

OPG
EB-2013-0321
Board Staff Compendium
Panel 1



Ontario Energy Board

Performance Standards for Processing Applications

For Applications filed on or after April 1, 2009

Note: For Applications filed on or before March 31, 2009, please see the archive.

The Board's processes ensure that parties are given the opportunity to fully and fairly present their case. At the same time, subject to the overriding concern for fairness, the Board is committed to processing applications in an efficient and timely manner. A listing of timelines for processing various applications has been provided below. This listing describes typical application types filed with the Board and whether they result in oral or written hearings.

The Board is committed to follow these timelines but it should be noted that they are based upon the full scope of procedural events associated with each application type taking place in a predictable manner. This includes the evidentiary requirements of the applicant and the intervenors. The timely filings of the applicant and intervenors are important requirements if the Board is to achieve greater efficiency in processing applications.

APPLICATION TYPE	TOTAL PERIOD ELAPSED TO BOARD DECISION (calendar days)
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Municipal Franchise or Certificate

Oral Hearing	205
Written Hearing	90

Leave to Construct or Gas Storage Designation

Oral Hearing	210
Written Hearing	130

Well Drilling

Oral Hearing	210
Written Hearing	130

Licence

Individual Application - Oral Hearing	210
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Individual Application - Written Hearing	130
Individual Application - Written Hearing - One Step Notice	90 (60 days for Feed-in Tariff applications)

Mergers, Acquisitions, Amalgamations and Divestitures

A review of a SECTION 80 or 81 notice of proposal under SECTION 82 (Generation, Transmission, Distribution Ownership Prohibition)

Oral Hearing	220
Written Hearing	170

Sections 86 (Change of Ownership or Control of Systems)

Oral Hearing	180
Written Hearing	130

Distribution Rates

Oral Hearing	235
Standard Written Hearing	185
Streamlined Written Hearing	140

Quarterly Rate Adjustment Filings - Gas

Written Review	21
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General Application

Motion to Review - Oral Hearing	170
Motion to Review - Written Hearing	120

Page last updated 2013-05-07



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2
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Business Transformation

1.0 PURPOSE

This evidence discusses OPG's Business Transformation initiative ("BT"). Business Transformation supports the alignment of OPG's costs with its declining generation capacity and OPG's mission to be Ontario's low cost generator of choice.

In summary, under BT, OPG will use attrition to reduce its year-end 2015 staff level by 2,000 employees with the potential for further reductions in later years.¹ This decreased staff level is expected to reduce OPG's OM&A by \$700M between 2011 and 2015².

To sustain these staff reductions, OPG has moved to a centre-led model to use resources more efficiently and avoid duplication of work. Each business unit has launched a number of initiatives to improve efficiencies and reduce work through process streamlining. These initiatives will drive sustainable change in the business, while ensuring that changes do not impact the safety, reliability and environmental sustainability of OPG's operations.

Attachment 1 to this evidence is a list of key BT Initiatives.

2.0 OVERVIEW

This evidence is organized as follows. Section 3 provides general information on BT, including background, objectives, and execution strategy. Section 4 describes how BT is integrated within OPG's Business Plan. Section 5 discusses, at a high level, the key organizational changes that result from executing BT. Section 6 covers BT costs.

¹ This figure represents projected total OPG staff level reductions, not including the impact of hiring for Darlington Refurbishment and New Build.

² Approximately 1,300 staff and \$550M are attributable to regulated operations.

UNDERTAKING JT2.33

Undertaking

To review and confirm a table by Board Staff regarding FTEs and headcount, and provide information for missing categories as appropriate, before the settlement conference.

Response

The table on the following page shows headcount, FTE and employee costs for OPG's regulated facilities. For clarity, the following information and definitions are provided:

Headcount is defined as the number of persons employed as of December 31 of the given year, including both regular and non-regular staff.

Regular Staff are as defined in Ex F4-3-1, page 5, starting at line 20. Non-Regular Staff are as defined in Ex F4-3-1, page 5, starting at line 25.

Employee costs are total base salary and wages, overtime, incentive pay, fiscal year adjustment and total benefits including current service cost of pension and OPEB costs as noted in the notes page of Ex F4-3-1, Attachment 6.

Non-regular staff figures have not been broken down by representation (i.e. management, Society and PWU).

Nuclear staffing and employee cost data has been presented in two categories, "Nuclear Operations and Projects" and "DRP and New Nuclear" as opposed to the three categories requested by Board Staff. A breakdown of data into "Operations" and "Projects" was not possible in the time frame.

As noted in Ex L-6.8-1 Staff 100, OPG's Business Transformation headcount reduction targets are in reference to regular staff, not non-regular staff and are in reference to ongoing operations, which exclude DRP and New Nuclear. OPG has added several lines in Board Staff's table, in addition to those originally provided, in order to address undertaking JT2.32's request for "number of ongoing regulated regular employees".

As this application is based on the 2013 – 2015 Business Plan, OPG has used data consistent with the 2013 – 2015 Business Plan.

Certain simplifying assumptions were made in the allocation of headcount data and 2013 actual costs. The same labour percentages used to allocate FTEs in the preparation of Ex F4-3-1 Attachment 6 were also used to allocate headcount. For 2013 actual compensation, the same percentages for payroll burden and statutory benefits used in the preparation of Ex F4-3-1 Attachment 6's 2013 budget figures were used.

Headcount, FTE and Employee Costs for OPG's Regulated Facilities								
Line #		2010	2011	2012	2013		2014	2015
		Actual	Actual	Actual	Plan	Actual	Plan	Plan
	Headcount							
1	Nuclear Operations & Projects	8,246	7,901	6,556	6,542	6,362	6,329	6,210
2	DRP and New Nuclear	153	241	227	270	198	266	276
3	Allocated Corporate Support to Nuclear	871	857	1,941	1,880	1,883	1,759	1,683
4	Previously Reg Hydro Operations	365	376	343	342	319	339	337
5	Allocated Corp Support to Previously Reg Hydro	87	79	103	102	102	102	96
6	Newly Reg Hydro Operations	609	617	589	584	571	591	573
7	Allocated Corp Support to Newly Reg Hydro	127	113	143	129	128	144	138
8	Total (Regular and Non-Regular Staff)	10,458	10,184	9,902	9,850	9,563	9,529	9,314
9	Less DRP And New Nuclear Regular Staff (Incl Allocated Corp Support)	176	283	290	365	276	367	378
10	Less All Non-Regular Staff (incl DRP & New Nuclear)	496	463	449	539	551	464	460
11	Regular Staff in Ongoing Operations	9,786	9,438	9,163	8,946	8,736	8,698	8,475
	FTE							
12	Nuclear Operations & Projects	8,292.5	7,988.6	6,536.7	6,547.8	6,353.6	6,315.6	6,243.9
13	DRP and New Nuclear	152.9	226.5	225.1	259.4	200.6	264.1	276.0
14	Allocated Corporate Support to Nuclear	875.0	876.1	2,037.2	1,903.2	1,910.6	1,790.6	1,714.1
15	Allocated Corp Support to Previously Reg Hydro	359.7	369.4	343.8	346.8	321.5	343.1	340.9
16	Previously Reg Hydro Corp Support	88.7	80.8	108.9	104.7	103.0	104.6	97.8
17	Newly Reg Hydro Operations	584.3	617.4	600.9	596.8	584.0	599.5	582.2
18	Allocated Corp Support to Newly Reg Hydro	127.7	115.6	152.8	132.5	129.1	148.6	140.8
19	Total (Regular and Non-Regular Staff)	10,480.8	10,274.4	10,005.5	9,891.2	9,602.5	9,566.1	9,395.6
20	Less DRP And New Nuclear Regular Staff (Incl Allocated Corp Support)	178.3	268.6	290.7	355.4	280.2	368.1	380.4
21	Less All Non-Regular Staff (incl DRP & New Nuclear)	787.2	698.6	635.0	485.9	676.2	423.8	475.4
22	Regular Staff in Ongoing Operations	9,515.3	9,307.2	9,079.8	9,049.8	8,646.0	8,774.3	8,539.8
	Headcount (regular and non regular)							
23	Management	1,067	1,039	1,015	1,108	978	1,084	1,063
24	Society	3,292	3,198	3,066	3,101	2,876	2,995	2,937
25	PWU	5,603	5,484	5,372	5,102	5,159	4,986	4,853
26	Sub Total - Regular	9,961	9,721	9,453	9,311	9,012	9,065	8,853
27	Non-Regular	496	463	449	539	551	464	460
28	Total (Regular and Non-Regular Staff)	10,458	10,184	9,902	9,850	9,563	9,529	9,314
	FTE (regular and non-regular)							
29	Management	1,101.7	1,099.2	1,095.6	1,124.5	1,091.0	1,101.0	1,076.3
30	Society	3,269.0	3,254.6	3,112.6	3,146.9	2,909.2	3,043.3	2,965.6
31	PWU	6,012.9	5,840.7	5,711.0	5,564.7	5,542.0	5,371.7	5,300.3
32	EPSCA	97.2	79.8	86.3	55.1	60.2	50.1	53.4
33	Total (Regular and Non-Regular Staff)	10,480.8	10,274.4	10,005.5	9,891.2	9,602.5	9,566.1	9,395.6
	Employee Costs (\$million)							
34	Nuclear Operations & Projects	1,274.6	1,281.5	1,135.7	1,166.1	1,242.7	1,143.6	1,163.9
35	DRP and New Nuclear	23.1	36.3	37.6	49.5	41.7	52.2	55.2
36	Allocated Corporate Support to Nuclear	122.4	129.1	268.2	297.8	291.7	290.1	280.5
37	Previously Reg Hydro Operations	50.4	54.5	51.8	57.1	53.7	58.4	59.0
38	Allocated Corp Support to Previously Reg Hydro	12.7	13.1	15.9	17.7	17.4	17.9	16.8
39	Allocated Corp Support to Newly Reg Hydro	79.2	87.9	91.5	102.1	96.1	105.8	104.1
40	Newly Reg Hydro Corp Support	18.6	18.7	23.0	23.6	22.5	26.4	25.3
41	Total	1,581.0	1,621.0	1,623.7	1,713.8	1,765.8	1,694.4	1,704.9
	Employee Costs (\$million)							
42	Management	222.8	230.9	220.8	238.5	233.1	238.2	233.5
43	Society	522.9	541.0	543.4	570.1	567.3	556.7	551.5
44	PWU	820.9	837.9	847.6	897.6	897.5	893.0	912.8
45	EPSCA	14.4	11.3	11.9	7.6	67.9	6.6	7.1
46	Total	1,581.0	1,621.0	1,623.7	1,713.8	1,765.8	1,694.4	1,704.9

Notes

1. Employee Costs: Total of Base Salary & Wages, Overtime, Incentive Pay, Fiscal Year Adjustment and Total Benefits
2. Plan figures for 2013, 2014 and 2015 are based on 2013-15 Business Plan
3. Headcount, FTE and Employee Cost plan figures exclude New Nuclear since the proposed revenue requirement excludes New Nuclear costs as discussed in Ex F2-8-1.

Headcount Reductions

The additional reduction in headcount from ongoing operations of 1,000 over the 2013-2015 period will be achieved by aggressively pursuing efficiencies and restructuring

- Nuclear headcount decreases by ~425 or 8% over the 2013-2015 period through various efficiency initiatives, including the amalgamation of the Pickering A and B stations



- Support Services headcount decreases by ~275 or 12%, over the 2013-2015 period through Business Transformation initiatives. Under a centre-led organizational structure, Support Services now includes certain operational functions such as: Business and Administrative Services includes Supply Chain and warehousing operations; Finance includes Nuclear Oversight; and People and Culture includes the Nuclear Training division.

- Darlington refurbishment headcount increases over the period as engineering, operations and oversight staff join the project organization during the detailed planning stage
- Nuclear new build headcount remains steady until such time as a decision is made on the future of the project. The plan currently does not assume execution of this project, hence there is no increase in headcount.

	Actual		Budget *		Business Plan *	
	2012	2013	2013	2014	2014	2015
Nuclear Operations	5,510	5,325	5,325	5,195	5,083	
Nuclear Projects	728	713	713	701	698	
Hydro/Thermal Operations						
CO&E	176	176	176	165	153	
Total Operations						
BAS	1,083	1,039	1,039	980	924	
Finance	382	361	361	335	308	
People & Culture	598	623	623	596	573	
Corporate Office	158	156	156	149	144	
Total Support Services	2,221	2,179	2,179	2,060	1,949	
Ongoing Operations						
Darlington Refurb	180	247	247	266	276	
Nuclear New Build	33	23	23	21	21	
Total OPG						

*Headcount numbers are adjusted for organizational changes □