found to be unworkable .

There was a discussion on the approach to On-Call work.

The following principals were identified:

1. *There should be fairness*
2. *The right person for the job should be used if possible*
3. *Best and most efficient response for customer*
4. *Safety of staff and public*

Based on the principals the following guidelines were identified:

1.	<i>1st on call lineman should pass along service calls</i>	<i>Often it makes sense for servicemen to take service calls where their experience would allow for quicker resolution of the problem. This would also help to share the benefit/burden of on call work. Some cooperative effort will be needed to between the lineman and service call to assure that there is fairness in responding to calls</i>
2.	<i>Lineman should be used for linework</i>	<i>Linework requires that the skills of the line trade are needed. Ideally the second person would be a lineman to be able to provide better assistance to</i>

	<i>get the customer. Normally planned work that requires linemen will not require a serviceman.</i>
3. <i>There should be no unproductive staff continue to be paid during a trouble call out.</i>	<i>When a serviceman responds to a call and it turns out that linemen are needed to make the repair once they are not needed they can go home. In the case of work in Killaloe they will often be needed to provide the communication back up.</i>

Understanding

In lieu of the assigned second person on call as allowed by Article O-7.07 it is agreed to continue with the option 3 arrangement as follows:

1. A cell phone will be provided to the 5 linemen for their use with the intention that:
 - a. A cell phone will be provided by the company and it will be carried when practical as a means of contacting them by the on-call person or supervisor for additional assistance during non working hours.
 - b. They will be responsible for any additional costs of the cell phone due to personal use,
 - c. When called, they will advise the caller if they are fit and available for providing assistance or if not when they could be available.

2. When a lineman chooses to use his personal phone a payment of \$20/month will be made to offset his personal cell phone costs.

3. The on call schedule will consist of an 8 person rotation of linemen and servicemen as well as a 2nd on call service person that will each serve once during the 8 week rotation.

It is recognized that that this option does not guarantee that a qualified linemen will be available for call out and the cooperation of management and the union will be required to achieve the goal of having an on call scheme that is workable and fair for those involved including and most important providing excellent service to our customers.

If this arrangement is found to be unworkable and ORPC is unable to respond to outage conditions it may be cancelled by management and Article 7.07 will be followed.

Signed 
 IBEW _____ ORPC  _____

June 6, 2008