

**PALIARE
ROLAND**

BARRISTERS

Richard P. Stephenson

T 416.646.4325 Asst 416.646.7419
F 416.646.4301
E richard.stephenson@paliareroland.com
www.paliareroland.com

September 4, 2014

File 20741

VIA COURIER and RESS FILING

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

Dear Ms. Walli:

Re: Application by Hydro One Networks Inc. for an exemption from sections 7.5.1 and 7.5.2 of the Distribution System Code (EB-2014-0247)

Attached please find the Power Workers' Union's comment with regard to Hydro One Networks Inc.'s application to the Ontario Energy Board for an exemption from sections 7.5.1 and 7.5.2 of the Distribution System Code.

Yours very truly,
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP


Richard P. Stephenson
RPS:pb

Encl.

c: John Sprackett, PWU (*via email*)
Kim McKenzie, Elenchus (*via email*)

Doc 1231816 v1

Chris G. Paliare
Ian J. Roland
Ken Rosenberg
Linda R. Rothstein
Richard P. Stephenson
Nick Coleman
Margaret L. Waddell
Donald K. Eady
Gordon D. Capern
Lily I. Harmer
Andrew Lokan
John Monger
Odette Soriano
Andrew C. Lewis
Megan E. Shortreed
Massimo Starnino
Karen Jones
Robert A. Centa
Nini Jones
Jeffrey Larry
Kristian Borg-Olivier
Emily Lawrence
Denise Sayer
Tina H. Lie
Jean-Claude Killey
Jodi Martin
Michael Fenrick
Jessica Latimer
Debra Newell
Lindsay Scott
Alysha Shore
Gregory Ko
Denise Cooney

COUNSEL

Stephen Goudge, Q.C.
Robin D. Walker, Q.C.

HONORARY COUNSEL

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

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 WELLINGTON STREET WEST 35TH FLOOR TORONTO ONTARIO M5V 3H1 T 416.646.4300

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998;

AND IN THE MATTER OF an Application by Hydro One
Networks Inc. for an exemption from sections 7.5.1 and
7.5.2 of the Distribution System Code (EB-2014-0247)

Comments of the Power Workers' Union

I. INTRODUCTION

1. Hydro One Networks Inc. ("Hydro One") is requesting that the Ontario Energy Board ("the Board") grant Hydro One:

- a) An exemption from section 7.5.2 of the Distribution System Code ("the Code") as it applies to section 7.5.1. Section 7.5.1 directs distributors' obligations respecting missed and re-scheduled appointments with customers. Section 7.5.2 requires that these obligations be met 100 per cent of the time on a yearly basis. Hydro One is requesting that the Board grant, on a permanent basis, an exemption from the 100 per cent requirement and, instead, direct Hydro One to meet these requirements 90 per cent of the time on a yearly basis.
- b) An immediate, interim stay of the obligations specified in sections 7.5.1 and 7.5.2 of the Code, as of the date of this Application, until such time as the Board renders a final decision on this matter.

II. Power Workers' Union's COMMENTS

a. Exemption from section 7.5.2 of the Code

2. The Power Workers' Union ("PWU") supports Hydro One's request for permanent exemption from the 100 per cent requirements of section 7.5.2 of the Code, and a

direction from the Board that would require Hydro One to meet the requirements 90 per cent of the time on a yearly basis for the following reasons:

3. It is practically impossible for Hydro One to comply with the requirements of section 7.5.2 100 per cent of the time. Hydro One's performance for the period 2010-2013 ranged from 79 per cent in 2011 to 98 per cent in 2010 and 2012.¹ Similarly, Hydro One's performance with respect to Missed Appointment rescheduling by zone ranges from 75 per cent in the Northeast to 100 per cent in the Northwest, resulting in an average performance of 87 per cent.² In fact, in five out of the eight zones, performance has been below 90 per cent. Obviously, Hydro One's ability to meet the OEB target for Rescheduling Appointments is constrained not only by the volume of appointments but also by the size and topography of its service territory. The evidence before the Board indicates that Hydro One has never met the 100 per cent requirement and according to Hydro One it may never be able to, at least on a consistent basis over an extended period of time.³ If the Board denied Hydro One's request, Hydro One would be forced to request the Board for temporary exemption (for example for a 6-month exemption) year after year, which in the PWU's view would be inefficient and would provide no value to ratepayers or the Board.

4. If the Board were to deny Hydro One's request, Hydro One would be forced to give priority, in allocating resources, to meeting the 100 per cent requirement even in situations where Hydro One faces real emergencies, such as a major storm or tornado that may require the complete devotion of all field and clerical staff while restoration efforts are underway. And yet, it is possible that Hydro One may not be able to meet the 100 per cent obligation even after resources are diverted from more pressing work schedules such as responding to major storms. The PWU submits that such reallocation of efforts as a result of the Board's denial of the requested exemption is neither prudent nor cost efficient and will compromise Hydro One's ongoing distribution system service reliability performance.

5. The 90 per cent requirement which Hydro One is proposing is consistent with other time-based requirements in the Code such as section 7.3 which deals with

¹ EB-2013-0416, Exhibit A, Tab 18, Schedule 1, Appendix A, Page 3

² EB-2013-0416, Exhibit I, Tab 2.01, Schedule 6, VECC 32, C

³ EB-2013-0416, Technical Conference, July 21, Transcript, Page 220

Appointment Scheduling and section 7.4 that deals with Appointments met, both of which provide that the respective service quality requirements must be met at least 90 percent of the time on a yearly basis.

6. Hydro One has indicated, notwithstanding its request for a 90 per cent accomplishment, that it will nonetheless continue its best efforts to fulfill these requirements 100 per cent of the time.⁴

b. Interim stay of the obligations under sections 7.5.1 and 7.5.2 of the Code

7. The PWU submits that the Board should grant Hydro One the requested stay.

8. In the PWU's view, a refusal of a stay will not change the reality that Hydro One will be unable to comply fully with sections 7.5.1 and 7.5.2 of the Code. On the other hand, a refusal of the requested interim stay will have two undesired consequences.

9. First, in the absence of the interim stay, Hydro One will be out of compliance with sections 7.5.1 and 7.5.2 of the Code until such time as the Board renders a final decision on this matter or revises its Code provisions. This would expose Hydro One to various potential repercussions including non-compliance with regulatory and licence conditions which in turn can damage Hydro One's image in the eyes of the public, the financial sector and credit rating agencies.

10. Second, as noted earlier, a refusal of the interim stay would force Hydro One to reallocate resources away from other priority work programs particularly those involving unexpected emergency situations such as major storms. The PWU submits that such reallocation of efforts as a result of the Board's denial of the requested stay is neither prudent nor cost efficient and will compromise Hydro One's service reliability performance.

All of which is respectfully submitted.