

AMPCO Interrogatory #006

Ref: Exhibit A4, Tab 1, Schedule 1, Business Transformation

Issue Number: 1.2

Issue: Are OPG's economic and business planning assumptions for 2014-2015 appropriate?

Interrogatory

- a) Page 1 – OPG will use attrition to reduce its year-end 2015 staff level by 1,300 employees which is expected to reduce OPG's OM&A by \$550 M between 2011 and 2015 attributable to regulated operations.
 - i) Please restate these employee reductions based on FTEs.
 - iii) The Auditor General's Report released in December 2013 reviewed OPG's Human Resources and found no direct correlation between Business Transformation initiatives and positions eliminated through attrition. Please discuss.
- b) Page 5 – Staff reductions of approximately 1,000 were achieved by the end of 2012, with the 2013-2015 Business Plan targeting the remaining reduction of 1,000 employees.
 - i) Please provide the actual reductions for 2013 and forecast reductions for 2014 and 2015 and the corresponding savings broken down by regulated and non-regulated.
 - ii) Please provide any changes in 2014 and 2015 reductions based on the 2014 to 2016 Business Plan.
 - iii) Please provide the staff reductions planned for 2016.
- e) Page 6 – Chart – Trending Hires and Staff Levels -Please provide the actual hires for 2013.
- f) Please provide a table that shows FTE vacancies for 2010 to 2013 actuals and forecast for 2014 and 2015.
- g) Page 6 – Please provide a description of the 5 new behaviours identified as culture shifts that OPG must accomplish in order to sustain change.
- h) Page 6 – Please provide the original and updated OPG Values.
- i) Page 8 – For 2013 to 2015 please provide details on the scope of work for external consulting assistance for business transformation and explain how the costs are allocated between regulated and non-regulated.
- j) Page 8 – Please provide forecast business transformation costs for 2016 to 2020.
- k) Page 8 – Please discuss if the internal staffing costs for business transformation for the years 2011 to 2015 include new hires.

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2 l) Please summarize the savings resulting from Business Transformation activities from 2010-
3 2015.
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6 Response
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8 a) i) Please refer to Ex L-6.8-1 Staff-100.
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10 iii) OPG's Business Transformation ("BT") objective is to reduce staff levels by 2,000
11 employees by the end of 2015. Based on staffing levels in 2011, this represents close to a
12 20% reduction in OPG's headcount. The magnitude of these reductions required a
13 significant focus on streamlining and transforming the way OPG does things in order to be
14 able to operate sustainably at these lower staffing levels.
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16 To achieve the work reductions required, each BU identified areas where work could be
17 streamlined or eliminated and developed initiatives to achieve these changes. The initiatives
18 were developed throughout OPG; they were not limited to areas where attrition was
19 expected to take place.
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21 For the 2013 - 2015 Business Plan, headcount targets were developed based on expected
22 attrition over the period. Given OPG's workforce demographics, attrition is the most cost
23 effective way to meet our headcount reduction targets.
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25 However, attrition does not always take place in the areas in the company where work has
26 been eliminated. To align the staff and the work, OPG plans to move resources from areas
27 where the work was eliminated to areas where attrition may have outpaced work elimination.
28 About 90% of OPG's workforce is unionized and organizational changes must be managed
29 through specific processes in OPG's collective agreements. OPG has commenced this
30 redeployment process to achieve the necessary alignment between staff levels and work
31 requirements and to provide greater flexibility in staff deployment in the future.
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33 For instance, placing employees in broader job documents allows OPG greater flexibility to
34 assign staff new work. This helps OPG manage gaps between where work has been
35 eliminated and attrition has occurred. For example, OPG is moving to place all of the section
36 head positions in the CIO group under one job document. Currently there are 16 positions
37 with 8 different job documents. By placing all 16 positions under one job document, OPG will
38 gain flexibility to reassign work across the broader pool of 16 positions. Other examples of
39 this include moving to common job documents for roles across hydro and thermal plants and
40 standardizing environmental advisors into one job document to facilitate the adoption of a
41 single OPG-wide Environmental Management System.
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43 b)

44 i) The actual headcount reduction from ongoing operations for all of OPG in 2013 was 579
45 staff, of which approximately 427 staff is attributed to the regulated operations including
46 newly regulated hydroelectric. The resulting additional savings in 2013, calculated using the